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EXPANDING CAPACITY AT HEATHROW AIRPORT
Designing a Campaign from a Stakeholder Perspective

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Abstract

Airport capacity in South East England is reaching its maximum, and is forecasted not to be able to accommodate the demand for future air passenger figures. In our globalised world, aviation is an important growth driver through accessibility of people and goods to other markets, and the British Government therefore sought to find a deliverable and effective solution to expand capacity, assessing the major airports in the region. This included examination of options to expand Heathrow Airport, the country's largest airport and an important global aviation hub. In its decision, the government was obliged to balance claimed monetary benefits argued to derive from expansion against potential non-monetary costs, such as negative impacts on the climate and human rights. It thereby faced a troublesome dilemma.

This thesis examines how Heathrow Airport attempted to influence the government's decision by adjusting its communications efforts to comply with the interests and dynamics of its stakeholders, while also complying with the climate targets and human rights acts the British Government has committed itself to, and at the same time being a driver for economic prosperity. In order to do this, identification of stakeholders and the salience of these, and an examination of the economic and societal macro factors believed to influence the process and the decision were investigated. The study highlights the complexity of these by identifying numerous essential stakeholders, demonstrating local communities to be strikingly salient, although the decision was to be made by the government. Additionally, it determines extensive uncertainties in the forecasted demand of passengers, from that pointing to uncertainties of the claimed benefits argued to derive from expansion. It also shows that Heathrow Airport risks to abuse the human rights of its neighbours, and how the risk of doing so can potentially hurt expansion and the airport's business. Given the government's commitments, it additionally points to how Heathrow Airport addressed these in its campaign, thereby strengthening the relation to its most salient stakeholders by actively incorporating their interests in its campaign's communication and its planning proposals.

Based on the above, the study concludes that Heathrow Airport adapted its communications strategy to comply to its stakeholders' interests in order to reduce opposition, and thereby consequentially affected the final outcome. In October 2016, the government decided to expand capacity at Heathrow Airport, stating that the airport is deliverable on air quality limits, as long as necessary mitigation measures are carried out. However, the government stresses that the airport must meet legal requirements on air quality in order for construction to begin. Heathrow Airport must therefore continue to convince the government that it is able to meet the requirements to obtain its planning approval. Finally, the study discusses potential changes to its results, had similar analysis been carried out by the government. It also discusses the effects the forthcoming Brexit might have on expansion, exhibiting that triggering Article 50 negotiations could impact free movement of people and agreements on trade, potentially harmful to the benefits of expansion, depending on the outcome of the anticipated negotiations with the EU, while it indicates further insecurities about future airport capacity demand.

Building an analytic framework that includes assessments of issues relevant to key stakeholders is critical, as it creates a frame in which the organisation can plan its campaign to achieve its business objectives by addressing these strategically and in timely manner, argued to thereby limit resistance and risks.

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List of Abbreviations

AC   *Airports Commission*

The commission created by government to independently assess proposals from airports to give its recommendation on where to expand airport capacity from a scientific and analytic standpoint independent of politic views. (Department for Transport & McLoughlin, 2012)

DfT   *Department for Transport*

The ministerial department responsible for supporting the UK's transport network through policy development, guidance and investment in transportation, ranging from cycling and motorways to railways and aviation, to boost economic growth and opportunity, improving the transportation system and securing safe, secure and sustainable transportation. (Department for Transport, 2017a)

Hub   *Hub airport*

Categorised as strategically located airports with facilities, operations and carriers offering flights to a significant number of destinations and in which passengers can arrive from one destination and transfer to a large number of other destinations in a large number of countries. Contrary to hub airports are point-to-point airports that offer routes to and from particular destinations, rather than transfers. (Your Heathrow, 2014a) Hub airports include Singapore Changi Airport, Dubai International Airport, Amsterdam Schiphol Airport, Paris Charles De Gaulle Airport, Frankfurt Airport and London Heathrow Airport.

CHAPTER ONE: INTRODUCTION

1 Introduction

Expanding airport capacity has been on the British Government's agenda for decades aiming to find an effective and deliverable solution for the UK to maintain its position as one of Europe's main aviation hubs (Airports Commission, 2015a). The UK's position in global aviation is argued to be critical for its economy, productivity, growth and employment opportunities. Along noticeable benefits, aviation also brings environmental costs and negative impacts on local communities. The government is committed to drive growth and create jobs to enhance living standards and opportunities for its citizens, but has also committed itself to a Climate Change Act, the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the International Bill of Human Rights (IBHR). Hereby, it should protect its citizens against human rights abuses by businesses and must secure that remedy is provided in human rights abuse cases. (Parliament, 2017a) The government thereby faced the dilemma of driving economic growth, while still protecting the climate and human rights, and to balance these in its decision.

Thereby, expansion is crucial: The main airports operate under massive pressure – Heathrow Airport is at maximum capacity, and has been for decades, and Gatwick Airport is quickly approaching the same point. London airport capacity is estimated to be full by 2040, argued to limit growth regionally and nationally. Other UK airports still operate with spare capacity, but with no availability at the main airports, airlines are beginning to launch routes from airports in other European countries, believed to have massive impact on the UK economy; hence the attention from government. No new full-length runway has been built in South East England since the 1940s, resulting in fierce competition between the airports to obtain expansion. As the country's largest airport, Heathrow Airport has fought intensely to obtain approval for an extra runway, navigating in a field of opposing local communities and political actors. Around Heathrow, members from local communities have actively worked to prevent expansion by mobilising protesting groups, hoping to avoid the negative impact a larger airport could have.

2 Research Question

Based on the above, the thesis sets out to answer the following:

How did Heathrow Airport adjust its campaign to comply with its stakeholders' dynamics and interests in attempt to influence government decision?

Sub-questions

- Which stakeholders are present and which have been most salient?
- Which macro factors have influenced the process and ultimately the decision?
- How has resistance from stakeholders modified Heathrow's communication?

3 Scope and Limitation of the Study

The purpose of the study is to analyse how Heathrow Airport has incorporated its stakeholders' interests and the dynamics between them in its campaign in attempt to ultimately influence the government's decision on where to expand airport capacity in South East England. To do so, the thesis will discuss and examine the costs and benefits that derive from expansion, identify which stakeholders are present, which salience these have, and how the costs and benefits might affect them. The analysis of costs and benefits will not include calculations of its own to test figures stated, but will merely include these to identify and compare figures argued by stakeholders to be obtained from expansion, thereby showing potential insecurities in the arguments put forward. Furthermore, the study sets out to examine how Heathrow's communications methods may have changed to comply with salient stakeholders in order for Heathrow to obtain approval of expansion from the government.

The study thereby examines a process that has occurred in a limited timeframe. It begins by listing significant elements related to the expansion plan starting from 2000, where the DfT forecasted an increase in future demand, whereas the analysis concerns itself with a timeframe from 2013, where Heathrow applied to expand, to when the government's decision to expand at Heathrow was made in October 2016. However, it continues to look beyond the delimited period, as the case to expand continues to be on the agenda politically and among the public, particularly in communities near Heathrow. The study does not make recommendations for further stakeholder

campaign or communications material, but does discuss the effects the UK's forthcoming exit from the EU, known as Brexit, might have on the success of the expansion.

Originally, the study set out to include an interview with Heathrow regarding its communication strategy and relation to its stakeholders. After numerous attempts of contacting Heathrow's communications team and its Community Relations team, it has not been possible to obtain an interview with a Heathrow representative. The aim of an interview with Heathrow was to gain insight into the actual thoughts and reasons behind its communication regarding expansion. Instead, publicly available information from Heathrow and involved parties is included. The questions originally planned for an interview with Heathrow are listed in appendix 1.

Despite being the most important aspect in aviation, the study does not examine safety, unless it is explicitly mentioned in arguments for or against expansion. Being one of the world's largest airports, it is assumed that safety regulations are met and considered in capacity designs, as Heathrow would otherwise not be able to operate making expansion redundant altogether.

4 Relevance of Study

Globally, 35% of world trade by value is transported by air, adding up to US$6 trillion worth of goods, making aviation an extremely important national and international trade facilitator in today's globalised world (IATA, 2017). The term globalisation covers the global flow of capital, technology and media, as well as changes in human behaviour that result from globalisation. Trade levels between countries are higher than ever before and involve a much wider range of goods and services than in the past. (de Mooij, 2014) According to the International Air Transport Association (IATA), airlines transported 3.5 billion people and 51 million tonnes of cargo in 2015 with a workforce of approximately 10 million operating 100,000 flights daily. The industry is calculated to support the livelihood of nearly 63 million people and a GDP of US$2.7 trillion. (IATA, 2016) Global economy depends on the possibility to deliver products at competitive prices worldwide and on interaction across borders to which aviation contributes massively. Airport capacity is thereby argued to be crucial to uphold economic possibilities by meeting demands of new markets, trade figures and passenger transportation. The study is thus relevant, as

accessibility of goods and people is central in our globalised world. Today, the UK has the third-largest aviation network in the world. The UK aviation sector has a turnover of over £60bn, contributes over £22bn to the UK's GDP and almost one million UK jobs are directly or indirectly supported by it. But alongside the benefits comes challenges, and the benefits should therefore be balanced against aviation's environmental impacts, such as noise, air quality and CO_2 emissions. (Sustainable Aviation, 2016) The decision to expand at Heathrow Airport is therefore likely to be highly important to the UK economy, and the learnings from the process could be of interest to airports and governments seeking to expand capacity.

The study highlights that no organisation operates in a vacuum, but rather in a highly digitalised world, where more and more in the public are interested in the actions and behaviours of large organisations, while these opinions are easily distributed on digital platforms. The role of the media as a gatekeeper has to a large degree disappeared, making it easier for the general public to express themselves about organisations with a possibility of the views being spread rapidly and adopted by more members of the public. This forces organisations to include these views to a larger degree than historically.

More specifically, the study's findings could then be of interest to corporations planning to undergo changes that will impact its stakeholders, particularly in cases where the surrounding community is a salient stakeholder. One example is Copenhagen Airport that has launched its Expanding CPH campaign. Concretely, it involves closing a runway to expand terminals and facilities, as the issue in Copenhagen Airport is lack of capacity of gates, check-in facilities, luggage handling etc. rather than runway capacity (Copenhagen Airports A/S, 2017a). Closing the runway must be approved by the Danish Government as main regulator, similar to the dynamic between Heathrow and the UK Government. Copenhagen Airport is surrounded by the municipalities Tårnby, Dragør, and Copenhagen, which are likely to be subject to changing noise patterns. Copenhagen Airport has expressed interest in reading the study to gain insight into relevant findings that could advantageously be incorporated in its campaign that is of interest to similar stakeholder groups as in Heathrow.

CHAPTER TWO: BACKGROUND AND CONTEXT

5 Heathrow Airport – Company Profile

Heathrow Airport is located 22.5 km south of London in South East England and operates not only as London's but also as England's main aviation hub. Heathrow is one of five airports used for commercial aviation in London, along with Stansted, Gatwick, Luton and London City, making it one of the world's busiest city airports systems. The airport opened in 1946 under the name London Airport after having been shortly used to assemble and test aircrafts. Since then, the airport, which was named Heathrow in 1966, has expanded massively in its 70 years of operation and has become a strong actor in the aviation industry. Heathrow serves direct routes to more than 190 destinations in 82 countries provided by approximately 80 airlines, and more than 76,000 people are employed in the airport to keep it in operation 24 hours a day year-round. Today, the airport houses Terminal 2, 3, 4, 5 and two runways. Over 67 million passengers travel through Heathrow annually – in its opening year, the airport serviced 63,000 passengers. Heathrow is the main international hub in the UK, the busiest in Europe in terms of passenger traffic and the sixth busiest airport in the world by total passenger figures. (LHR Airports Limited, 2017a) (LHR Airports Limited, 2017b)

Heathrow Airport is owned by Heathrow Airport Holdings Limited, which is in turn owned by the consortium FGP Topco Limited led and owned by seven companies: Ferrovial S.A. (25.00%), Qatar Holding LLC (20.00%), Caisse de dépôt et placement du Québec (12.62%), the Government of Singapore Investment Corporation (11.20%), Alinda Capital Partners (11.18%), China Investment Corporation (10.00%) and Universities Superannuation Scheme (USS) (10.00%) (LHR Airports Limited, 2017c). Despite private ownership, Heathrow is subject to regulation by the government's Civil Aviation Authority (CAA) and the Competition and Markets Authority (CMA), which is further explained in section 6.1. Furthermore, the government is responsible for supporting infrastructure and public transportation securing surface access to the airport, while expansion and construction of the new runway is to be financed by Heathrow Airport Holdings Limited.

6 Background and Context

In 2000, the DfT forecasted a significant increase in air passengers travelling through South East England, stating that current UK airports will not be able to accommodate future demand. The DfT's forecasts placed expansion of airport capacity highly on the political agenda, but conflicting views on expansion and the aviation industry complicated the process towards reaching a decision on whether to expand or not, as well as where. Numerous political actors have made conflicting statements regarding expansion, continuously changing the government's attitude towards expansion. To provide an overview of these, the following table lists a timeline of the main events during the process (based on Aldred, 2012 and ITV, 2016):

Table 1: Timeline of main events in the Heathrow expansion

Timeline	Event
2000	DfT forecasts significant increase of air passengers from 160 million in 1998 to 400 million by 2020, and projects the majority to pass through South East England.
June 2001	To keep pace with European airports, Labour ministers "seriously consider" expanding Heathrow.
July 2002	Labour Government outlines options for airport expansion to meet expected demand for air travel over the next 30 years. They include a third runway at Heathrow, a new four-runway airport near the Thames in North Kent and up to three new runways at Stansted. Transport secretary, Alistair Darling, stresses that doing nothing is "not an option", as existing capacity will not meet demand, but says that there may be challenges in terms of noise and air pollution.
December 2003	Government gives go-ahead for a second runway at Stansted by 2011, as it publishes a white paper that includes a third runway and sixth terminal at Heathrow by 2020 if limits on noise and air quality are met. Gatwick is ruled out until 2019 due to a non-expansion agreement.
December 2006	Government reaffirms two new South East England runways, including Heathrow's third runway.
August 2007	Protesters opposing the Heathrow expansion set up a Camp for Climate Action on the edge of Heathrow, resulting in clashes between police and protesters.
November 2007	The government outlines proposals for a third runway at Heathrow. A third runway could be built while meeting noise and air quality targets, government says. Yet,

	London mayor, Ken Livingstone, says the proposals undermine the battle against climate changes and urges the government to reduce demand for air travel by investing in rail infrastructure.
February 2008	Climate protesters climb the roof of the House of Parliament to stage an anti-expansion demonstration against the Heathrow expansion.
March 2008	Heathrow's new Terminal 5 has a disastrous opening with cancellations, baggage delays and queues. PM, Mr David Cameron says the 'humiliating' launch could hamper further Heathrow expansion.
August 2008	The EU warns that a third runway would 'significantly' breach air pollution guidelines.
September 2008	At their party conference, the opposing Conservatives pledge to scrap plans for a third runway, and instead opt for a high-speed rail network.
December 2008	Government announces that decision is postponed amid speculation that Cabinet is split.
January 2009	Labour Government backs a third runway despite opposition. PM, Gordon Brown says that the needs of the economy and the environment have to be balanced. There are fierce protests, not only from local residents, environmental groups and local councils, but also from Labour backbenchers, including Conservatives and Liberal Democrats.
March 2009	Labour is warned that airport operator BAA cannot lodge a planning application for the runway prior to election, meaning the Tories would scrap the scheme if election was won.
April 2009	Opposing councils, residents and environmental groups launch a legal challenge against the government's plans. They claim that runway consultations were flawed, that the decision was 'irrational', that a third runway risks breaching legal limits on noise and air pollution, that it will seriously undermine government's climate change targets and that the costs of the project have not been properly assessed and will not benefit the economy (Vidal, 2009).
October 2009	At a public meeting in Richmond, South East London, PM David Cameron says Heathrow expansion will not happen, saying *"no ifs, no buts"*.
March 2010	A high court judge declines to disallow government's planning proposal, but agrees that climate change threats have not been taken serious enough.
May 2010	At the general election, Labour loses and a coalition government is formed between the Conservatives and the Liberal Democrats. The new government scraps plans for a third runway at Heathrow, including extra runways at Stansted and Gatwick.
February 2012	A commission of business leaders calls on the government to reconsider all options for

	capacity in the South East, and denounces it as 'negligent' for ruling out a third runway.
March 2012	Both PM David Cameron and the Chancellor, George Osborne, acknowledge the need for expansion in the South East, and it is reported that they are prepared to once again look at Heathrow options.
September 2012	The AC is created. It is chaired by Sir Howard David and is to publish its final report in summer 2015.
December 2013	Following an interim report by the AC, the politicians are likely to have to decide between a new runway at either Heathrow or Gatwick. The AC is now set to carry out a detailed study of the shortlisted proposals for runways at Gatwick and Heathrow.
May 2014	Heathrow and Gatwick submit revised plans to the AC.
July 2015	The AC recommends building third runway at Heathrow. PM David Cameron guarantees that a decision will be made in 2015.
December 2015	The final decision is put off until summer due to *"further consideration on environmental impacts and the best possible mitigation measures* (ITV, 2016)*"*.
June 2016	Following the decision for the UK to leave the EU, David Cameron resigns leaving the decision on expansion for his successor, Theresa May.
October 2016	Government gives Heathrow's third runway green light.

The table above shows that numerous stakeholders are involved in the process adding to the complexity of the case. It also shows that the process has been long and has consisted of complicated negotiations between stakeholders. Although, there is great economic incentive for the country, not all support the decision due to different foci, as showcased throughout the background and context paragraphs.

6.1 Political Dispute: Where Should Capacity be Expanded?

Overall, decisions regarding airports all UK and aviation lie under the Department for Transport, and are also regulated by the two authorities The Civil Aviation Authority (CAA) and The Competition and Markets Authority (CMA). The CAA was established by the UK Government in 1972 to act as an independent aviation specialist and regulator to ensure that the aviation industry meets regulations and standards within safety, security risks, value for money, consumer

choice, consumer protection, and environmental performance (Civil Aviation Authority, 2017). For Heathrow Airport and Gatwick Airport, the CAA also regulates the airlines' charges, meaning how much the individual airline must pay to operate from the airports, as the two airports are evaluated to have significant market power. Alongside the CAA, airports are also regulated by the CMA. The CMA is an independent non-ministerial department established under the government's Enterprise and Regulatory Reform Act 2013 (ERRA13) set to promote competition for the benefit of consumers in and outside the UK and thus work to make markets work well for both consumers, businesses and the economy (Competition and Markets Authority, 2013).

However, the complicated process shown in the above timeline led the Secretary of State for Transport and the government to establish the independent Airports Commission to give its recommendation on where to potentially carry out expansion of airport capacity in England independently from parliament and politics. The AC was established in 2012 and was given a period of two years to objectively scrutinize expansion proposals from UK airports. After two years, the AC was to suggest its objective recommendation in a report to the government based on strengths and weaknesses of all shortlisted proposals, including the proposal from Heathrow. The AC was made up by six experts selected to represent a wide range of skills, backgrounds and experience. (Department for Transport & McLoughlin, 2012) The AC as to be chaired by Sir Howard Davies – a previous Governor of the Bank of England, former Chairman of the UK Financial Services Authority, former Director of the London School of Economics and Political Science as well as Professor of Practice at the Paris Institute of Political Science (Government, 2017a) - and to be assisted by an expert advisory panel with purpose of helping *"to access, interpret and understand information related to the case and make judgements about its relevance, potential and application* (Government, 2017b)*"*, as announced by Transport Secretary Patrick McLoughlin:

> *"Aviation is vital to the UK economy and we need to have a long term aviation policy which meets the challenges of the future. Sir Howard and his team will now take forward this vitally important work for the government and bring a much-needed fresh perspective to the debate."* – Transport Secretary Patrick McLoughlin, terms of reference for the Commission (Department for Transport et al., 2012).

The AC published its final report and recommendation in July 2015, stating in its foreword that:

"The independent Airports Commission was set up in late 2012 with a brief to find an effective and deliverable solution, and to make recommendations which will allow the UK to maintain its position as Europe's most important aviation hub." – Airports Commission (Airports Commission, 2015a)

6.2 Heathrow Sends Its Proposal

With the DfT, CAA, CMA and the establishment of the AC, national government is undoubtedly thoroughly involved, but local government also influences infrastructure projects. This section provides insight into involved local government actors, particularly in relation to land planning.

Heathrow is located in the Greater London in the South East, and is part of the constituency Hayes & Harlington where Labour's John McDonnell is currently elected MP (Parliament, 2017b). There are 11 other constituencies located near Heathrow Airport: Spelthorne, Brentford & Isleworth, Feltham & Heston, Windsor, Uxbridge & South Ruislip, Slough, Beaconsfield, Ealing North, Ealing Southall, Richmond Park and Twickenham (Your Heathrow, 2016a). Greater London consists of 32 boroughs, including the Borough of Hillingdon, where Heathrow is located. Hillingdon's local major is the Conservative's George Cooper. Hillingdon has 22 wards and has 65 elected councillors in its local council. The local government is responsible for local land planning, and has the power to determine how land is used under the government's Planning and Compulsory Purchase Act 2004 and the National Planning Policy Framework (Planning Inspectorate, 2017). Local level authorities are also responsible for land planning for larger infrastructure projects under the Planning Act 2008. The 2008 Act was set into effect to make decisions faster and more fair for contractors and the surrounding community. Under the Planning Act 2008 developers of infrastructure projects must send an application to its local council. On basis hereof, Heathrow sent an application to expand its land to the London Borough of Hillingdon Major Cases Planning Committee in May 2013, independently of the forthcoming recommendation from the AC. Having assessed the application, the Committee refused Heathrow's application in March 2014 (Hillingdon London, 2015). After rejection, Heathrow appealed the local level decision in September 2014 to the central level Planning Inspectorate, where applications traditionally undergo a process of six steps:

Pre-application, acceptance, pre-examination, examination, decision and post decision. The Planning Inspectorate must follow guidelines for major infrastructure projects formulated in The Planning Act 2008. Heathrow's application is thus submitted once again, now subject to examination by a national planning inspector. On the decision stage, the planning inspector must make a report that includes a recommendation for the Secretary of State for Transport (Planning Inspectorate, 2012). After this, the Secretary of State for Transport is to make an evaluation – a position held by the Conservative's Patrick McLoughlin at the time. However, no National Policy Statement (NPS) was set out by the government concerning new airport capacity (Your Heathrow, 2015a), making it impossible to make a decision based on existing government policies, leading Heathrow's land application stalemate. The government therefore began to create a NPS for airport capacity. The NPS was to be decided upon after consultations with the public and MP's following a final vote in the House of Commons. The completion of a NPS for airport capacity remains in process to this day. When it is completed, Heathrow is to submit a land planning application to the planning inspector, who will once more provide the government with a recommendation to be signed by the Secretary of State for Transport before construction can finally begin. (Department for Transport & Grayling, 2016)

The above examination highlights the immense complexity of the political actors involved and the application processes leading to a final decision. The new NPS for airport capacity remains in process and must be completed before actual construction of a third runway can even begin.

CHAPTER THREE: METHODOLOGY, LITERATURE REVIEW AND THEORETICAL APPROACH

7 Methodology

Broadly, methodology can be viewed as the underlying assumptions and foundation of any research. This section aims to outline how the research will be conducted and applied, how knowledge is produced and analysed and for which purposes, and how the the carefully selected methods are found relevant to obtain the specific research objectives proposed in the research questions. It outlines methodology from the overall research philosophy, research approach and research strategy to the more concrete choices, time horizons, techniques and procedures.

The research methodology will be based on the Research Onion proposed by Saunders et al. (2009) (see illustration in appendix 2). The Onion describes the process from the overall philosophy to the details of how research is conducted, indicating the steps in a research process going inwards layer by layer; thereby giving it its name. The Research Onion was chosen, as it outlines various methods one can base research on. It does not recommend one over the other, but outlines the process and characteristics of all methods from which researchers can design research.

7.1 Research Philosophy

Research philosophy defines what is found valuable and applicable in the development of knowledge in the particular research conducted and underpins how the research approach and strategy is conducted. The philosophy not only acts as judge of valuable and applicable, but also gives insight into the researcher's view on the world and how knowledge is reflected upon. Not one philosophy can be said to be more correct than another, but nonetheless it has massive impact on the findings and results extracted from the research. From this, Saunders et al. (2009) propose four major research philosophies: Pragmatism, Interpretivism, Realism and Positivism.

This thesis takes its foundation in an interpretivist research philosophy. Interpretivists conducts research on people rather than objects and accepts that a human is a social actor, who composes meaning based on interpretations from a social context. The role as a social actor is fundamental to interpretivism, deriving from phenomenology concerned with how humans make sense of the

world around them. (Saunders et al., 2009) Phenomenology argues that subjectivity will always be present and that phenomenons are understood individually (Zahavi, 2008). This further complies with a constructivist paradigm, under which reality is believed to be a social construction based on the social practices and social contexts the interpreting individual belongs to rather than a constant universal norm (Klausen, 2009). Adopting this research philosophy thereby requires the researcher, to look at the world from the points of view the individual actors have (Saunders et al., 2009). As this thesis seeks to examine if and how human actors representing a business have made alterations to the behaviour and efforts of the organisation to comply with the interests and dynamics of other human actors, it takes on an interpretivist philosophy, allowing interpretation on the human actions taken with humans as social actors to be central to the research. Alterations in the organisation's communication and behaviour also conforms to the hermeneutic view that argues that people's pre-understanding influences current understanding, creating an ongoing circular movement in which the interpretation of actions is taken into consideration when making sense of future actions (Pahuus, 2008). This scientific foundation aligns with the belief that external stakeholder communication is highly relevant to the business' opportunities and the evaluation of these, as suggested in the research question.

Although the case revolves around a physical construction of an airport runway, the study conducts research on the human aspects the construction may influence. This is done in the thesis' stakeholder analysis based on Mitchell et al.'s Stakeholder Typology Model (Mitchell et al., 1997), in which the researcher applies three attributes to human actors, leading to a classification of stakeholders with the aim of examining salience to prioritise resources and efforts for example relating to communications actions and mitigation schemes. Particularly, the application of legitimacy to a stakeholder requires human interpretation, as it is concerned with validity, social acceptability and morale. Applying the three attributes thereby depends on interpretation and assumptions made by the researchers, thus complying with the interpretivist and constructivist research philosophies with humans in focus rather than objects. The CBA is linked to perspectives of humans, as the arguments for and against lie in the root of the CBA.

7.2 Research Approach

The research approach is concerned with how the researcher handles the design of the research, including when the theoretical framework is developed and whether the researchers enter the research with a hypothesis defined prior to the assessment of data.

The research approach of the project is deductive, as the project seeks to understand a causal relationship between variables (Saunders et al., 2009), namely how Heathrow has adjusted its actions towards stakeholders to achieve approval from government, suggesting that one variable affects the other. The process of deduction begins with developing a hypothesis, stating what is initially believed to be reality (Christensen, 2004) – in this case that Heathrow has in fact made adjustments to achieve approval from government. To test whether the hypothesis is actually true, a number of theories are pre-selected before collecting data. Doing so aligns with a deductive approach, in which a conceptual framework is developed and later tested through the data collection for the researchers to examine the found outcomes. Alternatively, had an inductive approach been chosen, which takes an opposite approach of no previously formulated theory or hypothesis, other factors might have appeared from the data to then be included in the theory and hypothesis. (Saunders et al., 2009) A deductive approach was chosen, as the study seeks to examine a causal relationship between two variables, while also seeking to understand problems as a whole by examining the elements of the problem individually. This is done through the Cost Benefit Analysis, which reduce each cost and benefit into individual parts that are then examined independently to understand complications of expansion as a whole.

7.3 Research Purpose and Strategy

The purpose of the study is based on the research question asked. Most often, the classification of research purpose is either exploratory, descriptive, and explanatory. However, a project may have more than one purpose. An exploratory study *"is a valuable means of finding out what is happening; to seek new insights; to ask questions and to assess phenomena in a new light* (Saunders et al., 2009: 139)*"*, which makes it particularly useful when the wishes are to clarify one's understanding of a problem. There are three principal ways of conducting exploratory research: a search of literature; interviewing 'experts' on the subject; and conducting focus group

interviews. The advantage of exploratory research is its flexibility and changeability, and therefore one must be willing to change direction as new data appears and as new insights might occur. The descriptive research *"is to portray an accurate profile of persons, events or situations* (Saunders et al., 2009: 140)*"*. Lastly, the explanatory research seeks to *"establish causal relationships between variables* (Saunders et al., 2009: 140)*"*. The emphasis of this research is studying a situation or a problem to explain relationships between variables. (Saunders et al., 2009)

The purpose of this study combines exploratory, descriptive and explanatory research. It is exploratory as it seeks to find out what has happened through time to gain insights into the process of the Heathrow expansion, which then helps to understand the problems that Heathrow faced during its campaign to obtain approval for expansion. The exploratory research is conducted through a search of literature, elaborated in the data collection in section 7.6.1. The research is descriptive in the sense that it portrays the accurate event of the expansion, and especially a put together timeline of events in the case describes the situation. Furthermore, the research is explanatory, as the analysis seeks to explain the variables between how costs and benefits are linked to the stakeholders and based on this how Heathrow Airport has adjusted its campaign to comply with the stakeholder dynamics and interests.

A case study can be defined as *"a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence* (Saunders et al., 2009: 145-146)*"*. The case study strategy is particularly of interest if one wishes to gain a rich understanding of the research's context and the process enacted. The use of a case study strategy has a considerable ability to generate answers to the questions *'why'*, *'what'* and *'how',* which is why this strategy is often used in explanatory and exploratory research. The data collection of a case study may include techniques such as interviews, observations, documentary analysis and questionnaires. This means that a case study strategy is likely to use and triangulate multiple sources of data. This is called *triangulation* and refers to the use of different data collection techniques within one study to ensure that the data are telling you what you think they are telling you. Furthermore, there are four case study strategies based on two discrete dimensions: Single case vs. multiple case; and Holistic case vs.

embedded case. A single case study is often used where it represents a critical case, or, alternatively, an extreme or unique case. On the other hand, a single case may be used because it provides an opportunity to observe and analyse a phenomenon that only few have considered before. Also, an important and inevitable aspect of using a single case is defining the actual case. Conversely, a case study can consist of multiple cases that focus on the need to establish if findings of the first case also occur in other cases in order to generalise from these findings. The second dimension, whether it is a holistic or embedded case, refers to the unit of analysis. If the research is concerned only with the organisation as a whole, then the organisation is treated as a holistic case study. Alternatively, one can also examine a number of logical sub-units within the organisation (departments or workgroups), so the case study inevitably involves more than one unit of analysis, also referred to as an embedded case. (Saunders et al., 2009)

This thesis is characterised as a case study as it wishes to understand the context and the process of the particular Heathrow expansion case. Furthermore, amongst other questions the research seeks to answer '*why* has Heathrow received green light from Government to expand the airport'; '*what* has Heathrow changed during the campaign?'; and '*how* has Heathrow changed its communications strategy according to its stakeholders throughout the process?'. Also, the research triangulates multiple sources of secondary data, which will be elaborated below in section 7.6.1 on data collection. The thesis is further characterised as a single and holistic case, as it focuses on the Heathrow expansion. However, we will use findings from similar cases to support the arguments scientifically. Furthermore, Heathrow is seen as a whole organisation, which makes it a holistic case.

Alternatively, the strategy of using a survey could also have been applied to examine if one would reach the same attitudes towards the issues in the case, as one can derive from a secondary data collection. Hereby, a survey could have to be sent to relevant stakeholders, in particular local communities and government.

7.4 Research Choice

Research choice refers to how quantitative and qualitative data collection techniques and analysis procedures are combined. Saunders et al. (2009) propose two overall methods, the mono method

and the multiple methods, the latter further divided into multi-method and mixed-methods. Both of these are further expanded – the multi-method into multi-method quantitative and qualitative studies, and the mixed-methods into mixed-method research and mixed-model research (see illustration in appendix 3). (Saunders et al., 2009)

Before determining the research choice, the characteristics of quantitative and qualitative data must be defined. Quantitative data refers to data that represents quantities often numerical or otherwise measurable. Quantitative data does not convey meaning in itself, but must be processed and analysed to be turned into information useful to the research. Processed quantitative data is often presented as graphs, diagrams and charts to analyse relationships between variables and indicate trends. Qualitative data refers to non-numerical data that represents qualities and cannot be measured, as is the case with quantitative data. Qualitative data can be used in all research strategies. The data is based on meanings expressed through words, but must also be analysed to be understood. (Saunders et al., 2009)

To answer the objectives proposed in the research question, the study will apply both quantitative and qualitative data. The quantitative numerical data is applied to investigate the qualitative data from actors involved in the case. The application of both types of data gives a multiple methods research design, while the study furthermore has applied a mixed-methods approach, under which mixed-method research is adopted. Mixed-method research uses both qualitative and quantitative data and analyses qualitative data qualitatively and quantitative data quantitatively, however, there is often one type of data that is predominant (Saunders et al., 2009). In this study the dominant data is qualitative, which complies with a case study. The analysis of these data is elaborated in section 7.6.2 concerned with data analysis.

The mono method, which uses a single data collection technique and corresponding analysis procedures, could have been applied to this study. However, the study uses both quantitative data to describe numbers and economic benefits and qualitative data to derive the attitudes of the involved parties to the case of Heathrow. Hereby, if the mono method had been applied it would

leave out the possibility to clarify both aspects of the case, and therefore the multiple methods has been applied, as it gives a broader picture than a mono method would be able to.

7.5 Time Horizon

Studies may be conducted in different time horizons, including cross-sectional studies conducted here and now of a particular phenomenon in contemporary time and longitudinal studies conducted over a long time span, during which the researcher closely monitors the subject in question in the contexts undergone during the longer process. (Saunders et al., 2009)

The study of expansion in South East England is cross-sectional, as the research examines a phenomenon at a particular time in the context of the current time. Although the decision was decades underway and the study thereby in its nature examines a development in the case, all data is retrieved at current time in current context with current external and internal influences, providing insights that are interpreted from current knowledge. A cross-sectional study thereby allows the research to be conducted here and now, while taking into account previous observations, but evaluating these in contemporary context.

7.6 Techniques and Procedures

The techniques and procedures selected are crucial for the process to answer the research question. Technique refers to data collection and is concerned with how data is found, whereas procedure refers to data analysis and is concerned with how the found data is used to answer the questions. Data collection and data analysis are individually specified below.

7.6.1 Data Collection

In this section, the methods of data collection and the types of data collected to obtain the objectives of the study are outlined. The process of data collection and analysis has been of an interactive nature, as analysis occurs during the collection of data as well as after it. The interactive nature of data collection and analysis allows one to recognise important themes, patterns and relationships, which might emerge in the process of on-going data collection and analysis. As a result, one is enabled to re-categorise existing data to see whether these themes, patterns and relationships are present in the cases from which data has already been collected.

The use of the interactive process has given the study process a form of flexibility, where continuous data collection might have given new insights and might have led the analysis in new directions. Had the study been of longer duration, and thereby been a longitudinal study conducted over a long time span, the strategy could have been combined with a survey to further test if the attitudes towards the identified issues are similar to what the secondary data shows, thereby also combining primary and secondary data in the data collection. Generally, data can be divided into primary and secondary data and qualitative and quantitative data. Qualitative and quantitative data have already been specified, while collection of secondary is described below.

Collection of Secondary Data

In its broadest sense, secondary data is data collected for one purpose, which is then subsequently utilised to answer the objectives in a different research setting. It can consist of both raw data that has been subject to no or little processing and compiled data that has been subject to specific selection, summarising and utilisation. Saunders et al. (2009) argue that secondary data can be further divided into three sub classifications: documentary data, survey based data and data compiled from multiple sources. Documentary secondary data includes written material, such as correspondences, shareholder reports, speech transcripts, administrative and public records, books, journals, magazines and newspapers, and non-written materials, such as voice recordings, television, photos and drawings. These materials can potentially be used in both a qualitative and quantitative sense, for example qualitative data to provide insight into decisions made or with an aim to collect quantitative statistical measures derived from a number of sources. Survey based secondary data is the utilisation of data collected through questionnaires that has already been processed for its original purpose and is often presented as data tables or matrixes available for download online. Such data is often carried out by governments and national statistics institutes or by large organisations for a specific purpose to gain insight into trends and opinions from the population or specific communities found relevant for the study. Multiple source secondary data refers to data that is created from a combination of existing data to form yet another set of data with a different purpose, such as comparing lists of stock markets, company profits and the like, where data from multiple sources are used to compile a new specific data set. (Saunders et al., 2009)

This study will be based on data compiled from multiple sources that has been presented during the long process of finding a feasible solution on where to expand airport capacity. Furthermore, the secondary data sources will mainly consist of documentary data. This primarily includes written materials such as administrative and public records from the government and from Heathrow, transcripts of speeches by government officials, the Heathrow management and opposition groups, newspaper articles regarding the expansion as well as academic research from books, articles and journals to provide scientific insight to the feasibility of expansion. This type of data is generally publicly available in libraries and online from newspapers, databases and organisations' own websites. As the case had large attention from the public and the media, a large quantity of material regarding it has been made publicly available online, particularly material from the AC and websites from Heathrow and opposing local community groups.

Contrary to secondary data, primary data is collected specifically for the research paper by the researchers themselves with the aim to answer the research question proposed. Primary data includes quantitative data from observations, surveys, and questionnaires as well as qualitative interviews made by the researchers. The quantitative primary data from observations are often carried out to interpret people's actions and behaviour in a specific setting, while questionnaires and surveys are carried out to uncover people's responses to specific questions relevant to the research in a predetermined order to provide insight from a large number of people regarding a certain matter carefully designed by the researchers. The qualitative primary data from interviews is used to gain insight to a specific case seen from the perspective of relevant actors in it. As specified in the scope and limitations, collecting primary data was originally considered, but due to not being able to arrange an interview with Heathrow, the study continued using secondary data only (see appendix 1). This is recognized to have limited insight in adjustments by Heathrow.

As the thesis sets out to analyse whether a causal relationship is present between Heathrow's communications efforts and the interests of its stakeholders, secondary archival research allows for comparison of former and current statements by numerous actors involved, further allowing to analyse if changes have been carried out to adjust material to the concerns of stakeholders.

However, one must be aware that third variables might impact changes made. For this case, it could for example be Brexit, which one would not be able to foresee at the time airport expansion began to be discussed. Third variables can thereby not always be limited or prepared for. Secondary data is found highly useful, as the study seeks to analyse on changes made, despite the possibility of third variables to occur. Using secondary data from numerous sources also contributes to create higher reliability and validity of statements, which is relevant when using publicly available secondary data. In general, one must be critical of the context the data was conducted in and with which objectives, as these factors are likely to influence how data is presented. This includes the sequence in which data is presented, the salience of specific matters over others, and bias of the presenter. Likewise, the original purpose of the data may not fit the purpose of the research, and the suitability of the data must therefore also be evaluated with caution. These matters are discussed below.

7.6.2 Data Analysis

The analysis is based on a collection of secondary data, which is frequently used as part of case studies. The secondary data collection includes both quantitative and qualitative data. The applied qualitative data takes the form of verbal and written material that represents opinions on the expansion from numerous actors involved, including speeches and written decisions from the government and opinions about the expansion from local residents quoted in news media outlets. The qualitative material is compressed into smaller statements, while these still express the meaning of the material. Doing so is referred to as summarising. From summarising one is able to extract the relevant themes and identify relationships between opinions of actors. (Saunders et al., 2009) In this study, summarising qualitative data provides insight into which themes are most dominant for the involved stakeholders. With this information it is possible to analyse the degree to which information from Heathrow complies with the interests of these stakeholders, which is the pivotal point of the study.

The applied quantitative data takes the form of numerical and statistical material, such as actual passenger figures, growth in demand and cargo figures. Such figures are extracted not only from Heathrow, but also from other European airports. This type of data sets out to show trends over time in areas related to the arguments presented by the actors in the case. As the data presented

from actors involved varies to a large degree, the data from other airports are applied to track growth rates for job creation and passenger figures, investments and outcomes from projects that have already been carried out, to then compare to the forecasts from actors in the Heathrow expansion. By comparing past forecasted future figures with past actual figures, an indication of the varying forecasts from the actors can better be evaluated, although mathematical calculations are not carried out as such.

Before analysing data it is crucial to assess the validity and reliability of the data collection used. Doing so, one assesses the procedures used to collect the data as well as the quality of the research conducted with the data. Collectively, the validity and reliability compose the core of accepting research as scientific proof. Reliability and validity are therefore discussed below.

7.6.3 Reliability

Before one can assess whether the study is valid, one must examine if the procedure is reliable. As this thesis relies on secondary archival data the source from which it is contracted must be considered, as any secondary data has been produced for a specific purpose that may not match that of the research now being conducted (Saunders et al., 2009). Reliable studies can be repeated by other researchers to generate the same results by using the same research methods under the same conditions and with the same data available at the time.

This thesis' secondary archival data consists of books and articles used by organisations and universities worldwide and are considered to contain reliable data. However, a significant amount of data has been derived from the UK Government's websites and from Heathrow's websites. These data should be considered more carefully, as the context in which they have been produced and its production intents may reflect a specific agenda. For Heathrow, it is obvious that the objective of achieving approval is the basis for the data presented. The same could be argued to be the case for the government, as political actors are likely to have a specific agenda leading to how data is presented. To make data from these sources more reliable, the data is carefully assessed and held against data on the same topics from other sources. That is why the analysis contains comparisons, for example of forecasts, where data from Heathrow, the AC, the government and opposing local community groups are evaluated alongside one another to

collectively give a more reliable insight to the specific topic, thereby seeking to eliminate the biases that may be present in the data.

Reliability is often connected to the subjectivity of the researchers. The researcher's subjectivity may impact the perception of data and influence whether the author is found to be reliable (Babbie, 2010). The same stand is taken in the interpretivist view, where it is argued that no human can be free of interpretations and that anyone's perceptions of a certain matter will be influenced by previous experience – including researchers' perceptions. To not let subjectivity influence the reliability of the research, data can be extracted from multiple sources and be analysed by multiple researchers. This is also the case for this study, where data from multiple secondary sources are used and assessment by more than one researcher has been a key focus throughout the work procedure.

7.6.4 Validity

Validity concerns itself with whether what has been found to appear in a certain way is actually true and whether the relation between two variables is actually a causal relationship (Saunders et al., 2009). Validity thereby refers to how successfully the study measures what it sets out to measure and is hereby related to accuracy. Validity may be influenced by the time scale of the study, the context and history in which the study is carried out, whether the requirements of the selected methodology are followed, etc.

To minimize that such matters should influence the study to achieve the most accurate answer to its hypothesis in its current time and with the applied methodology, this study has emphasised a broad data collection from several actors involved. To secure validity of data, the study does not only extract information from Heathrow, but also from sceptics of the additional runway, from international NGOs, from news media and from the government. By thoroughly analysing arguments put forward by all parties, the validity of findings is higher and reflects truth more accurately than had it focused only on data from one actor involved. Doing so also minimizes the influence of context. It is for example fair to assume that the threat of potentially having several night flights over one's home could create more dramatic statements about the third runway or that Heathrow's risk of continuing to operate at maximum capacity without approval of an

additional runway causes it to further emphasize the benefits, while perhaps downplaying downsides.

8 Literature Review

The following section seeks to evaluate secondary research related to the area of the study assessed before committing to the theoretical framework of the study, and to examine previous studies on mega projects, seeking to assess existing findings on stakeholder perspectives in such projects. It will therefore include description and assessment of theories written by others to demonstrate that literature has been reviewed (Jankowicz, 2005).

Previous studies on the Heathrow expansion seem to have focused on specific policies, effects and financial outcomes individually, and from this assess the stakeholders affected by that factor. For example, a study was carried out on the health effects on aircraft noise, focusing on the specific cost of noise impact and relating it to the stakeholders specifically affected by it (see Civil Aviation Authority, 2016). Another study concerns itself with discursive power in relation to development of policies of airport capacity expansion, thereby focusing on the political process of policy analysis and development, while also relating this to political judgement of sustainable aviation (see Grigg, 2013). Further, other studies examine the financial aspects of expansion, including how Heathrow's economic performance has changed (see Dev, n.d.) and the overall economics of the Heathrow expansion, including costs and benefits, but seen from an economic perspective only (see Boon et al., 2008). The studies all focus on the case from the point of view of one specific stakeholder, whether a stakeholder affected by a cost or the government developing policies and making a final decision. Generally, the studies conclude that expanding capacity at Heathrow will affect specific stakeholders, while the dilemma of balancing economic opportunity and potential environmental costs is also a constant topic in the studies.

However, none of the studies examine the case with a broader stakeholder landscape as the pivotal point, but rather from the effects of expansion, whereas this thesis examines the potential efforts that Heathrow has carried out in attempt to influence the final decision on basis of identifying the interests of its stakeholders. This is done with communications and stakeholder

relations as the central focus, which does not seem to have been in focus previously. This thesis thereby contributes to a field little studied in relation to the Heathrow case, providing new research clearly linking Heathrow's efforts to stakeholder interests to obtain an objective critical to its business.

Other mega project studies have been conducted with the dilemma of balancing economic benefits and environmental and societal costs from a stakeholder perspective as main focus, thereby attempting to answer questions related to the themes seen in the Heathrow case. For example, studies regarding the planned Nicaraguan Shipping Canal, to be constructed by the Hong Kong Nicaragua Canal Development Group (HKND) to secure quicker shipping trade routes between the East and West, often have indigenous tribes as the central focus. This is for example the case in studies where indigenous groups' territorial and human rights are central (see Berryhill, 2015 and Antkowiak, 2016). Characteristic for the project is that the construction is to cut directly across the Nicaraguan territory, where numerous indigenous groups, who have the right to control territory, reside. However, the Nicaraguan government have agreed that the Hong Kong based firm can construct the canal without having consulted the indigenous groups. Among these, particularly the group named Rama is to be affected, and studies are therefore mostly concerned with this group, making them central in research conducted. Again, others focus on the canal from drivers believed to be crucial in the matter, mainly politics, economics, and environment, and seek to investigate the causal relationship between the factors, however in relation to economic aspects in relation to seaborne trade opportunities (see Yip & Wong, 2015 and Chen et al., 2016).

Studies on stakeholder management in mega project processes in general have also been conducted, examining approaches to stakeholder interests and influences, stakeholder management process, stakeholder analysis methods and stakeholder engagement in mega projects These conclude that systemic review on stakeholders in relation to mega projects and examination of stakeholder interrelationships lack despite stakeholders attracting increasing attention from the construction industry and governments to gain their support for such projects and policies (see Mok et al., 2014 and Kivits & Charles, 2015). In a case study conducted in Australia and Hong Kong, it was found that a framework and comprehensive lists of factors

affecting the success of stakeholder management should be developed with practical tools to provide those managing stakeholders to be used (see Heravi et al., 2015). Further, it concluded that few studies focus on the impact of an organisation's stakeholder management on its projects. The thesis builds on these findings by conducting a study on stakeholder impact in a particular, contemporary case by identifying the salience of stakeholders, examining factors believed to be essential to these stakeholders, and lastly assessing if and how these were incorporated in the organisation's efforts and plans.

Knowledge on why factors relating to added values are as important as potential economic prosperity is also relevant, as it provides insight to why balancing monetary benefits with non-monetary costs is a dominating dilemma in the decision. Furthermore, as the expansion has also caught the interest of stakeholders not directly affected, such as international NGOs and among the UK public in general, understanding why the public perceives actions and behaviours of private businesses or public institutions as important is also found to be relevant, as the duration of the campaign seem to enhance this dilemma. To provide insight into these aspects, the political scientist Ronald Inglehart (1997) proposed his theory on Value Systems and Society Stages and Traits in which he outlines the values and norms, which collectively make up culture that distinguish one type of society from another. He includes three types of societies: traditional, modern and postmodern. Each is a combination of economic, social and political conditions, which correlate and change together over time. Inglehart argues that cultural change and the reaction to societal change is somewhat predictable, as it follows the patterns of other cultures, and links the type of society and the concerns directly to GDP per capita (Inglehart, 1997), thereby stating that humans appreciate what is scarce. Thereby, when a society is economically stable, focus shifts to added values – an argument also proposed in Maslow's Need Hierarchy Model, where one moves upwards to prioritise upper needs as lower level needs are fulfilled, while some even argue that the pyramid is turned upside-down altogether for residents in societies with high, stable GDP per capita (Andersen, 2011).

Inglehart's theory and belief that focus on added values in societies with stable economies also relates to the concept Corporate Social Responsibility, popularly abbreviated CSR. CSR is the idea

that business and trade brings obligations of social and environmental character to underpin a business' license to operate (Franklin et al., 2009). Many weigh the social responsibility by a triple bottom line of profit, planet and people under which businesses should take financial, social and environmental impacts into account (Moon, 2014). The focus on the responsibility of private organisations is highly relevant to the case of Heathrow, where both international NGOs dealing with climate change and local communities directly affected by the organisation's actions have been very involved in the case.

Governments are also largely concerned with its nation's responsibilities, for example in regard to climate actions and the rights of its citizens, as demonstrated by commitments to climate change actions and human rights guidelines that include an assessment of the moral accountability of actions and behaviours. For governments, there are a number of guidelines in these fields that they can commit themselves to. The UNGPs on Business and Human Rights is a set of principles that should help both states and businesses to operate in a manner compatible with human rights, a guidance which the UK is committed to. Pillar 1 is grounded in the state's duty to protect human rights. Here, states should promote and support respect for human rights carried out by businesses. UNGPs' pillar 2, focusing on corporate responsibility to respect human rights, and pillar 3, focusing on access to remedy, are both included in the theoretical framework, as Heathrow is the main actor in the thesis. Besides the UNGPs, OECD has created Guidelines for Multinational Enterprises (MNEs), which are recommendations addressed by governments to multinational enterprises operating in or from adhering countries, including the UK. The Guidelines provide principles and standards of good practice consistent with applicable laws and internationally recognized standards, including human rights. The Guidelines state that enterprises should take fully into account established policies in the countries in which they operate, and consider the views of stakeholders. In this regard *"Respect the internationally recognised human rights of those affected by their activities* (OECD, 2011: 19)*"* is only amongst other general policies of the guidelines. Although many businesses' codes of conducts are now publicly available, the OECD Guidelines is the only multilaterally and comprehensive code that the OECD member governments are committed to promote (OECD, 2016). In 2011, changes to the OECD Guidelines included a new human rights chapter, which is consistent with the UNGPs. Hereby, the UK

Government is committed to promote that businesses should conduct its actions in a compatible manner with human rights guidelines. The government thereby also places pressure on businesses to act responsibly in relation to internationally recognised human rights. Another voluntary initiative businesses can commit to is the UN's Global Compact (UNGC), which is based on implementation of universal sustainability principles.

No organisation operates in a vacuum of its environment. The expectancy of corporations to take responsibility of its surroundings and the people who it may affect as well as considering ethical issues and human rights aspects are therefore crucial for all organisations. For Heathrow, which directly affects its neighbours and is affected by the decision of government, this is particularly important. Dealing with the interest of stakeholders and the general public has been discussed by many scholars. Businesses therefore invest massive resources in communicating and engaging its stakeholders in major decisions or changes being carried out. Developing strategies for crucial stakeholders have for example been the pivotal point in Community Engagement Strategy focusing on local communities, Public Affairs focusing on political stakeholders, and Public Relations focusing on image and reputation among the general public. Some argue that strategies aimed to engage stakeholders are merely concerned with retaining customers and obtaining set objectives to grow the business, rather than creating social improvements (Payne et al., 1998), while others state that naturally such strategies have to fit with an organisation's strategic position (Knox & Gruar, 2007). However, others argue that organisations must move beyond that. Among these are Bowen et al. (2010), who have created a typology of three engagement strategies for communities, explaining the development in strategies and how these relate to actual interest in improving factors that impact the community: transactional, transitional and transformational. Transactional is the most basic of the three strategies, simply focused with providing information from the organisation to the community, without giving further concern to feedback or understanding of it. This is labelled one-way communication and refers to communication and relations in a more traditional form. A transitional engagement strategy is characterised by two-way communication moving beyond one-way and transactional approaches to enter into dialogue with the communities, while still not reaching absolute shared sensemaking. Transformational strategies are characterised by reaching mutual listening and understanding

between the organisation and the community, developing trust and a more personal relation between the parties. When successful, the organisation fully adapts the needs and considerations of the community in its decisions. (Bowen et al., 2010)

Similar development from a one-way to two-way approach between the organisation and stakeholders are displayed in Grunig and Hunt's Four Models of Communication, highlighting the achievement of symmetry in communication with all stakeholders, however not limited to communities only. As the hypothesis of this study seeks to discover how Heathrow has adjusted its campaign to comply with stakeholders to influence government's decision, Grunig and Hunt's theory on the development in communication will be assessed to discover changes in the relation to stakeholders. This theory is explored further in the theoretical framework.

The assessment of previous studies on the Heathrow expansion and on mega projects battling the same dilemmas as the Heathrow case as well as an assessment of literature on factors deemed decisive collectively compose the foundation for the theoretical frameworks selected to analyse how Heathrow has adjusted its campaign to comply with stakeholder dynamics and interests to answer to proposed research question.

9 Theoretical Framework

In the following section, the theoretical framework will be examined to explain how secondary research can assist in answering the research question by targeting the themes in the research question. Given the government's commitments, it must balance the benefits aviation brings against its negative impact, and therefore the thesis includes an analysis to identify stakeholders and the salience of these to outline who are involved in the matter and to which degree, an analysis of forecasted demand, and forecasted costs and benefits to identify issues argued to be decisive to the government in its decision, and lastly an analysis of Heathrow's communications efforts to examine whether these issues and stakeholders have been incorporated in its communication on basis thereof.

Stakeholder Identification and Salience

In early theory, the term stakeholder has often been described to be more or less equivalent to shareholders with direct financial stakes in the organisation. The term has been widely defined since the 1960s and seems to have expanded to include both internal stakeholders who have a direct relationship, for example through employment, ownership or investment, and external stakeholders who do not have a direct relationship with the organisation, but may affect or be affected by its actions and operations indirectly, including neighbours, suppliers etc. Regardless of the theoretic definition, a stakeholder approach seeks to focus on organisations' environment by identifying stakeholders, the stakes and the potential impact on the organisations' operations and actions. (Mitchell et al., 1997) (Franklin et al., 2009)

This thesis takes its basis in Mitchell et al., who concur to the definition that stakeholders are *"any group or individual who can affect or is affected by the achievement of the organisation's objectives* (Mitchell et al., 1997: 854)*"*, as the definition allows for anyone to be a stakeholder despite how powerful they appear to be. They further argue that an organisation's actual and potential stakeholders can be classified systematically through three attributes: the stakeholder's *power* to influence the organisation, the *legitimacy* of the stakeholder's relationship with the organisation, and the *urgency* of the stakeholder's claim on the organisation. Power has been a central point of departure from early theory and concur to the idea that powerful stakeholders are in a position to exercise their power to impose desired outcomes despite organisational resistance through coercive (physical means), utilitarian (material means) or normative power (prestige, esteem and social means). It is noted, however, that power remains a transitory variable that can be acquired as well as lost, such as politicians leaving government for example. Legitimacy refers to normative evaluation of the stakeholder's validity and whether it is found to be reasonable and socially accepted that the stakeholder has opinions about the organisation and is involved in the organisation's actions and behaviour, originally linked to legal responsibility towards some stakeholder groups, but now rather implied to include moral obligation owed to the stakeholder, making legitimacy a desirable social good. The legitimacy variable is thereby potentially defined and negotiated differently by individuals, the organisation and society. Stakeholder theory often centralise either power or legitimacy (see Cornell & Shapiro 1987, Jones & Hill 1988, and Brenner

1995), while it does not explicitly include whether stakeholder claims require immediate attention. This is however included under the urgency attribute, which calls for consideration of how pressing claims are, classified either by time-sensitivity or importance to the stakeholder. (Mitchell et al., 1997)

Collectively, assessing stakeholders from the three attributes provides a classification of which stakeholders should be emphasized and prioritised by the organisation, thus providing an overview of salience. With the attributes, normative theory concerned with defining stakeholders is expanded to descriptive theory of stakeholder salience that systematically maps the conditions that must be considered to determine who the salient stakeholders are to sufficiently incorporate the concerns of the stakeholders in its actions and behaviour.

The more attributes perceived to be present in a stakeholder, the higher salience and the more attention management should give to the stakeholder and its claims. Organisations can thus prioritise stakeholders and claims through the classification of attributes present – are all three attributes applicable to a stakeholder, it should be the focal area of management. With this mind-set, Mitchell et al. have developed the Stakeholder Typology Model (see illustration in appendix 4) that illustrates the classifications of stakeholders through the combination of variables present, adding up to seven stakeholder groups: dormant, discretionary, demanding, dominant, dependent, dangerous, and definitive. Dormant, discretionary and demanding classes possess only one of the attributes, making them low salient, latent stakeholder classes. Dominant, dependent and dangerous classes possess two of the attributes, making them moderately salient, expectant stakeholders. Definitive stakeholders possess all three attributes, making them highly salient defining stakeholders. Groups possessing none of the attributes are considered to be non-stakeholders or potential stakeholders. All stakeholders have the potential to move to other classes if the possession of attributes shift or change making the model dynamic. The attributes are ascribed by the organisation and are thereby subject to human perception and evaluation, which might also change with time or be influenced by internal and external factors, causing movement in the model. (Mitchell et al., 1997) Below, the seven classifications are specified. These are all based on Mitchell et al. (1997).

The seven stakeholder groups explained: Low salient, latent stakeholders

1) The dormant stakeholders possess the attribute of power. By not having any legitimate relationship or an urgent claim, their power is unutilised and they have little or no interaction with the firm, but have the potential to acquire a second attribute and thereby to become more salient.

2) The discretionary stakeholders possess the attribute of legitimacy, but have no power to influence the firm and no urgent claims. These stakeholders are particularly interesting to those concerned with CSR performance, as they are found most likely to be recipients of corporate philanthropy, and often include non-profit and voluntary organisations.

3) The demanding stakeholders possess the attribute of urgency. They create 'noise' for the organisation and are likely to require considerable resources timewise, but are not considered dangerous as such.

The seven stakeholder groups explained: Moderately salient, expectant stakeholders

4) The dominant stakeholders possess power and legitimacy. They are dominant as they have legitimate claims combined with the ability to act on these claims. These dominate most definitions of stakeholders in stakeholder theory.

5) The dependent stakeholders possess urgency and legitimacy, and thereby depend upon others for the power necessary to act either through advocacy or guardianship of other stakeholders or through guidance of internal management values in the organisation itself. These often include local residents and environmental NGOs. They thereby have the potential to move into the most salient stakeholder class, if their claims are to be adopted by a powerful stakeholder, adding up to all three attributes.

6) The dangerous stakeholders possess urgency and power. These are often found to be coercive and intimidating, making them dangerous for the organisation. Utilising their

coercive power accompanies their illegitimate status and describes the means of force often adapted by this group, causing them to be dangerous and requiring attention from the organisation.

The seven stakeholder groups explained: Highly salient, defining stakeholders

7) The definitive stakeholders possess all three attributes by having legitimate urgent claims as well as the power to act on these. By definition, these will most likely be a member of an organisation's dominant coalition, while mandate to attend to and prioritise these stakeholders is most likely already given from management to managers. Most commonly, dominant stakeholders move into this class by acquiring sudden urgency, while any expectant stakeholder has the potential to move into the definitive class by acquiring its missing attribute thus possessing all three.

As this thesis deals with a case lasting several decades, the dynamism the model allows is found to be useful to uncover the stakeholder dynamics and movements with the potential to influence how Heathrow have adjusted its campaign to adapt to stakeholder interests.

The Stakeholder Typology Model depends strongly on subjective human perception in its allocation of attributes, which have the potential to lead to neglecting significant factors. As the organisation itself assigns attributes to its stakeholders, it might oversee considerable factors related to the allocation of attributes or have a different perception of the case, actions and relations than the stakeholders. Organisational members might not be aware of these differences in perception, which then have the potential to lead to gaps and mismatches in the stakeholder landscape. Nor must today's digitalised world and the possibility to gather or join large networks on online platform be neglected. Groups who seem to not have one of the three attributes might suddenly have the possibility to join or assemble with like-minded in online communities, and ultimately commencing unforeseen shifts in the model, if the organisation is not aware of such movement. The model thereby sets massive requirements for the organisational members to thoroughly consider and examine stakeholder attributes, while securing identical subjective perception among parties with absolute certainty seems unmanageable. The model could

therefore be argued to contain some uncertainty, as Heathrow's subjective perception might differ from that of the government, meaning that the government might focus on claims not prioritised by Heathrow.

Cost Benefit Analysis

Cost Benefit Analysis (CBA) originates from economic theory and aims to analyse where to achieve maximum economic efficiency. It aims to determine the feasibility of an investment by outlining and proving whether the benefits of a given investment outweigh the costs. By doing so, expected costs and expected benefits of two or more options can be compared to find the most feasible solution and from that a decision of which solution to implement can be made. The economic method thereby deals with efficiency evaluated through economic inputs and outputs. (Dreze & Stern, 1987) Though CBA is mainly employed in financial analysis, it is not limited to monetary considerations only, as it often includes environmental and social costs and benefits that can be reasonably quantified (Business Dictionary, 2017a).

The thesis applies CBA to identify estimates on costs and benefits claimed to be correct by different stakeholders to highlight potential insecurities of these. Assessing costs and benefits is a commonly used tool by governments to allocate resources efficiently and make feasible decisions. The CBA analysis expands from merely economic costs and benefits to also include social factors, such as environment and human rights risks, as the overall dilemma for the government has been and continues to be to balance the benefits aviation brings against its local impact. However, CBA in this thesis will not take on the perspective of assessing if some costs financially counterbalance the benefits or the other way around.

Performing a CBA generally includes four steps: Outlining costs and benefits, assigning monetary value to costs, assigning monetary value to benefits, and completing a comparison of these (Mind Tools Ltd, 1996-2017). As this thesis also deals with non financial factors to which it is not as possible to assign monetary cost, as proposed in economic CBA, the thesis' own framework inspired by the economic framework, particularly the first step of outlining costs and benefits, is created: Firstly, the analysis will look into the forecasts on demand to determine the level of

certainty of these in order to then examine the costs and benefits argued to derive from expansion, which is based on an increasing demand. Then, the analysis will outline the proposed benefits, including an examination of who forecasts which benefits and to whom the benefits are forecasted to impact. Lastly, the same will be carried out regarding costs, also including who forecasts which costs and whom the costs are forecasted to impact. The identified costs and benefits will then be linked to identification of stakeholders to examine which costs and benefits affect which stakeholders, as a such identification is also likely to be incorporated in the government's decision.

Completing a CBA also offers a chance to address risks, whether financial or social. A risk can be any factor that can potentially jeopardise the organisation's success, project or image, or in some cases even prevent achievement of business goals. Thereby, risk can be defined as: *"A probability or threat of damage, injury, liability, loss or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action* (Business Dictionary, 2017b)*"*. A risk resulting in bad reputation or loss in business partners or customers can therefore become a cost for the organisation. To avoid that, most large corporations continuously conduct risk assessments to identify risks in order to manage and address them in timely manner. Therefore, the CBA is followed by an assessment of factors that salient stakeholders might include in their arguments, such as a claimed abuse of human rights of the local communities directly affected by the construction.

Business and Human Rights

As mentioned, the government has found itself in a dilemma of balancing economic and social factors. As a member of the UN, the UK is committed to the IBHR and in 2013 the UK further committed itself to the UNGPs. The government's assessment of costs and benefits must therefore include meeting its commitments to human rights, which is therefore included in the theoretical framework selected to answer the research question.

Human rights can for many seem complex. The Universal Declaration of Human Rights (UDHR) gives a broad definition of human rights in its two first articles, which state: *"1) All human beings*

are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood" (UN General Assembly, 2003 (1948):2) and *"2) Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Furthermore, no distinction shall be made on the basis of the political jurisdictional or international status of the country or territory to which a person belongs, whether it would be independent, trust, non-self-governing or under any other limitation of sovereignty (UN General Assembly, 2003 (1948): 2)"*. The Declaration's remaining 28 articles point to specific rights that all human are entitled to. Human rights are rights that derive from the inherent dignity of the human (Buhmann & Wettstein, forthcoming). Human rights are often expressed and guaranteed by law as treaties, customary international law, principles and other sources of international law. International human rights law puts obligations on governments to act in certain ways to refrain from certain acts in order to promote and protect human rights and fundamental freedoms. (OHCHR, 1997-2017)

Adopted in 1948, the UDHR is generally agreed to be the foundation of international human rights law, inspiring numerous legally binding human rights treaties (United Nations, 2017). The IBHR is recognized worldwide and legally applies to all members of the UN, including the UK. The IBHR comprises the UDHR and two international treaties, which set out the rights described by the UDHR in greater detail: the International Covenant on Economic, Social and Cultural Rights (ICESCR) and International Covenant on Civil and Political Rights (ICCPR) (United Nations, 1996). The UDHR is generally agreed to be the foundation of international human rights law. As seen in article one and two of the UDHR they are very general, where for example article 12 in the ICESCR explicitly put forward that *"The States Parties to the present Covenant recognize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health (UN General Assembly, 2003 (1948): 11)"*. It might be difficult to make a clear distinction between which documents are legally binding hard law instruments and which are not legally binding soft law instruments. However, the legally binding hard law instruments typically carry the word *'treaty'*, *'convention'* or *'covenant'* in their titles, where soft laws typically include the word *'declaration'*, *'resolution'*, *'principle'* or *'guideline'* (Buhmann & Wettstein, forthcoming). In today's

society, it has become more and more relevant to encourage businesses worldwide to adopt sustainable and socially responsible policies due to higher awareness from governments, consumers and the broad public. By having committed to the UNGPs, the UK government is committed to support, motivate and incentivise UK businesses to meet their responsibility to respect human rights throughout its operations (Parliament, 2017a). Reporting on initiatives and implementation of socially responsible policies, is done regularly by both businesses and the government in non-financial reports and in annual reports. In 1999, human rights were implemented in the new CSR-movement as the UN introduced its Global Compact, comprising ten principles of which principle one and two are derived from the UDHR (United Nations, 2016). In 2011, the UN put even more focus on businesses dealing with human rights and formed the UNGPs.

The UNGPs are a set of guidelines for states and companies set out to prevent, address and remedy human rights abuses committed in business operations. The principles were originally proposed by the Special Representative of the UN Secretary-General (SRSG) on business and human rights, John Ruggie, and were endorsed by the UN Human Rights Council in 2011. (Business & Human Rights Resource Centre, 2011) The UNGPs comprise Ruggie's former UN Protect, Respect and Remedy Framework (the Framework). The UNGPs set out that businesses should, at minimum, take account of the rights set forward in the IBHR (Buhmann & Wettstein, forthcoming), which, as mentioned, are also legally binding to the UK, and therefore Heathrow must have met these requirements for the government to have approved its proposal.

As briefly mentioned in section 8, the UNGPs consist of three pillars: (I) the State duty to *protect* human rights; (II) the corporate responsibility to *respect* human rights; and (III) Access to *remedy*, where each pillar includes a set of foundational principles and operational principles. Pillar I is grounded in the recognition of the state's existing obligation to respect, protect and fulfil human rights and fundamental freedoms; pillar II in the recognition of businesses as specialized organs of society performing specialized functions, required to comply with applicable laws and to respect human rights; and pillar III in the need for rights and obligations to be matched to appropriate and effective remedies, when human rights are breached. The guiding document consists of 31

principles, which are divided between the three pillars. Pillar I consist of principles 1-10, pillar II of 11-24 and pillar III of 25-31. (United Nations, 2011)

Human rights risk is understood as the business' potential adverse human rights impacts. The potential impacts should be addressed through prevention or mitigation, while actual impacts should be subject for remediation. The UNGPs establish human rights due diligence (HRDD), an on-going risk assessment process, as a core modality process in which an enterprise should identify risks of business related adverse human rights impact to prevent and/or mitigate impact that has occurred, and to remedy damage done. Contrary to the usual way of dealing with due diligence processes in firms, which aim to protect the firm against risk, HRDD focuses on risk caused by the firm to society (individuals and communities). The primary objective of HRDD is to protect society against risk caused by the firm. However, due to reputational and other damage the firm may be subject to, as a result of alleged or proven human rights abuse, HRDD may also serve as a form of risk management process for the firm, helping it to preserve its social license to operate. The due diligence process ideally prevents human rights abuse, so that remedy is not necessary, however, when adverse human rights impact does occur, provision of remedy is also part of the cycle of due diligence. The process of HRDD should hereby include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed. (Buhmann & Wettstein, forthcoming) (United Nations, 2011)

In general, corporations may invest in due diligence efforts to manage risks. The UNGPs endorse a risk management perspective of HRDD, which has the advantage of providing businesses with a familiar management template to deal with human rights issues. Human rights risk could be understood as a risk for the corporation rather than a risk for the violation of human rights, of which the UNGPs' HRDD process should help prevent such human rights risk to occur. From this perspective, there is a risk that a business will suffer negative consequences from the fact that somebody else's human rights are violated. Such a risk may be qualified as secondary risk for the corporation, meaning that grievance for others may have repercussions on the corporation in the

form of legal liability or reputational damage. (Fasterling & Demuijnck, 2013) The above shows that HRDD can be closely related to managing its risk regarding human rights.

As mentioned, actual human rights impacts should include access to remedy. Remedy includes apologies, restitution, rehabilitation, financial compensation and punitive sanctions, as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition. In the light of the UNGPs, a grievance is understood to be a perceived injustice evoking an individual's or a group's sense of entitlement, which may be based on law, contract, explicit or implicit promises, customary practice, or general notions of fairness of aggrieved communities. The term grievance mechanism is used to indicate any routinized, state or non-state-based, judicial or nonjudicial process in which grievances concerning business-related human rights abuse can be raised and remedy can be sought. (United Nations, 2011)

The thesis focuses on the principles of HRDD and remedy from Heathrow's perspective, as the government is likely to expect that Heathrow conducts HRDD as it affects numerous citizens. As the UK must follow international law that includes human rights aspects, it is considered that human rights is a factor in the government's decision. Furthermore, the remedy perspective is included, as Heathrow provides remediations for the ones affected in the local communities.

Furthermore, the UK and other adhering countries to the OECD Guidelines for MNEs are required to set up National Contact Points (NPCs) to further the effectiveness of the guidelines by undertaking promotional activities, handling enquiries, and contributing to the resolution of issues that may arise from the alleged non-observance of the guidelines in specific instances (OECD, 2017). NPCs are remedial complaints mechanisms, and are state-based, but non-judicial: they do not issue judgements. The main focus of NCPs is mediation and conflict resolution, but statements may be issued if mediation is not possible and/ or if the infringement is serious. (Buhmann & Wettstein, forthcoming) As human rights is part of the guidelines the NPC is a means of making a complaint against a company suspected of committing or contributing to human rights abuses. (OECD, 2011) NPCs give everyone the opportunity to be heard if they, for example, feel their human rights have been infringed. Having committed to the OECD Guidelines the UK therefore

also has a NPC, which citizens can make complaints to. Currently, no statements on Heathrow have been made.

It is important to emphasise that the UNGPs are soft law and thereby only a guiding document that states and companies can adopt as guidance in the area of business and human rights. However, as mentioned the UK Government has committed itself to the UNGPs and is committed to implement legally binding obligations to protect human rights within UK jurisdiction. The UNGPs are not a theoretical framework in itself, but based on theories regarding business and human rights. The UNGPs will act as a tool for analysis to consider Heathrow from a human rights aspect, as the government has stated that it must balance the benefits and the impacts of expansion in its decision. Furthermore, the government proposed new legally binding noise targets and emphasised that meeting air quality legal requirements will be a condition of planning approval (Department for Transport & Grayling, 2016).

The UNGPs are based on theory regarding states and businesses' responsibilities to society. John Knox (2008) distinguishes between converse and correlated duties. Converse duties are owed by individuals to society or state, such as duty to obey the laws of the state. The converse duties are hereby also seen as vertical rights enforced by the government acting on behalf of the society. Correlated duties are private duties to respect the human rights of others. Correlated duties are truly horizontal in the sense that they run between actors on the same legal level (e.g. individuals). The horizontal human rights regime addresses private duties in four ways, according to Knox. On its lowest level of involvement, human rights law *contemplates* that states have general duties to restrict private actions that interfere with human rights, however it leaves the task of specifying the resulting private duties to governments. On the second level, human rights law itself *specifies* the private duties that governments are obliged to impose. On the two first levels, international law imposes private duties indirectly, as a secondary effect of the duties it places directly on states. On the third level of involvement, human rights law directly *places* duties on private actors but continues to have enforcement of those duties to domestic law. Lastly, at the highest level, human rights law *enforces* private duties at the international level through international institutions and tribunals. (Knox, 2008)

Also, Archie Carroll (1979) puts forward a theoretical framework on business and human rights, and argues that for a definition of social responsibility to fully address the entire range of obligations businesses have to society, it must embody *economic*, *legal* and *ethical* categories of business performance. The social responsibility of business is first and foremost economic in nature, as it is before anything the basic economic unit in society. As such, it has responsibility to produce goods and services that society wants and sell them at a profit. Businesses' roles are predicated on this assumption. Within the legal responsibilities, society expects businesses to fulfil its economic mission. Lastly, there are additional ethical responsibilities in terms of behaviours and activities that are not necessarily codified into law but nevertheless are expected of business by society's members. It would be sufficient to say that society has expectations to businesses over and above legal requirements. The responsibilities must be met simultaneously. (Carroll, 1979)

The UNGPs are theoretically based on a combination of Knox (2008), Carroll (1979) and the IBHR. Knox' converse duties are compatible with pillar I in the UNGPs as states' duty to protect human rights and the correlated duties are compatible with businesses' corporate responsibility to respect human rights and refers to pillar II, and a combination of converse and correlated duties refer to pillar III applying both states and businesses. The theoretical framework Carroll sets forward is compatible with the HRDD process and is a theoretical basis for pillar II of the UNGPs. Collectively, Knox (2008) and Carroll (1979) make theoretical frameworks, which distinguish human rights as being vertical converse duties in the formation of laws enforced by governments, and horizontal correlated duties indirectly put duties between private actors and individuals to respect each other's human rights.

The UNGPs are formulated in a simple manner to easily express how businesses should adopt the principles to its actions. However, implementing all 31 principles might be more complicated than expected. The UNGPs are in general terms concerned with creating win-win solutions. However, the UNGPs do not include recommendations on how to handle disagreements between the business and affected stakeholders, and it thereby lacks an acknowledgement of disputes, complicating the adoption of the principles to a real life setting.

In 2011, a joint civil society statement on the draft of the UNGPs was made by Amnesty International, CIDSE, the International Network for Economic, Social and Cultural Rights, International Federation for Human Rights, Human Rights Watch, International Commission of Jurists and Rights and Accountability in Development. The statement shed light on issues that might still exist today in regard to the UNGPs. The paper states that the UNGPs are believed not to provide the sufficient guidance to states and businesses needed to close governance gaps identified by the SRSG, as the root cause of the business and human rights predicament. The UNGPs should to a greater extent address the governance gaps created by globalisation, and provide guidance for states to ensure companies within their jurisdiction do not contribute to human rights abuses. Furthermore, the UNGPs should *"provide more explicit recognition and greater consideration of the human right to an effective remedy of individuals and communities who have suffered business-related human rights abuses* (Amnesty International et al., 2011: 3)*"*. Currently, there are no guidance for states to assist individuals and communities to overcome obstacles to justice, such as large imbalances of power, resources and information compared with business actors. Lastly, there is no follow-up or monitoring of the principles, as it requires a lot of time and resources to do so. (Amnesty International et al., 2011)

Matthew Murphy and Jordi Vives (2013) also discuss the UNGPs' attempt to draw a clear distinction between states' duty to protect and businesses' responsibility to respect human rights. Should the line in reality be so strict, as the separation does not adequately reflect the reality of the context within which businesses may interact with issues of human rights (Murphy & Vives, 2013: 793)? Because of the leverage and ability that corporations have to influence third parties, it is argued that they have significant moral obligations beyond the responsibility to respect. It has therefore also been argued that businesses should be held accountable for taking positive measures to protect human rights if relevant, as some multinational corporations frequently act as quasi-governmental institutions, increasingly assuming political roles and emerging as political actors. (Murphy & Vives, 2013)

The above shows the critique the UNGPs face and therefore should be taken into consideration when dealing with them, but it is still important to keep in mind that they are *guiding* principles

and not obligatory, legally binding principles, unless the states implement them into their respective national laws. Yet, the UNGPs stem from the theoretical frameworks of business and human rights, including the IBHR, which is recognized as international law to UN members. Committed to the UNGPs, the UK Government's intention is to make a combination of legal obligations and guiding action. This is done as the government's intention is to: Implement obligations to protect human rights in the UK jurisdiction where businesses are involved; support, motivate and incentivise UK businesses to meet their responsibility to respect human rights throughout their operations both at home and abroad; support access to remedy for victims of human rights abuse involving businesses in the UK jurisdiction; promote understanding of how addressing human rights risks and impacts can help build business success; promote international adherence to the UNGPs, including for states to assume fully their duties to protect human rights and assure remedy within their jurisdiction; and ensure policy consistency across the government on the UNGPs (Parliament, 2017a).

The UNGPs set specific steps for a risk-based due diligence process. In order for Heathrow to meet the requirements the government has committed itself to, the analysis looks into how Heathrow has addressed (or not addressed) risks related to human rights in relation to the expansion through HRDD, which ultimately might have enhanced the approval for the third runway. Hereby, the UNGPs can be linked to the CBA, as potential risks can turn to costs.

The matter of human rights is included as the UK is committed to the IBHR and the UNGPs. Human rights therefore becomes an important matter for the thesis, as the government has placed an obligation to protect human rights within UK jurisdiction where businesses are involved. Therefore, human rights is likely to be an issue that the government expects Heathrow to address. Human rights and HRDD help to identify which rights are in play and which might have been neglected, while it looks into how Heathrow have carried out its HRDD. Further, the UNGPs can be used as point of departure and as a guideline from the government's perspective to incentivise and support businesses in its jurisdiction to act compatible with internationally recognised and legal human rights.

By applying human rights as a theory, a gap between the other applied theories and the human rights principles might occur. For this thesis, the application of a human rights approach that acknowledges that all humans have fundamental rights might clash with the theoretic idea from the stakeholder theory that stakeholders can potentially have non-legitimate claims, thereby making them less salient, as they lack one of the three attributes. This may cause implications between the two theories. Under the view of human rights, anyone with a claim has legitimacy to propose these as a fundamental right. This study does, however, use a stakeholder theory and model, which identifies stakeholders and their salience as a management tool aimed at allocation resources, attention, and efforts towards the more salient stakeholders. The business can therefore recognize that all humans do have fundamental rights, but still also actively allocate legitimacy to some stakeholders and not others, if these propose claims that are more directly linked to human rights, social and moral obligations or legal matters in general.

Communications Strategy

As the study sets out to research how Heathrow has made adjustments to its campaign to obtain approval for expansion, Grunig and Hunt's Four Models of Communication will be applied after the identification of stakeholders, the salience of these and their interests and dynamics between them. A campaign is defined as any series of activities planned and set out to reach a planned outcome, including media relations and lobbying of key stakeholders (Franklin et al., 2009). Most large organisations, strategically manage communication to comply to stakeholders and the general public with the aim of reaching support, and to build on positive associations of the company's image and reputation. Strategic management and addressing of political publics, neighbours and local communities in attempt of influencing policies of regulators is labelled public affairs and is particularly found useful in sectors heavily regulated affecting the company's profitability (Franklin et al., 2009). Strategic management of the public to negotiate points of views, bridge interests, and solve problems to create a positive reputation and legitimacy is carried out to build goodwill for potential critical times is labelled public relations (Grunig & Hunt, 1984). Particularly important, in both fields, is building positive associations to the image and reputation of the organisation through strategic communication to uphold its legitimacy and

justify its operations – the latter, perhaps, particularly, important for Heathrow located in an area with dense population in one of Europe's busiest metropolises.

Four different methods for organisations to practice public relations are displayed in Grunig and Hunt's Four Models of Public Relations. These are the Press Agent/Publicity Model, the Public Information Model, the Two-way Asymmetrical Model, and the Two-way Symmetrical Model. According to Grunig and Hunt, the four methods represent the development in public relations, appointing the Two-way Symmetrical Model to be the latest development and the best practice that organisations should strive to perform. (Merkelsen, 2014)

The Press Agent/Publicity Model is one-way communication characterised by using propaganda methods with manipulative and persuasive rhetoric most often neither sustaining nor caring for the truth. The Public Information Model aims to distribute truthful information to the broad public rather than targeted receiver groups, often through press releases and other in-house journalist means, making it one-way mass communication from the organisation to the public. The Two-way Asymmetrical Model focuses on scientific persuasion using formal research and is two-way communication, as it is only considered to be useful if feedback from the receivers is incorporated in the organisation's further communication tactics. It is, however, asymmetrical as the organisation sets the agenda to which the audience reacts, creating an unbalanced effect. Contrary, the Two-way Symmetrical Model strives to resolve conflicts, to understand the organisation's environment, and to promote mutual benefits in two-way communication where opinions are negotiated equally between the organisation and the public. Neither the organisation nor the public can be labelled "sender" or "receiver", as both have these roles alternately. The Two-way Symmetrical Model is considered the best practice model and the most ethical method, which public relations professionals and organisations should aspire for as communication method. (Merkelsen, 2014)

The Two-way Symmetrical Model has, however, been widely criticised for being too idealistic. In order for the public relations practitioners to utilise this normative theory's ideal method in practice, it can be argued that the practitioners must be part of the organisation's management

function. It can be argued that the model simplifies organisational structures and behaviours by making it an assumed prerequisite necessary to achieve the ultimate ideal and best practice method. Furthermore, it has been argued by critics, predominantly Leitch & Neilson (2001), that the public cannot be generalised and identified as one fixed category and that the model disregards that the public is constructed and reconstructed continuously. This is a critique that this thesis seeks to accommodate through the extensive focus on stakeholder groups and salience, thereby, not regarding Heathrow's stakeholders as a homogeneous group, but rather as a large number of stakeholders with differing interests and salience, creating a dynamic stakeholder landscape to communicate and interact with. Generally, there seem to be consensus among scholars and theorists in the public relations field that organisations should consider its stakeholders in its communication tactics, regardless of the fact that the methods and the division of stakeholders continue to be discussed. Effective organisations must thus adapt its messages to the context and use the method most appropriate for the individual case.

The critique of the Two-way Symmetrical Model's aspirations led Grunig (Merkelsen, 2014) to introduce the Mixed Motive Model to supplement the Four Models (see illustration in appendix 5). The Mixed Motive Model recognises the fact that public relations practitioners can make use of different methods for different purposes and explains that methods shift rather than maintaining the previous sharp division of methods. It contains the Dominant Coalition's Position, representing the organisation's official standpoint, and the Public's Position, representing the public's official standpoint. Both represent standpoints dominated by one party only, and therefore equals to asymmetrical communication as originally proposed in the Four Models of Public Relations. Between them is the win-win zone in which the parties meet on equal terms and enter into dialogue. The aspiration of the model is to create a win-win zone as communication's tactic, leading to license to operate. (Merkelsen, 2014)

It can be argued that organisations today are forced to listen to the public and consider its views to a larger degree due to a changing media landscape, including the extensive use of social platforms such as Facebook and Twitter through which it could be argued that the public gains more power. The formation of communities with like minded does not require as much effort as

previously, and individuals can now easily share opinions and reach support from other users, making the aspiration of entering the win-win zone more important for organisations.

The theoretical framework thereby includes theory on stakeholders, CBA, business and human rights, and communications. First, an analysis of stakeholders will identify actors involved, then a CBA will identify the issues decisive to government decision and the stakeholders' attitudes and evaluation of these, including human rights related to the expansion. Lastly, these findings, alongside looking into Heathrow's HRDD, will be summed up to analyse how Heathrow's campaign and communications efforts have been adjusted to comply with these to enter a win-win zone with salient stakeholders on issues that are found to be crucial.

CHAPTER FOUR: ANALYSIS, DISCUSSION AND CONCLUSION

10 Analysis

In the following section an analysis of the collected data will be carried out. The analysis is divided into three sections, one focusing on Stakeholder Identification and Salience, one focusing on the Cost Benefits Analysis and human rights, and one focusing on the Communications Tactics. Collectively, the three parts provide an answer to the proposed research question.

10.1 Stakeholder Analysis

The stakeholder analysis sets out to identify the actors involved in the expansion of Heathrow, including an identification of how the stakeholders are each affected by or able to affect expansion at Heathrow. Furthermore, it examines the salience of the stakeholders to provide knowledge on the stakeholders considered to be most important in the government's decision in order for Heathrow to adopt the interests of these in its communications efforts and actions.

10.1.1 Stakeholder Identification: Who are They and What are Their Stakes?

In this section the main stakeholders and stakes will be outlined, providing an overview of the complexity of the case.

Regulators: Internationally, nationally and locally

Although national government has the final say, global airports are subject to regulation by a number of actors. Many regulations relate to safety and security, navigation across territories and similar matters concerning the operation itself. There are, however, also regulations concerning large-scale international matters, such as financial opportunities from the industry and global environmental matters, including emissions caused by the industry. One of these is the International Civil Aviation Organisation (ICAO), a UN specialized agency that has 191 members states and works to create consensus regarding international civil aviation Standards and Recommended Practices (SARPs) and policies in support of a safe, efficient, secure, economically sustainable and environmentally responsible civil aviation sector where members conform to the global norms (ICAO, 2017). The European Commission's Department for Mobility and Transportation also regulates the EU aviation industry, recently creating an EU Aviation Strategy to

deal with capacity constraints and climate change policies (European Commission, 2017a). Along legal regulators, a number of advisory organisations set international guidelines, not legally binding, but rather consultative to enhance international aviation standards, such as the UNGPs.

Heathrow is, furthermore, heavily regulated nationally by the DfT, CAA and CMA and governed under the Civil Aviation Act 2012 (LHR Airports Limited, 2017d), as previously explained in section 6.1 on the political landscape, while local regulators and the municipality that the airport is located in also play part in regulations of the airport. Regulators must also consider surface access to the airport due to the estimation of added passenger figures and job creation on site, increasing the demand of reliable public ground transportation with enough capacity. The regulators must, therefore, also consider investments in public transportation means to be able to deliver the capacity needed. The stakes of regulators, hereby relates to the safety and health of citizens, for example in terms of emissions and noise regulation, while also having a financial stake, as job creation and expanding businesses would have positive effect, for example related to taxes, unemployment rates, trade figures and the like.

Local Communities

There are 11 constituencies located near Heathrow. The 11 constituencies are evaluated to be affected by the expansion, as these might experience changes in noise levels (Your Heathrow, 2016a). Many affected in the local communities have shown to be largely critical of the expansion due to compulsory purchase of homes, potential changing noise levels and worsened air quality. This group is among the most opposing stakeholders. Although Heathrow has created monetary compensation schemes, a large part of the community is still opposing expansion. They risk daily negative affection from expansion with stakes of personal character.

Operators and Service Providers

The aviation industry consists of a number of providers, including airlines, baggage handlers, technical partners, such as flight mechanics, engineers etc., and service providers, such as catering services, fire rescue services, concessionaires etc. These have a stake in the expansion, as they are the airport's customers and providers, and without them it could not operate.

Particularly risky is the relationship with airlines, as these are subject to a charge from the airport. Charges cover landing fees, runway charges, passenger charges, infrastructure charges covering permission to use airport facilities such as terminals, check-in facilities, baggage handling equipment, air-bridges, security charges, aircraft parking charges, and environmental charges, which generally include noise and impact of emission, etc. (RDC Aviation Ltd., 2017). For Heathrow, airline charges are calculated from CAA's pricing formula (LHR Airports Limited, 2017e). Airlines risk facing increased charges due to updated and new infrastructure facilities, potentially serving as a financial threat for the airlines. Furthermore, particularly interesting for airlines are changes to the competitor landscape caused by increased capacity for new routes and new airlines is likely to occur. Airlines and other airport businesses are also subject to regulations regarding environmental impact, particularly in terms of emissions. On these grounds, operators and service providers could be relevant to consider in campaigns and communication relating to the expansion. The stake of this group is thus of financial character.

Passengers

Passengers are also affected by a changed airport, particularly in terms of connectivity and the route network offered, but also while at the airport, where expansion might influence things such as time needed to transfer and access to the airport in relation to departures and arrivals. The stakes of these are therefore both of personal character during actual trips and of financial character, as a strengthened route network could lower costs for some destinations.

Businesses and related industries

Much like the above, UK businesses and industries related to the airport, such as the tourism industry, are likely to be indirectly affected by the added capacity for cargo, connectivity and passengers. These are likely to experience enhanced opportunities for trade and better business opportunities. The stakes of this group are therefore also of financial character.

NGOs

A number of global actors are likely to feel affected by the expansion or to feel obligated to defend issues arising from it. These primarily include NGOs and international environmentalists,

who argue that expansion would have negative effect on a global level due to an increase in emissions. Aviation is one of the fastest-growing sources of greenhouse gas emissions (European Commission, 2017b), and the the global aviation industry produces approximately 2% of all human-induced CO_2 emissions, also equivalent to 12% CO_2 emissions from all transports sources (Airport Transport Action Group, 2016). On these grounds, environmentalists have become involved in the decision and formed opposition against expansion at Heathrow, including some of the large well-known green organisations such as Greenpeace, WWF-UK, Royal Society for the Protection of Birds and Campaign to Protect Rural England (Greenpeace UK, 2009). These environmental groups obviously care and fight for causes likely to be impacted by expansion, including nature, wildlife, air pollution, greenhouse gas emissions and climate changes overall. This is happening in a world with more and more focus on acting responsibly and taking care of the Earth. The stakes of this group is therefore of personal character, but can be related to financial stakes, as climate changes could influence the performance of certain industries or a need to suddenly invest heavily to prevent urgent issues regarding our climate.

10.1.2 Stakeholder Salience

Having identified the stakeholders and their stakes, an assessment of the stakeholders' salience from the three attributes in Mitchell et al.'s Stakeholder Typology Model will be carried out to classify which stakeholders are likely to be dominant in the government's decision and thereby should be emphasized and prioritised by Heathrow. As stated in the theoretical framework, Mitchell et al.'s Stakeholder Typology Model operates with the three attributes power, legitimacy, and urgency. The attributes found applicable will be assigned to each of the stakeholders, while it will be argued why these are found applicable. Doing so creates an overview of stakeholder salience, which can be used as a tool in Heathrow's management of resources, communications, and dialogue to secure construction of the third runway, thereby reaching its businesses goals by being able to expand its business further.

Regulators

Power: Regulators on international, national and local level all have power. It is on national and local level the decision is made, while international regulations must be followed. Regulators have the possibility to carry out their own will despite resistance from other involved actors and

thereby have power over Heathrow, as was the case in 2010 where national government end negotiations on the third runway with former prime minister, Mr David Cameron promising *"no ifs, no buts"* and again, when examination of expansion at Heathrow was opened once more. Making a decision, and thereby accepting Heathrow's proposal, is a normative action, but one with utilitarian effect, as granting an *'acceptance'* symbol provides Heathrow with a material outcome as monetary reward.

Legitimacy: Elected by voters, the regulators have a legitimacy to act on their claims with the power they possess. As they are obliged to do so in accordance with established laws, actions are also seen as legally legitimate. One can, however, argue that the legitimacy of regulators has been weakened throughout the process, as national level regulators have already once made a promise to not continue with expansion – a promise which was later broken. Doing so, makes the actions of regulators less reasonable and acceptable, and acts as a breach on its moral obligations towards the voters, who have give them their legitimacy. The legitimacy is thereby at risk, as a result of its engagement with Heathrow's activities. Now, however, the UK has a new government and new coalition, so one could also argue that they are free of former promises. Regardless, there is legitimacy in the relation towards Heathrow, despite the legitimacy potentially being at risk between the regulators and those who have elected them.

Urgency: With the worldwide trade and competition globalisation brings, the regulators on national level have an urgency to attract economic prosperity to its nation to compete on global markets. It can further be argued that the urgency is heightened with the recent decision to leave the EU, as increased connectivity could assist in maintaining close ties to nations that they are now not in direct unity with, while securing access to markets outside the EU, despite not being included in trade agreements made between these nations and the EU.

Local Communities

Power: The local communities do not have power to act on their claims. The members of the communities pass on power by voting in elections. Thereby, they have indirect influence on the decisions made, but have no direct power when it comes to making decisions about concrete

agreements and approvals. It must be noted that they have the power to influence future elections by electing MPs to represent their views and opinions, giving them an indirect normative power in relation to the expansion.

Legitimacy: It is seen as legitimate that this group has a claim in relation to the expansion, as they are directly affected by factors determining their futures, including forced relocation and the health issues that might occur from potentially worsened air quality and change in noise. It is, therefore, deemed reasonable that this group has explicit opinions about Heathrow and the expansion, and due to this involve themselves in the process determining Heathrow's actions.

Urgency: As members of the local communities will be affected by expansion in terms of noise, air quality and compulsory purchase of homes, they have urgent claims giving them the attribute of urgency. How the local communities are affected by these costs will be analysed further in the CBA. The claim to prevent construction of the third runway is very time-sensitive and requires immediate attention, as it has direct influence in their personal lives and futures.

Operators and Service Providers

Power: As this stakeholder group serves as the airport's customers, who bring passengers to the airport's facilities, they have the power to withdraw from business at Heathrow. It is likely that such actions could affect the decision to accept Heathrow's proposal, should they for example express that routes will not be developed at Heathrow. However, they do not possess direct power, as acceptance could be given from government without the operators and service providers' consent, giving them indirect normative power to exercise in attempt to influence decision makers, should they find it best for their businesses. As for now, they do not appear to have a claim, thereby not exercising the indirect normative power.

Legitimacy: It would be found legitimate, should these stakeholders involve themselves in Heathrow's actions to a larger and more vocally explicit degree, as this group's businesses are directly affected by the actions of Heathrow, primarily financially or legally.

Urgency: This group does not express claims and they do therefore not possess the attribute of urgency, as no sense of immediate action is expressed. Should such claims arise, for example in relation to restrictions imposed on them or changes in the competitiveness on site, urgency could be ascribed to the group.

Passengers

Power: As is the case with the power structure for operators and service providers, passengers could be argued to have influence on the decision by deciding not to support operations from Heathrow through stating that they will not buying tickets to, from or through the airport, which would affect the need for expansion and perhaps the decision. However, they have not currently expressed to have a claim, thereby not exercising the indirect normative power they could be argued to possess.

Legitimacy: This group does not possess legitimacy, as they might only be influenced on matters that collide with the need for leisure or business travel, but not matters influencing their lives as such, making potential claims less reasonable and socially accepted.

Urgency: This group has not been vocal in the expansion process and are believed to have no claim, thereby not having the attribute of urgency either. As for any of the above, such urgency could arise, making changes in the model that is dynamic in its form.

Businesses and Related Industries

Power: Affected businesses and related industries that might experience additional business from expansion at Heathrow do not have direct power to act on potential claims, but can as any other party voice concerns or support, which might influence those who do have power to act. As of now, the group has not been very vocal in the process, but some have expressed support for expansion, as it is likely to provide opportunities to trade, and thereby expand related industries. As the other stakeholders in similar situations, these have indirect normative power.

Legitimacy: Generally, this group is only affected indirectly by overall developments in the industry and does not currently possess legitimacy. It has not proposed any claims relating to legal matters, social or moral obligations. Most statements made in relation to the expansion has been of financial character related to business profits or how operations are carried out, but no claims as such have been stated explicitly.

Urgency: This group has not been very vocal in the process and are believed to have no urgent claim. They have, however, expressed support, but these expressions have not reflected time sensitivity, thereby not containing the attribute of urgency.
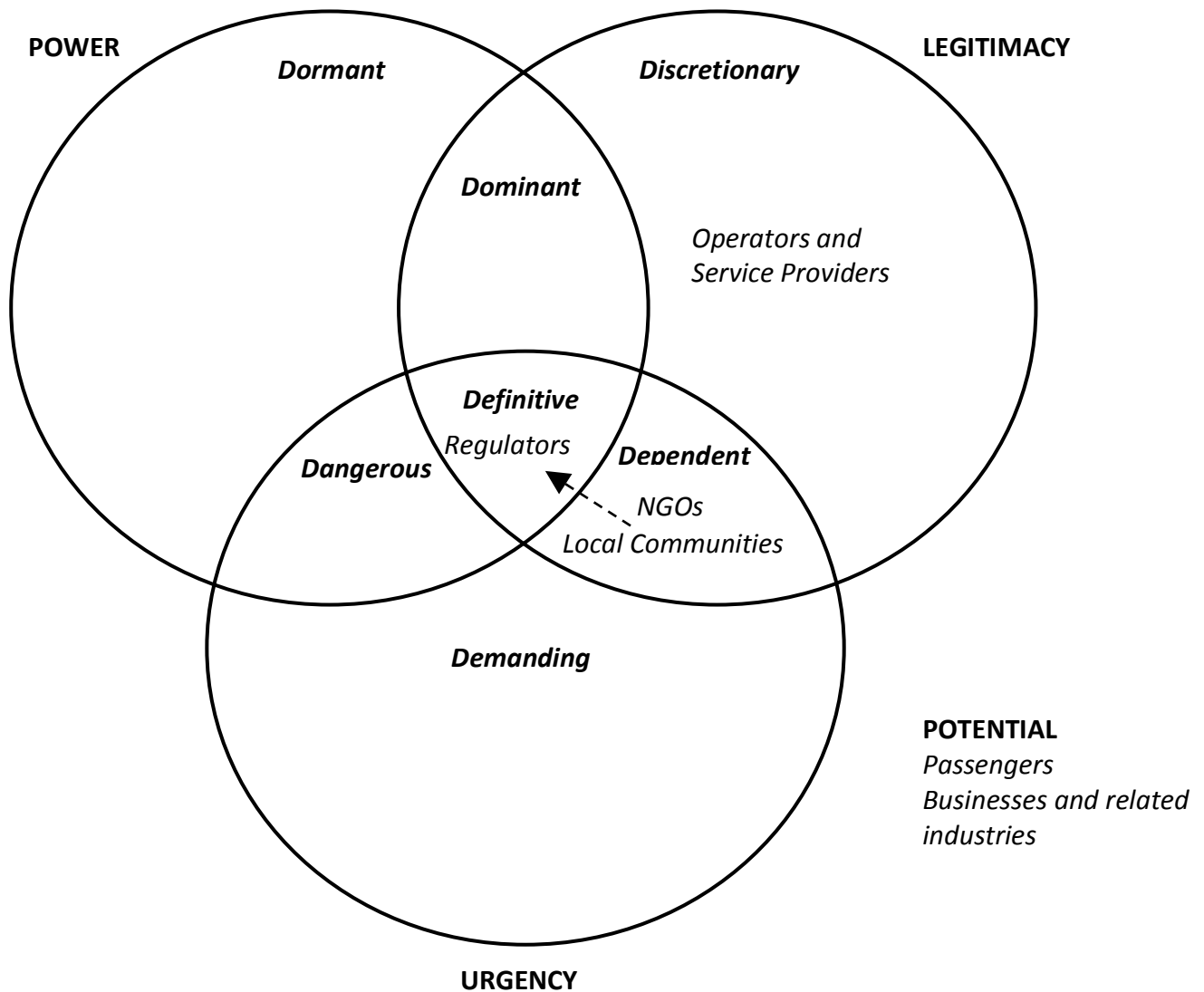
NGOs

Power: Actors with a stake in the matter due to their global involvement, such as Greenpeace and other environmentalists, have proven to attempt to exercise coercive power. This was the case when protesters climbed Parliament and when protesters sat on a runway to prevent operations (Aldred, 2012). This coercive power does not influence the decision directly, but can influence views on the expansion.

Legitimacy: The stakeholder group has the attribute of legitimacy, as their claims point to breaches on the climate change targets and emission levels the UK has committed itself to, such as the Climate Change Act. This gives them legal legitimacy. Also strengthening their legitimacy is the risk of abusing human rights, thereby crossing the boundaries of the UNGPs and the IBHR. Are the moral obligations of decisionmakers not respected, claims put forward by this group can thereby be argued to be further legitimised.

Urgency: The main claim of this group relates to increasing emissions that are argued to move beyond agreed climate change targets and emission levels. The claim is urgent, as expansion is believed to immediately cause negative effects on the climate, making it time sensitive to stop expansion to prevent these rising emission levels. The urgency of the claims is also likely to be increased if human rights are found to be breached.

Figure 1: Summing up: Salience of Stakeholders

POWER

Dormant

Discretionary

LEGITIMACY

Dominant

Operators and
Service Providers

Definitive

Regulators

Dangerous

Dependent

NGOs
Local Communities

Demanding

POTENTIAL
*Passengers
Businesses and related
industries*

URGENCY

The above classifications reflect the current stakeholder landscape. It is not a stable constant, but rather a dynamic tool to prioritise resources and efforts towards stakeholders argued to have a classification that causes them to have severe influence on Heathrow's business and thereby larger salience. Being dynamic, the stakeholders must be assessed continuously, as changes in the relations may cause movement in the model, suddenly, making a formerly less prioritised group highly influential requiring to then be a priority for Heathrow. From the figure above, it can be seen that the local communities and NGOs can become more salient, moving from dependent stakeholders to definitive stakeholders should they gain the attribute of power. For example, dependent stakeholders can obtain power if an actor with power adopts the claims of these stakeholder groups – should government for example adopt the claims. The same could be the

case for operators and service providers, should changes in the case happen causing them to have an urgent claim, which could then be adopted by actors with power. The possible dynamic movements are therefore highly important, and Heathrow should not cease to continuously assess its stakeholders and closely consider their claims and attributes, as, for example, unawareness of a dependent stakeholder's claim being adopted by a definitive stakeholder could lead to risks regarding the approval and construction of the third runway.

10.2 Cost Benefit Analysis

Many have forecasted expanding capacity to have massive nationwide benefits related to national economy, trade and employment, while having huge financial possibilities for the airports that campaigned for expansion. The CBA is carried out to analyse factors expected to be considered by government before approving expansion of Heathrow, based on its climate change commitments, its commitment to the UNGPs and the IBHR and its commitment to drive economic growth for the UK. The CBA is important, as it outlines the issues Heathrow needs to address, and, accordingly, needs to adapt in its communication efforts to clearly communicate how it addresses these issues. Given the government's commitments, expansion can only be approved if the issues outlined in the CBA are properly addressed by Heathrow. The CBA thereby assists in answering the research question by identifying the stakeholders' interests and by highlighting the level of uncertainty of potential benefits and costs, which are used as arguments for and against expansion. In the following, the costs and benefits argued to be attached to the expansion of Heathrow will therefore be individually analysed. It includes figures communicated by Heathrow and figures supporting the government's final decision to assess if these are found to contain a level of uncertainty based on figures from previous mega projects and actual traffic statistics. It is noted that actual impact of costs and benefits is difficult to list. However, compulsory purchase of homes will be certain after approval, as the physical construction is already layouted, whereas job growth, trade, air quality and noise impacts are harder to assess due to uncertainties in demand and unknown future variables, such as Brexit.

10.2.1 Demand for added airport capacity

The examination of costs and benefits takes its departure from an examination of the forecasted demand for capacity, as the DfT's forecast on demand originally led to discussion of expansion.

Forecasting future demand serves as an essential condition for the potential benefits that derive from expansion, for example in terms of job creation and trade, as well as costs, such as noise levels and air quality. Numerous actors have forecasted future capacity demand in South East England, leading to the discussion of where to build additional capacity to meet these demands. However, the forecasted figures seem to differ according to who performs the forecasts, also causing uncertainties about the derived benefits and costs from expansion. If uncertainties in future demand are present, it causes uncertainties about claimed benefits.

More than a decade ago, Heathrow announced that it was reaching maximum capacity. Then and until now, Heathrow operates at 98% of its total capacity (Heathrow Airport Limited, 2013a), meaning that no spare capacity to expand its business or to serve new routes and airlines exists. Expanding capacity has thus been an important objective to Heathrow for many years. On its website, the following is stated:

"While Heathrow has been full for 10 years, many airlines have been choosing to put on more flights and routes from other European hubs instead of other UK airports. Significantly, all of these hubs have additional capacity." - *Heathrow Airport* (Your Heathrow, 2014a)

Heathrow's statement addresses a number of issues. Firstly, that the airport cannot expand its business further, restraining business and financial opportunities for the airport itself. Secondly, that traffic is moving to other significant airports in competition to the UK as a consequence hereof. Thirdly, that it will continue to do so, if no decision to expand capacity is made, as spare capacity is present at other hubs. Aggregated, the points made by Heathrow concern important societal matters, particularly economic, making it to be a concern both to Heathrow as a business and to the country as a whole.

From Heathrow's proposal Long-term Hub Capacity Options submitted to be shortlisted by the AC in 2013, the airport states that passenger growth forecasts are constrained to 0.5-1% per annum until the new runway is added, demonstrating that capacity tightens further and that already

operating at 98% of capacity slows growth tremendously (Heathrow Airport Limited, 2013a). Heathrow further argues that by the time a third runway is operational (in the report projected to be in operation by 2025), a significant proportion of demand may have been lost to overseas governments, airlines and hubs, including Dubai and Istanbul, which are *"already making major investments that exploit the UK's hub capacity constraints* (Heathrow Airport Limited, 2013a: 6)". Apart from Heathrow, all other leading European international hubs have invested heavily in expanding capacity, including Paris Charles-de-Gaulle, in which two runways and several terminals have been completed, Amsterdam Schiphol, in which two runways have been built, Frankfurt Airport, in which a third runway was put into operation in 2011, and Munich Airport, in which a second terminal has been added (Sismanidou & Tarradellas, 2016).

In its submission to the AC, Heathrow forecasted that the it will be able to handle approximately 570,000 Air Transport Movements (ATMs) and 100 million passengers per annum (mppa) by 2030 and 740,000 ATMs and 130 mppa by 2040, while it forecasts a passenger number growth of 5% per annum in the first five years of operations with a third runway, once again in its forecasts projecting the runway to be in operation in 2025. It further states that *"the period of 5% growth per annum represents some initial recapture of demand that Heathrow has lost over the period when it has been capacity constrained* (Heathrow Airport Limited, 2013a: 6)". The high growth rates the first five years are estimated to be of 2.5% above market level the first five years with a third runway in operation, thereafter projected to return to market level with a passenger number growth of 2.4% per annum. (Heathrow Airport Limited, 2013a)

An argument continuously repeated by Heathrow, is the importance of its hub status. Heathrow continues to argue that although capacity could be added to other airports, these would not have the same network strengths as Heathrow, coming to the conclusion that: *"Capacity can be delivered more quickly at Heathrow than by building a new hub airport and existing network strengths mean new routes are more likely to be delivered at Heathrow than at other airports* (Heathrow Airport Limited, 2013a: 6)"*. Heathrow thus argue that although other airports would gain added capacity, traffic would continue to move outside the UK to other airports with hub status, as the same opportunities for transfer traffic would not be present. At the time of the

report, 35% of traffic through Heathrow Airport was transfer traffic (Heathrow Airport Limited, 2013a), while it was 30% in 2016, adding up to 22.7 million transferring passengers.

Heathrow concludes that *"a third runway provides sufficient capacity until at least 2040 and that demand beyond this point is very difficult to predict now* (Heathrow Airport Limited, 2013a: 5)"*, arguing that such forecasts are too uncertain to take into consideration in terms of planning.

The government also forecasted a lack of capacity in South East England decades ago, while the benefits and costs believed to possibly derive from added capacity made the case crucial to a number of political actors (Airports Commission, 2015a). In 2000, the DfT forecasted an increase of air passengers from 160 million passengers per annum in 1998 to over 400 million passengers per annum by 2020 in South East England, illustrating an industry in massive growth, while the DfT's 2003 Air Transport white paper further forecasted growth figures up to 600 million passengers per annum by 2030 of which the majority are expected to travel through airports in South East England. (Department for Transport, 2003)

The white paper continues to state that *"there are, of course, large uncertainties involved, which increase the further we look ahead* (Department for Transport, 2003: 23)"* and that *"previous forecasts have often proved conservative; during the 1990s, for example, air traffic exceeded projected levels. ... However, the considerable uncertainties involved in looking 30 years ahead mean it is right to proceed in a measured and balanced way* (Department for Transport, 2003: 24)."* On basis of these statements, newer forecasts from government actors will be weighed heavier, while it is noted that the government also recognizes the difficulty in forecasting future demand due to external factors such as oil prices, border issues, economic decline in otherwise forecasted emerging markets, rapidity of global warming issues or other unforeseen conditions.

The latest forecasts are provided by the AC to give its recommendations on where to expand capacity. Although, set up by the government the calculations were made independently of government affairs, yet, still included as part of the government's demand forecasts, as it has been stated that the government looked to these forecasts and recommendations in its final decision.

The AC also points out that aviation constantly evolves and that the industry has moved intensely since the 2003 white paper.

In its final report in 2015, the AC pointed to the importance of aviation in the South East, particularly in London, which retained the largest origin and destination (OD) market in the world in 2012 reaching 110 million OD passengers. However, competition from other hubs remained strong, particularly from the Middle East, where the Dubai hub had growth rates at 12% compared to European hub transfer traffic growth rates at 0.3-2.1% annually in the past decade. Dubai Airport expanded its capacity from 23 million in 2002 to 75 million in 2012, pointing to expansion of airport facilities as a key factor for the high growth rates. This highlights the need of added capacity in South East England and possibilities for the UK nationally deriving from the London aviation network, which is therefore the main scope of the demand forecasts calculated by the AC, despite the AC being criticized for being too "London-centric" by some stakeholders. (Airports Commission, 2015a)

Concretely, the AC took on forecasting the demand until 2050. The AC calculated two demand forecasts, one which is *carbon-traded* and one which is *carbon-capped*. This is done to incorporate environmental aspects, particularly carbon emissions. The *carbon-traded forecast* assumed that carbon emissions from flights departing from the UK are traded at European level until 2030 and includes the carbon price projections by the Department for Energy and Climate Change (DECC), in short assuming that emission will be reduced where most desirable or efficient across global economy (which is described as a carbon-traded scenario). This means that emissions can be traded across industries for the wider benefit of the economy – the government can thus cut emissions in one industry to make room for larger emissions in another industry. The *carbon-capped forecast* assumed a firm aviation emissions cap, which cannot be traded with others. The emissions cap is set to be of 37.5 $MtCO_2$ (metric tonnes of carbon dioxide), in line with the recommendations by the Committee on Climate Change under the Climate Change Act established to advise the government on greenhouse gas emissions reductions. The two scenarios aimed to understand how demand may be affected by the government's approach to carbon emissions. (Airports Commission, 2015a)

The carbon-traded forecast estimated demand to double by 2050 to approximately 470 mppa in the UK (a range of 430-570 mppa is given), while the carbon-capped forecast estimated a demand of approximately 370 mppa by 2050 (a range of 342-407 mppa is given), equivalent to nearly 61% growth between 2005 and 2050. When examining passenger growth at Heathrow, exclusively, the AC forecasted passenger numbers to increase from its current 70 million to approximately 100 million by 2030 and again to around 130 million by 2050, arguing that its hub status and large amount of cargo operations are key in its recommendation to expand at Heathrow. (Airports Commission, 2015a)

Comparing the demand forecasts

As shown above, it is outlined in more detail how uncertain and troublesome forecasting future demand is. The forecasts conducted by Heathrow, the government and the AC all differ "substantially". To analyse Heathrow's forecasts conducted in 2013, the traffic statistics up to 2016 are applied to make a comparison with the forecasted figures, as illustrated in the table in appendix 6 that shows Heathrow's actual mppa and growth rate. The table shows larger increase in passengers than forecasted in almost all years, except between 2015 and 2016, which does however nearly exceed the forecast as well, proving that Heathrow's forecasts thus far are correct. This cannot be directly transferred to prove that future forecasts are correct as well, but does indicate that relevant market factors have been included in the calculations.

In 2000 the government forecasted that by 2020 the UK passenger demand would reach 500 mppa, and in 2003 it forecasted that demand would reach 600 mppa by 2030. However, in 2015 the AC forecasted significantly lower figures by 2050. Depending on the future scenario, the government forecasted that a carbon-capped scenario would provide demand at approximately 370 mppa by 2050, and with a carbon-traded scenario demand would reach approximately 470 mppa by 2050. Furthermore, in its 2013 submission to the AC, Heathrow forecasted that by 2040 passenger demand at Heathrow would be 130 mppa. However, in 2015 the AC forecasted that the 130 mppa demand at Heathrow would be reached by 2050, ten years later than Heathrow

expects. This indicates that Heathrow emphasised economic benefits in the beginning of its campaign to become shortlisted.

The differing results can be argued to be due to varying methods of reaching these figures. What is included in the forecasts might differ, as seen in the AC's forecasts of the two scenarios carbon-capped and carbon-traded. Also, the government and the AC forecasts on mppa for the UK in general, while the AC also forecasts on mppa for Heathrow specifically, as does Heathrow. Furthermore, that forecasts are carried out in different years could also have influenced the outcomes. For example, the government's forecasts in 2000 and 2003 are conducted before the financial crisis, which might cause the numbers to be significantly higher than the AC's forecasts conducted in 2015. Furthermore, the UK has moved closer to reaching its emission limits, which proved to have an impact on the AC's forecasts.

As proven, forecasting is difficult and conducted by multiple methods, which lead to differing figures. To demonstrate that, expansion of capacity in Madrid-Barajas Airport (Madrid Airport) is analysed to uphold forecast against actual outcome from an already conducted infrastructure mega project. Madrid Airport justified expansion with forecasts on increasing demand. Madrid Airport is the largest airport in Spain and the fifth largest airport in passenger volume in Europe. The airport is publicly managed by the Spanish National Airport Authority, AENA. In 1997, air traffic had risen to almost 24 mppa from one million in 1970, which positioned Madrid as one of the world's major airports. In 1997, just one year before implementing a third runway, a new major expansion of its terminals was deemed necessary to increase passenger capacity to 70 million and peak hour capacity to 120 operations. The new Terminal Area project was described and justified in the Madrid Master Plan in 1999, ratified by the Ministry of Public Works and Transport. The objective of the expansion was to reinforce Madrid as a major international hub, which would act as the main gateway between Latin America and Europe, competing with new generation airports. In 2006, Madrid inaugurated its new terminals, T4 and T4S, to have five terminals in total. Passenger traffic in Madrid continued to grow for one year after the inauguration, reaching 51.4 million passengers in 2007, and immediately thereafter experienced a drop in the period from 2007 to 2013, during which passenger flow decreased by 22.8%, from 51.4

to 39.7 million, despite a 25-year period forecast that supported expansion. After the financial crisis struck in 2008, passenger volumes declined in all major European airports. However, some resumed growth in 2009, yet, the Madrid's passenger traffic continued to decline, resulting in a 23.6% deviation from the forecast. (Sismanidou & Tarradellas, 2016)

The table in appendix 7 shows the air passenger traffic forecasts and actual numbers since the publication of the Madrid plan. The table shows that in 2006, where the expanded area opened, and in 2007, Madrid experienced growth in air passengers traffic. It shows positive deviation from the forecast of 12.1% in 2006 and 23.2% in 2007. However, since the world financial crisis struck and until 2013 the airport experienced a steady decrease in air passengers traffic, which since 2012 has resulted in negative deviations from the forecast, reaching its lowest in 2013 with -22.9%. In 2014, the numbers began to increase again, yet, still within negative deviations from the forecast. The actual number of passengers is close to those when Madrid peaked with 50.4 million in 2016, however, in 2025 it has been forecasted that the airport should have 70.8 million passengers (Sismanidou & Tarradellas, 2016). This would mean an increase of 40.5% from the 2016 actual passenger number.

Madrid Airport used rising demand to justify the project. A 25-year forecast showed a steady increase from 27.8 in 1999 to 70.8 million passengers by 2025. However, as years passed, the actual numbers of air passenger traffic have proven to vary massively from the forecast. Although the airport shortly experienced increase in passenger numbers, it mostly experienced negative deviations from the forecasts, which highlights the uncertainties of forecasting. However, it is important to have in mind that a number of external factors can have played a part, for example the world financial crisis.

Regardless of whether the UK's future demand turns out to be the lowest or highest figures forecasted, the airports in the South East are reaching maximum capacity and will need added capacity. The AC also points to this fact in its final report: "*Heathrow has been effectively full for many years, and Gatwick is operating at more than 85% capacity and is completely full at peak times* (Airports Commission, 2015a: 3)." One may therefore argue that, regardless of the volume

of the forecasts, capacity needs cannot be met, unless demand decreases, which has not been forecasted by any actors in the aviation market worldwide, where there seems to be consensus that some increase will occur, but uncertainties as to how large the increase will be.

As the above shows, forecasts from Heathrow has until now proven to be correct, while the Madrid Airports project proved how forecasts can bring uncertainties with it. It exemplifies how positive forecasts can be used as an argument to justify a project, but when it comes to reality the forecasts are not as good as foreseen. The example of Madrid thus emphasises that forecasting is difficult and that unforeseen external factors might influence forecasts, meaning that one should not always perceive the forecasted numbers presented in the arguments as promises of future greatness, as it can also go in another direction. Unforeseen external factors can play a major role, which was seen with the world financial crisis and the Madrid case. Other forecasts, which have shown to be better than the actual outcome, have also been seen at expansions of other international airports. For example Denver International Airport, which was expanded in 1995 after $5bn investment, but passenger traffic in its opening year was only half of what had been forecasted (Flyvbjerg et al., 2003). A similar situation occurred in Hong Kong Chek Lap Kok Airport, where revenues were significantly lower than expected after the expanded airport opened in 1998, allegedly having cost the Hong Kong economy $600 million after just nine months in operation (Flyvbjerg et al., 2003).

External factors might also show to play part in the future results from the Heathrow expansion, for example as a result of Brexit, which was set into effect on 29 March 2017 by the UK's prime minister Mrs Theresa May. The terms of Brexit are yet to be negotiated in the EU and are it is therefore difficult to predict its actual impact on demand, as this depends on the negotiations carried out in the coming two years. Based on the above, the uncertainties regarding demand is argued to lead to uncertainties about the costs and benefits deriving from the expansion as well, regardless of who puts forward the arguments.

10.2.3 Benefits

A number of benefits are argued to derive from expanding airport capacity at Heathrow, while these must be viewed with a degree of uncertainty attached to them based on the uncertainty

about future demand. Several actors mention several benefits, including job creation, wider national economic benefits, increased opportunities for international trade and cargo, accessibility between markets both inbound and outbound, enhanced tourism, increased incomes for individuals, Heathrow and in form of tax for the government, and many more. The aspects mostly mentioned in arguments by relevant actors will be assessed below to evaluate the impact of these on the final decision as well as the levels of certainty attached to them.

The accruement to national economic prosperity is by many believed to be stimulated by international trade, foreign direct investment and development of affected communities. As expansion, in the case of Heathrow, mostly will be paid for by Heathrow, the taxpayers and society will not invest in the expansion itself, but in supporting infrastructure, and despite of this, large economic benefits might derive for the society as a whole. The estimates of impact on national economy are influenced by the individual forecasts of elements believed to collectively pose economic prosperity, continuously mentioned to include job creation and opportunities for trade and cargo. These elements will be looked at individually in the paragraphs below and will afterwards be summed up to evaluate the estimates of benefit to the national economy as a whole.

Job creation

Another argument frequently used in relation to the expansion is job creation, argued both by Heathrow and the government to be positively affected from an expansion, either directly or indirectly. Direct job creation refers to jobs in the airport, including entrepreneurs building the additional runway, additional supporting service provider employees, such as concessionaires in the airport, luggage handlers and check-in personnel, and added manpower in the airport's administration etc. Other industries are also likely to be positively affected in terms of job creation, particularly, including the tourism industry, where new routes will allow access to the UK and thereby new potential tourists to the country. This is categorised as indirect job creation, referring to jobs added in industries that may, in some way, be affected by the larger passenger numbers. These might be employees at hotels in London, additional cab drivers, employees at companies able to expand due to international trading opportunities etc.

Commissioned by Heathrow, an independent report by QUOD confirms that over half the gains from forecasted economic benefits and job creation will be made outside London and the South East. The AC has estimated that the expansion, as a result of foreign investment and increased freight capacity, will create up to 179,800 new jobs across the UK in 2050 with more long haul connections and increased freight capacity at an expanded Heathrow. Over 100,000 of the jobs are outside London and the South East, while 75,000 new jobs would be created within London and the South East. In manufacturing alone, up to 94,900 jobs would be created. It is estimated that up to 40,000 jobs will be created in Heathrow's 5 nearest local communities with the expansion. This includes doubling the number of apprenticeships available at Heathrow to 10,000 by 2030. (Your Heathrow, 2015b); (Your Heathrow, 2015c); (Your Heathrow, 2015d)

Should expansion be carried out, Heathrow commits itself to protect the existing 114,000 local jobs depending on the airport with 75,000 being on site. Heathrow claims that expanding the airport would create between 70,000 and 150,000 new indirect local jobs. Half of Heathrow's employees live in the five boroughs that surround Heathrow, therefore, to ensure that local people continue to have the best opportunities to access employment, Heathrow will work with airport companies to offer employment training and apprenticeships.

Today, there are 111 foreign-owned businesses with headquarters in Thames Valley that employ between 45-75,000 workers. In the UK, 3.7 million people work for foreign-owned companies. Companies from the US, Japan, Australia, Hong Kong, South Africa and Canada account for half of these jobs and employ 600,000 people outside London and the South East. More growth countries being better connected to the UK will support increased levels of foreign investment, and in turn support more jobs across the UK. Furthermore, expansion would have a catalytic impact on tourism from inbound leisure and stopover passengers, which could also create more jobs. (Heathrow Airport Limited, 2013a)

The AC suggests that the expansion at Heathrow could deliver 59,000-77,000 additional jobs by 2030 for local people and the fast-growing wider population in London and the South East. This will assist Heathrow's promise to double the current total to 10,000 apprenticeships by 2030.

(Department for Transport, 2016a); (Airports Commission, 2015a) The same numbers re-occur from the government, where the new prime minister, Theresa May said:

"… the decision was made to boost jobs and growth and to ensure the country's success post-Brexit. The Department for Transport said it would deliver economic benefits to passengers and the wider economy worth up to £61 billion and create up to 77,000 new local jobs over the next 14 years" (Phipps & Siddique, 2016)

However, having looked at the details in the AC's final report from 2015, the DfT has come up with much lower figures in a 2016 report named the Further Review and Sensitives Report. Here, it projects that the number of local jobs might be 37,740 by 2030, not 77,000. Also, the DfT estimates that the number of jobs by 2050 might be 39,100, while the AC expected 78,360. (Airportwatch, 2016) The Review and Sensitivities report from October 2016 states:

"The department agrees with the AC's overall framework for analysing jobs impacts, but identified a number of uncertainties with the approach taken. These uncertainties mean that varying assumptions in the analysis could lead to significantly different results." (Department for Transport, 2016b)

The figures by the AC and DfT differ significantly. On the DfT's website, expansion is however still communicated to create *"up to 77,000"* new jobs (Department for Transport, 2016a), despite its own assessment from 2016 stating lower figures. Obviously, the more jobs the better the argument is to expand Heathrow, and one can therefore guess that the higher figure is communicated due to higher economic benefits. If that is the case, it could be argued that the DfT communicates the higher figure on purpose, but one simply cannot not know if that is the case from information publicly available. Regardless, focus seem to largely be on local benefits in terms of job creation, which might be highlighted due to the strong opposition seen from the local communities caused by the costs that expansion also contributes to. This will be elaborated in section 10.2.4. Nonetheless, the different figures on job creation express uncertainties in the calculations and forecasts.

A recent example of an airport runway expansion is Frankfurt Airport. Below is a description of its case and how it also used job creation as an argument to justify expansion. Frankfurt Airport is an international hub, and is the largest airport in Germany (Fraport AG, 2017a). In 2016 Frankfurt Airport welcomed more than 60 million passengers and handled about 2.11 million metric tons of cargo. (Fraport AG, 2017b)

Frankfurt Airport expanded with its Runway Northwest, which began operating in 2011. The airport was at the limit of its capacity during peak periods, with no easing of the situation in sight. Due to capacity restraints, the chairman of the airline Lufthansa's board issued an appeal for expansion in 1997. Lufthansa stressed that without additional capacity, the airlines serving the airport would no longer be able to develop their offerings to keep pace with market demand, and therefore be forced to shift their services to other locations. It was no longer possible to meet the airlines' requests for permission to schedule more flights. (Fraport AG Frankfurt Airport Services Worldwide, 2004-2017) This further serves as an example of a stakeholder claim adopted by a government with power to act on it.

Though the main argument for expanding seems to be demand for more capacity, another argument, frequently, put forward to justify expansion was job creation. In 2009, when Frankfurt's Northwest runway expansion commenced, it was said *"Fraport will invest 4bn in the Airport expansion program over the coming years. Approximately 25,000 new jobs will be created at the airport and additional 40,000 throughout the region* (Fraport, 2009: 5)*"*. However, it is not clearly stated over how many years the jobs will be created, merely that it will be in the coming years.

The supporting argument of the 40,000 additional jobs forecasted to be created can be argued to be due to the multiplier effect. The multiplier effect is defined by the additional shifts in aggregated demand that occur when expansionary fiscal policy increases income and thereby increases consumer spending (Mankiw & Taylor, 2014). In relation to an airport expansion, this can be illustrated by construction workers hired for construction of a new runway, which give them a labour income. The labour income creates spending on consumer goods, and hereby

demand increases and this then results in more demand for employment, and then the cycle starts over. The multiplier effect is an example of how income travels and might create more jobs in the long run. It could hereby be seen as explanation for additional jobs created outside airports in relation to expansions.

Denise Zak & Michael Getzner (2014) have critically reviewed empirical studies and their methodological assumptions relating to economic effects of airports in Central Europe. Assessing the relationship between airports and economic development the question of causality, i.e. whether airports are a cause or a function of growth and economic development, remains complex. Investments in airport expansions contribute to a temporary demand for construction enterprises and their intermediary suppliers. Direct, indirect and induced effects of air transport on a region are usually expressed in economic metric terms, such as employment. It is argued that quantification and measurement of direct, indirect and induced economic effects are relatively straightforward tasks. However, including different assumptions might serve as an explanation for variations in employment. The forecasted economic effects of an airport expansion are also influenced by pre-existing transport infrastructure networks, the current state and dynamics of economic development, and the level of regional competition. This therefore makes it difficult to draw conclusions in terms of a definite conclusion. (Zak & Getzner, 2014) Frankfurt Airport is placed in the region of Hessen and estimated that 40,000 additional jobs would be created in the region post expansion. The table in appendix 8 shows changes to the region's employment rate since the construction of the runway commenced until to two years after it opened for operations. It also shows that an increase in employment has occurred. However, based on Zak & Getzner's (2014) discussion, it is not possible to say whether it is in fact the airport expansion that has caused increase in employment. It could be argued that it would be easier to evaluate the jobs created on site of the airport. However, this section looks into additional created jobs as this is an often used argument concerning the wider economy. Put simply, it is impossible for one to know how many of the jobs created are caused by the airport expansion. For example, other variables can often have an impact on the outcomes, as seen with the financial crisis and the Madrid expansion, which make it difficult to know if the numbers relating to the expansion are true. Another explanation is that one does not have a counterfactual "world" where it would be

possible to measure if the jobs had created anyway, if the airport did not expand. The above indicates why it is impossible to know if the figures in the aftermath of an airport expansion are true in relation to the project.

Heathrow has used job creation as a main argument, stating it to benefit local communities and the nation as a whole. However, the government's forecast on job creation relies on what the AC presented in its final report, where it forecasted 77,000 local jobs and 179,800 in total. Yet, there is significant difference between the AC's forecast and the DfT's, which forecasts that 37,740 new local jobs will be created. The example of Frankfurt Airport's expansion indicates that it is difficult to evaluate if the jobs created in the aftermath of an expansion is in fact related to that, as one does not have a proper counterfactual. Therefore, it creates an uncertainty when evaluating the result of job creation. This again indicates that forecasts can vary and be difficult to evaluate due to external factors that might occur in the future.

Increased Trade and Cargo with Better Connectivity

One of the most prominent benefits believed to derive from the expansion is increased capacity for trade and cargo as a result of more daily flights to established and emerging markets, implying possibilities for enhanced trade to new markets and accessibility in general to strong economies by adding extra capacity at Heathrow. For trade and cargo opportunities, the hub argument once again comes into play. Hub status was named extremely important for the UK market in a 2009 report from the British Chamber of Commerce that represents 100,000 businesses with more than 5 million employees:

> *"Having access to a major hub airport is extremely important to us. We are constantly developing our business overseas, especially in markets outside of Europe such as Asia and Latin America."* – London Chamber of Commerce and Industry (British Chamber of Commerce, 2009).

Most actors seem to agree that Heathrow plays a crucial role for cargo and trade. In 2015, Heathrow carried double the freight than all other UK airports combined (Department for Transport, 2016a), pointing to a correlation between trade and connectivity. In a 2011 report

prepared for Heathrow, the European economic consultancy Frontier Economics concluded that UK businesses trade up to 20 times more with countries to which there are daily or frequent flights compared to countries to which there are no direct route or less frequent connections (Frontier Economics, 2011).

In its 2013 submission, Heathrow argues that accessibility and connectivity are key factors for businesses. Heathrow is located in Thames Valley that roughly accounts for the counties following the River Thames - an area where businesses seem to be thriving. Heathrow's analysis shows that compared to the UK average, Thames Valley has 50% more European businesses, 60% more foreign companies, 100% more US companies and 260% more Japanese companies, and further argues that this is correlated to Heathrow's connectivity to Europe, North America and Japan, the latter only directly accessible from Heathrow (Heathrow Airport Limited, 2013a). Accessibility by air is also highlighted by the business park Thames Valley Park in its sales material, where it is stated that "*the park offers good connections for both London Paddington Station and London Heathrow Airport* (Thames Valley Park, 2017)". The business park currently houses companies such as Microsoft, Oracle, and Regus. In the Heathrow report Best Placed for Britain from 2013, it is stated that 202 of the 300 the UK's top companies are placed in a 25 mile radius of Heathrow (Heathrow Airport Limited, 2013b). Heathrow further states that expanding the airport by adding a third runway "*might enable benefits of £5-35 billion from new trade* (Heathrow Airport Limited, 2013a: 8)." Furthermore, the airport has announced refurbishment of its cargo facilities worth £180 million, while it states that "*with expansion we have the opportunity to completely transform this area* (Your Heathrow, 2015e)."

The AC also took into account the importance of airfreight, and pointed to the fact that commercial passenger routes are often made viable due to cargo (Airports Commission, 2015a). This is referred to as belly cargo that is stored under the plane's main deck. According to the OECD, belly cargo can account for 10-15% of an international flight's revenues and might thereby be the deciding factor making a route profitable (OECD, 2014). Cargo is thereby key when establishing a strong route network, while already established passenger routes can attract cargo. Cargo is therefore very reliant on a well-established passenger route network. For Heathrow, 95%

of airfreight is transported on passenger aircrafts (Your Heathrow, 2015f). The AC further states that aviation carries high valued goods, often to emerging markets, believed to have positive effect on the UK industry and manufacturers – in 2014, £140bn worth of goods were exported by air from the UK, accounting for 40% of trade with non-EU nations (Airports Commission, 2015a). With increasing world trade, cargo is forecasted to be on the rise, recently forecasted to experience growth in airfreight on all markets between 2016-2035 (Airbus S.A.S., 2016). Subsequently, the AC stresses the importance of a strong hub, linking the forecasts on added cargo to the establishment of passenger routes, as the two highly rely on each other. To evaluate the cargo forecasts, it is therefore key to evaluate the forecasts on the number of long-haul routes that might be added to Heathrow due to the added capacity, as belly cargo depends on availability of long-haul capacity (OECD, 2014). Heathrow itself estimated that the added capacity will allow it to serve 130 long-haul routes (Heathrow Airport Limited, 2013a), thereby adding 47 long-haul routes from today's 83. Significantly lower than Heathrow, the AC forecasted 12 added long-haul routes (Airports Commission, 2015a). Heathrow's forecast would mean an increase of 56.6%, whereas AC's forecast adds up to merely 14.5% growth. The uncertainties uncovered in the analysis of demand also show insecurities about Heathrow's ability to attract passengers to establish long haul routes, which can then sustain freight, despite tendencies towards more long-haul travellers. A survey carried out in 2016 by WEX, an online payment provider, shows that more British travellers are booking long-haul flights. In 2016, 46% of 1000 surveyed travellers answered that they would book a long-haul flight:

> *"British holidaymakers are becoming more and more adventurous with their travels and are looking to experience new destinations outside of Europe." – Ian Johnson, Commercial Director Europe, WEX* (WEX, 2016)

Similar results were found in the study Travel Trends 2016 from ABTA, the UK's largest travel association representing travel operators that sell holidays worth £32bn annually, which states that these operators experienced a 350% increase in long-haul customers in the past decade, including a 800% increase for families (ABTA, 2015). The correlation between long-haul routes and cargo opportunities is also highlighted by Copenhagen Airport:

"The long-haul routes are important and the continuing high growth emphasises that there is a big demand for direct air routes to destinations outside Europe. In recent years, we've succeeded in attracting a number of new long-haul routes, and at the turn of the year we had direct routes to 36 non-European destinations, with the network of routes to North America having been especially strengthened. This means, for example, that it's become much easier for American tourists to come to Copenhagen, while Danish companies now have greater direct access to important markets." – Thomas Woldbye, CEO at Copenhagen Airports (Copenhagen Airports A/S, 2017a)

Figures from Copenhagen Airport's 2016 Annual Report show a cargo increase from 372,748 tonnes in 2015 to 423,024 tonnes in 2016, including an increase in exported cargo from 67,432 tonnes in 2015 to 107,983 tonnes in 2016. In the same period passenger figures increased from 26.6 million in 2015 to 29 million in 2016. Copenhagen Airport highlights that revenues largely come from belly cargo. (Copenhagen Airport A/S, 2017b) The actual figures from an airport in Heathrow's market thus show that cargo and long-haul routes have risen in the past decade in, while numerous reports show a tendency of long-haul travels to increase among UK passengers.

For airlines to establish new routes, a number of factors are considered. These include market analyses, passenger catchment area, connectivity, competition, fares, codeshare opportunities, freight options, and of course feasibility (Avia Solutions, 2017). Largely, hubs are believed to better meet requirements such as catchment area (the amount of potential passengers in the airport's area), codeshare opportunities (partnering with other airlines to handle routes in collaboration, splitting sales of seats), and freight options. Heathrow should therefore generally be in a good position to attract long haul routes. However, there is also a larger possibility for fares to be higher and competition to be stronger, making hubs less attractive.

The above indicates that the ability to increase trade and cargo opportunities depends on performance in attracting routes. Here, one can guess that Heathrow is continuously in contact with airlines, as these are its main customers, and are likely to have insights into more concrete possibilities for route establishments influencing the probability of being able to attract routes and cargo. Regardless, all parties involved are certain that opportunities for trade and cargo will be

strengthened with additional connectivity, while figures and tendencies indicates continued positive development for passenger long haul routes and for cargo figures with such routes, however still in disagreement of Heathrow's level of performance for these factors.

National Economic Prosperity – How Much is Estimated to be Added to the UK Economy?

In its submission of options for expansion, Heathrow states that: *"A third runway at Heathrow would deliver economic benefits to the UK than any other option for new runway capacity. It will create jobs, facilitate trade, boost spending in the wider economy and improve public finances* (Heathrow Airport Limited, 2013a: 7)*"*. In 2013, Heathrow estimated that benefits of £100bn present value (PV) would accrue to the UK from the expansion. The value of a third runway is driven by stimulating international trade, foreign direct investment, and the local community. Heathrow states that additional hub capacity will stimulate direct, indirect and induced contributions to the UK economy. Here, most benefits rely on the improved intercontinental connectivity expansion would deliver. It is estimated that the direct benefits to passengers are £18-19bn PV, reflecting the additional journeys that passengers will be able to make that would not otherwise have occurred. The wider economic benefits to the rest of the UK, particularly from international trade, inward investment and productivity and agglomeration, are more valuable. Although, it is not possible to quantify these effects precisely, Heathrow estimated that it would be within the range of £32-137bn PV. Within this range of wider economic benefits it is estimated that expanding Heathrow and connectivity might generate up to £18bn PV, and benefits of £6-11bn of PV from new inbound tourism. Overall, the benefit is estimated within the range of £50-156bn PV, with the central estimate of over £100bn PV. (Heathrow Airport Limited, 2013a)

The above explains Heathrow's submission to the AC in 2013, and thereby its own arguments for why expansion would be best placed at Heathrow. However, on the airport's micro website Your Heathrow, it states that expansion will add up to £211bn in economic benefits across the UK by 2050, according to what AC analysis has found (Your Heathrow, 2015b). The £211bn cannot be found in the AC's final report, but in its report Business Case and Sustainability Assessment – Heathrow Airport Northwest Runway. There, the AC said that *"Given the scale of capacity that would be delivered under a Heathrow Airport Northwest runway scheme, it is very likely that there will be a strong positive effect on the UK's GDP… with the results across carbon-traded scenarios*

ranging from global fragmentation… to low-cost is king … £112-211bn for the Heathrow Northwest Runway option (Airports Commission, 2015b: 49)*".* The scenario where '*low-cost is king*' would give economic benefits up to £211bn. Here the scenario of '*low-cost is king*' means that low-cost carriers strengthen their position in the short-haul market and capture a substantial share of the long-haul market, which also increase passenger demand from all world regions and lower operating costs. (Airports Commission, 2015b)

To forecast economic benefits to the UK, the AC set up different scenarios in which the numbers differ significantly. In its final report, they state that *"Against the objective of maximizing economic benefits and supporting the competitiveness of the UK economy the Heathrow Airport Northwest Runway option performs most strongly, generating £69.1 billion of benefits…* (Airports Commission, 2015a: 149)*"* in a carbon-traded scenario. In the scenario of *low-cost is king* the number is significantly higher, forecasting economic benefits up to £211bn. The different numbers demonstrate how the AC has thought of various scenarios, which set out a wide span of numbers for the potential economic benefits to the UK. This also, proves that the future can unfold in many ways, and that only the future can tell which forecast scenario comes closest to what reality turns out to be.

As previously mentioned, the DfT has made a Further Review and Sensitivities Report based on the AC's final report. Given the uncertainties associated with estimating wider economic impacts, various calculation approaches have been proposed over time, where on-going engagement with external experts means that the preferred methodology continues to evolve. Because of this, the overall impact of the capacity options has been presented both including and excluding estimates of wider economic impacts. The DfT forecasted a total of economic benefits up to £61bn in PV where up to £3.9bn come from wider economic impacts, up to £1.8bn come from airline and government impacts, and lastly up to £55.4bn come from passenger benefits. (Department for Transport, 2016b)

The above indicates that Heathrow, the AC and the DfT each estimate different outcomes of economic benefits to the UK. The wide span in economic benefits seems to be due to different

calculation methods and to uncertainties related to demand, job creation and cargo and trade. In the end, it comes down to how many jobs will be created, how much demand will increase, how must in direct foreign investments etc. the UK will experience in the following years. However, as mentioned in relation to job creation, it will be difficult in the future to evaluate the outcomes of the expansion. This is due to the missing of a proper counterfactual, as no one will be able to tell if all the things would have happened regardless of expansion.

10.2.4 Costs

Despite the many argued benefits, there are also a number of downsides to consider, which have been highlighted mainly from opposers, but also by Heathrow and the AC. These include environmental costs, including noise, emissions and air pollution, and economic added costs, for example expansion of infrastructure, such as the M25 highway, and public transportation.

Such arguments have been strongly advocated by opposing community groups, including the Heathrow Association for the Control of Aircraft Noise (HACAN) with the slogan *A voice for those under Heathrow flight paths* (HACAN, 2017a), and Stop Heathrow Expansion (SHE), a campaign by local residents against Heathrow growth campaigning to free residents from the threat of homes being demolished and from pollution (SHE, 2017). The opposing groups remain very active and vocal, and have recently joined forces in a new coalition called the No Third Runway Coalition. The No Third Runway Coalition was established in March 2017 and is composed of 18 local groups opposing Heathrow expansion, including HACAN and SHE. The No Third Runway Coalition is backed by a number of cross-party politicians, including five local authorities: Hammersmith & Fulham Council, Hillingdon Council, Richmond Council, Wandsworth Council, and Windsor & Maidenhead Council (Patel, 2017), while local MPs from Labour and the Conservatives have stated that the coalition's fight to protect the communities from noise and air pollution is crucial (Murphy, 2017). There are, however, also supporting community groups, such as Back Heathrow, consisting of residents and businesses to protect jobs provided by Heathrow to ensure a secure future (Back Heathrow, 2017).

Heathrow recognises that there are costs connected to the expansion. In its 2013 submission to the AC, the balance of costs and benefits is mentioned: *"determining the right balance between*

the economic and environmental impacts of additional flights is ultimately a decision for Government (Heathrow Airport Limited, 2013a: 3)*.”* The same is the case in the government's Aviation Policy Framework published in 2013 to replace the Air Transport White Paper from 2003, in which the benefits aviation brings are recognised to be crucial for the UK, while it is also recognised that there are indeed implications and costs, creating a *"need to balance the benefits aviation brings against its local impacts, such as noise* (Government, 2013: 5)*”*, while making it clear that the aviation industry must contribute to reaching national environmental goals and to protect the quality of life of the communities it affects (Government, 2013).

Negative Community Impact

The most dominant cost argument is undoubtedly community impacts. This includes emissions, noise and air pollution, congestion and perhaps rebuilding of supporting infrastructure such as roads and rails, and home purchasing from local residents that regularly come up in the discussion of the most dominant costs. 11 constituencies are located under Heathrow Airport's flights paths and are therefore subject to changing and for some increasing noise schemes and possibly worsened air quality (Your Heathrow, 2016a). These costs are therefore analysed individually in the below paragraphs to examine if and how expansion impacts the communities.

Congested Roads and Rails

From an economic perspective, critics have argued that expenses related to building new and extending old supportive infrastructure to comply with the larger airport will drive large financial costs for taxpayers, making it less attractive, while also being of nuisance to residents using this infrastructure on regular basis. The expansion mostly includes implications for the current M25 motorway. Heathrow has, however, agreed to pay the costs of improvements of the major motorways, the M25, A4 and A3044, and has – on a more positive note – stated that:

> *"A third runway at Heathrow provides an opportunity to improve one of the most congested sections of the M25. Our proposals will require a new, tunnelled section”* – Heathrow Airport (Your Heathrow, 2015g)

In the submission to the AC, Heathrow also states that by the time an additional runway would open, already planned public transportation infrastructure upgrades would secure that more of the country's population would be able to arrive by public transport, thereby not congesting roads around the airport. Heathrow estimates that 15 million more passengers would be able to arrive by public transportation by 2030, thereby adding up to more than 50% of passengers arriving by public transportation (Heathrow Airport Limited, 2013a,). The public transportation upgrades already planned or in discussion include railways, such as the Crossrail, Western Rail Access, High Speed 2 and Southern Rail Access, and the Piccadilly underground line. In 2014, the airport even suggested to introduce a charge for passengers arriving by road as a step to reduce congestion and to improve air quality (BBC, 2014).

The AC also positively highlights that Heathrow is well connected to public transportation. The AC does however point to a growing need for on ground access with expansion, pointing out that roads and rails will experience congestion during peak times with more passengers. The AC forecasted a need of 385,000 extra trips, raising the number of passengers arriving by public transport to Heathrow to 53% by 2030. The AC argues that tackling congestion on roads and rails must be dealt with regardless, as they are also reaching maximum capacity. (Airports Commission, 2015a) The AC's assessment of congestion has however been subject to critique from the Transport for London (TfL), stating that it was "*substantially underestimating the impact of the third runway*," estimating that 450,000 extra trips could be experienced at maximum usage of the third runway, rather than the AC's forecasted 385,000 extra trips (Edwards, 2015).

Congestion has become a relevant factor not only because of its nuisance to its users, but due to the need of significant investment figures. Although the majority of the investments have been planned prior to the decision to expand at Heathrow, these investments are now being connected to the expansion, as the demand for these may change with it. Costs of improving the motorways will, as noted previously, be paid for by Heathrow, while the investments in upgrading public transportation are to be paid by the government from tax incomes. TfL argues that investment in rails to support an expanded Heathrow will cost £15bn-£20bn beyond the already planned investments (Greater London Authority, 2015), while the AC estimates figures to be £5bn (Airports

Commission, 2015a). The particular level of investment continues to be widely discussed. In December 2016, the Conservative Transport Secretary Chris Grayling called the TfL's high estimates *"ludicrous"*:

> *"It's ludicrous, to be honest. I do not see where £15bn can come from if you look at what we're actually seeking to deliver around Heathrow Airport. It feels to me like somebody has taken every possible transport improvement in the whole of metropolitan London and thrown it into the mix, and probably funding a large chunk of Crossrail 2 out of it as well. I'm baffled as to where TfL manages to get a £15bn figure from because I don't know what you'd spend the money on."* – Chris Grayling, Transport Secretary (BBC, 2016).

Investment to prevent congestion on roads and rails providing surface access are thus viewed as a cost, either, primarily, due to refurbishment and nuisance to main users in the community, and potentially also for taxpayers, if added funds are to be spend to serve an expanded Heathrow.

Noise

A widely discussed cost is that of noise. Changing the layout of the airport is bound to bring changes to the current noise schemes and is expected to also increase noise levels for some residents in the communities near the airport.

In 2016, HACAN and the Aviation Environment Trust commissioned a report called Aircraft Noise and Public Health: The Evidence is Loud and Clear. The report stated that UK studies conducted over the past 10 years have found that higher aircraft noise levels are associated with increased risk of high blood pressure, heart disease, heart attack, stroke and dementia. It also states result from a recent study around Heathrow which found that people exposed to high levels of aircraft noise had a 24% higher risk of stroke, 21% higher risk of heart disease, and 14% higher risk of cardiovascular diseases compared to people exposed to low levels of aircraft noise. Long-term sleep disturbance and emotional stress response to aircraft noise are also among factors that can lead to high blood pressure and higher risk of cardiovascular diseases in the long-term. (Aviation Environment Federation, 2016)

One topic relating to noise that has been under massive discussion has been night flights. As Heathrow operates today, there are no scheduled departing flights between 23.00 and 06.00, and no scheduled arriving flights between 23.00 and 04.30. The government has not banned night flights, but has set into effect a restriction of 5,800 night take-offs and landings annually. (Heathrow Community Relations Team, 2017a) In its recommendation, the AC proposed a night ban to last from 23.30 to 06.00 following the expansion, highlighting that introduction of a night ban is only possible with expansion, as it would otherwise lower the number of operations (Airports Commission, 2015a). In the government's decision to expand at Heathrow, it does for the first time propose to introduce a ban on night flights lasting 6.5 hours. The exact timing of the ban is to be decided through consultation with the public. Furthermore, the government has stated that it will introduce more stringent noise restrictions as a requirement for expansion to be carried out. (Department for Transport & Grayling, 2016)

Yet, under critical assessment is noise relating to the many daily operations, particularly revolving around changing flight paths. Today, planes arriving to or departing from Heathrow land or take off towards the west, except when weather does not allow so, where in that case the direction changes to the East. When departing, the planes follow predetermined routes called Standard Instrument Departures (SIDs) of which there are six in the western direction and six in the eastern direction. The current SIDs were decided upon by the DfT in the 1960s. The routes are not to be followed to precision, as performance depends on the aircraft's specifications and sensitivity to wind, and can thereby be extended by 1.5 kilometres at either side of the SID. The extension of SIDs are known as Noise Preferential Routes (NPRs). The aircraft must be within the NPRs up to 1.2 kilometres altitude after which the plane can freely be directed en route towards its final destination by the air traffic controllers. Current Heathrow tracking show that 95% of departures stay within the NPRs. (Heathrow Community Relations Team, 2017b) Arriving planes are somewhat more complex. As Heathrow operates close to maximum capacity, planes arriving to Heathrow may not be able to immediately land due to occupation. Therefore so called "holding stacks" are established to act as waiting rooms. In these, planes circulate until given approval to land on one of the two runways by air traffic control. There are currently four holding stacks that were also established by government in the 1960s: Bovingdon, Lambourne, Ockham and Biggin.

There is no guideline about which route a plane must exit the holding stack to approach the runway and the route may therefore vary, although 87% of arriving planes to Heathrow uses a Continuous Descent Approach landing at a pre-specified particular angle set to maintain the aircraft as high as possible for the maximum amount of time, thereby reducing arrival noise. (Heathrow Community Relations Team, 2017c)

With the third North West Runway, the above operational procedures that have been in place since the 1960s are bound to experience changes. For its proposal, Heathrow developed a new procedure in which the three runways will be used in three modes: Departing, Arriving and Dual, where operations shift between arriving and departing planes. The dual mode would not be used for the central runway due to safety issues, as landing aircrafts would only be able to fly straight ahead if a landing is for some reason missed, thereby potentially conflicting with landing planes to the other runways, whereas landing planes on the outer runways would have the opportunity to take off and turn to the respective side to avoid landing planes from the other direction. The dual mode is suggested, as rotation would cause respite from overflights in the communities affected. Doing so, Heathrow estimated that it would be able to handle up to 66 arrivals per hour and up to 70 departures per hour. By placing it to the North West, it is said to make less noise over central London, while also reducing the number of people whose properties would be bought to expand. It is also argued that the holding stacks would not be used to the same degree, as the expansion would add the now lacking capacity that causes numerous flights to be held in holding stacks prior to arrival. (Heathrow Airport Limited, 2013a) In its proposal, Heathrow further stated that noise from aircrafts has never been lower since the 1970s, as a result of continuous effort to reduce noise. It is further stated that the airport commits itself to three noise objectives with expansion (Heathrow Airport Limited, 2013a: 10):

Table 2: Heathrow's Noise Objectives

1	**Reduce the number of people affected by noise** through quieter planes, quieter operating procedures, and an altered airport layouts and usages.
2	**Provide periods of respite with no overflights** by securing pauses from operations, for example by introducing limits to night flights.
3	**Limit noise levels in homes and buildings** by providing insulation for properties, while restricting operations such as night flights. The latter argued only to be possible through expansion, as Heathrow then has capacity to schedule flights during the day instead.

Overall, it is believed that 200,000 fewer people will experience significant noise than is the case today, but there are some, who will indeed experience more flights than today or some who have not previously been subject to noise, who will now experience noise from an expanded airport. (Heathrow Airport Limited, 2013a) Similar ideas are put forward in the AC's recommendation of Heathrow. First and foremost, the AC suggested introducing a ban on night flights, which Heathrow later committed to. The AC also pointed out that Heathrow on overall scale is expected not to be noisier than is currently the case and stressed that the people affected would be far better compensated after the expansion for example through noise insulation paid for by the airport. Improvements to aircraft technologies, for example quieter planes, and traffic management are believed to be sufficient to continue to reduce noise despite a growing airport. (Airports Commission, 2015a)

The intense use of the NPRs when departing and landing are, however, criticised by the opposing group, HACAN, that argues that improved aircraft technology leads to more aircrafts in the centre of the NPRs, thereby causing a concentration of planes over certain communities rather than noise being spread out (HACAN, 2017b). Fewer people might be affected, but those affected are thus argued to be affected to a larger degree with the third runway.

To accommodate the community's worries and the commitments suggested by the government, Heathrow proposed two methods of noise mitigation and compensation. The first is referred to as The Wider Property Offer Scheme under which homeowners with homes close to the airport can choose to sell their properties to Heathrow, thereby entering into the Property Compensation scheme. The second is referred to as Noise Mitigation, under which homes can be insulated

against noise. The insulation scheme is divided into two zones, an inner and outer zone. The inner zone consists of the area in which the average noise level is 60 decibel measured over a 16-hour period on a summer day, where flight schedules are busy and people are likely to be outdoors. Homeowners in the inner zone would be compensated the full costs of insulation. The outer zone consists of the area with an average noise level of 57 decibel or lower also measured over a 16-hour period on a summer day. Homeowners in the outer zone would be compensated for costs up to £3,000 for the noise insulation. Collectively, Heathrow estimated 160,000 homes to be included in the noise mitigation and planned to invest £700 million in the scheme beginning the insulation processes at least one year prior to operations on the third runway. It is not a requirement to be newly affected by aircraft noise, meaning that residents under existing flight paths are also eligible for the scheme. (Your Heathrow, 2016b) It is noted that these figures are averages, and not all in the zones will experience decibel figures as high as 57 or 60. 60 decibel is equivalent to that of conversation in most restaurants, office noise levels or background music (IAC Acoustics, 2017). Opposing groups seem to recognize that Heathrow offers a generous noise mitigation scheme, but believes that it highlights that communities have not been taken into account previously (Stewart, 2015).

In the government's decision, noise and community impact is a central factor. The government proposes *"new legally binding noise targets, encouraging the use of quieter planes, and a more reliable and predictable timetable of respite for those living under the final flight path* (Department for Transport & Grayling, 2016)*."* Proposals of such law have not been concretised yet. In its decision it is also highlighted that Heathrow must commit to noise reduction as well as noise mitigation of properties in the local community. (Department for Transport & Grayling, 2016) Also, final flight paths with the third runway have not yet been decided upon, leaving communities in the unknowing despite generous compensation schemes – one of the main issues to be dealt with by the new No Third Runway Coalition (Airportwatch, 2017).

Emissions and Air Pollution

Another aspect of negative community impact is the question of the expansion's influence on the level of emissions of air polluters, such as carbon monoxide, nitrogen oxides and particles, and how they influence air quality on the airport site and in the local communities. To operate, a plane

burns kerosene in its engine, somewhat similar to petrol used in cars. Burning kerosene releases certain polluting particles. As the number of operations rise, so does the burning of kerosene, thereby releasing more of these air polluters. Apart being harmful to those living in the local communities, particularly including young children, the elderly or those with breathing troubles such as asthma, these emissions might also affect animals and crops. The potential negative impact from increased traffic – both in the air, on roads, and on the airport's site – is therefore a key issue when discussing the expansion. Not only do emissions from operations impact local communities, but they might also cause global impact, particularly by enhancing greenhouse effects causing global warming and destruction of ozone causing increased UV radiation (Heathrow Airwatch, 2017).

To reduce impact from emissions on global scale, most nations have committed to a number of environmental actions, as is also the case for the UK. For years, the government has taken a number of steps to limit the UK's emissions of greenhouse gases through legally binding targets, and has hereby been part of the international movement of protecting the Earth through various climate action agreements. In 1992 the United Nations Framework Convention on Climate Change (UNFCCC) entered into force as a response to the problem of global warming. Five years later, the Kyoto Protocol was adopted, which strengthens the Convention by setting legally binding emission reduction requirements for 37 industrialised countries. Today, it has universal membership with 197 countries. (UNFCCC, 2014a) The UK is committed to both the Convention and the Kyoto Protocol. Parties who signed the Kyoto Protocol committed to set binding emission reductions targets (UNFCCC, 2014b). The first commitment period stretched from 2008 to 2012 where the UK met its Kyoto target by bringing down greenhouse emissions by 22.5% less than in 1990, the base year, and compares with a goal of a 12.5% cut (Morales, 2014). In 2008 the Climate Change Act was passed. The Act establishes a framework to develop economically credible emissions reduction path, and it also strengthens the UK's leadership internationally by highlighting its contribution to urgent collective action to tackle climate change under the Kyoto Protocol (Committee on Climate Change, 2017). The Act includes (the below table is based on (Committee on Climate Change, 2017):

Table 3: The UK's Climate Change Act of 2008

A 2050 target	Commits the UK to reduce emissions by 80% in 2050 from 1990 levels.
Carbon budgets	Commits government to set legally binding 'carbon budgets'. A carbon budget is a cap on the amount of greenhouse gases emitted in the UK over a five-year period. The first four carbon budgets have been put into legislation and ran up to 2027.
A Committee on Climate Change	Set up to advise the Government on emissions targets, and report to Parliament on progress made in reducing greenhouse gas emissions. It provides advice on the appropriate level of each carbon budget, which are designed to reflect cost effective paths to achieve the long terms objectives.
A National Adaptation Plan	Requires the government to assess the UK's risks from climate change, to prepare a strategy to address them and to encourage critical organisations to do the same.

Heathrow argues that even with expansion, the airport will meet the UK's legally binding climate change targets due to improvements of aircrafts and engines as well as the fuels used, an increasing number of passengers travelling to the airport by public transportation rather than by car, and cleaner ground handling vehicles. It therefore estimates that doubling traffic by 2050 will not lead to increasing emissions, while stressing that current emission levels are within EU limits. With expansion, Heathrow thus commits to keep emissions within the already established UK targets for climate change. It also points out that CO_2 emissions from energy use in the airport have been reduced by 34% since 1990. (Heathrow Airport Limited, 2013a) Figures from Heathrow show that emissions have been reduced by 16% in the past five years and that of the 90 air quality NO_2 monitoring stations placed in London, only two of 53 stations above set emission limits are situated in the Heathrow area (within 2 km of the airport), which has a total of 9 stations measuring performance (Your Heathrow, 2015h). NO_2 stands for nitrogen dioxide, a gas emitted from burning fossil fuels, for example in aircraft engines and in motor vehicles.

Obtaining the UK's climate targets has been central to the AC's recommendation, in which the calculations included emissions as a central factor. As mentioned previously, the AC calculated its forecasts from both a carbon-traded and a carbon-capped perspective, thereby integrating the Committee on Climate Change's (CCC) assumptions for aviation emissions impact on the UK's overall carbon budget and its recognition of aviation as a contributor to the overall economy into

its recommendation, while keeping the UK's Climate Change Act of 2008 target to reduce emissions by 80% from the 1990 level by 2050 in mind. (Airports Commission, 2015a) This approach can be argued to prove that emissions have been a pivotal point in the discussion of expansion and an important part of making the decision.

The AC pointed out that aviation is indeed at a high carbon cost in comparison to other emitting sources. It stated that flying one passenger from London to New York and back to London approximately accounts for the same level CO_2 as the average European heating their home for a whole year. Aviation is said to account for around 7% of the UK's overall emissions. (Airports Commission, 2015a)

The government has on numerous occasions stressed that expansion will not be carried out should it prevent the UK in reaching its climate change targets. In the press release confirming the decision to expand at Heathrow, the government highlights that the UK has already achieved significant reduction in emissions and air pollutants, resulting in a drop in nitrogen oxides of 41% from 2005-2014, and that this development should be continued, therefore making it compulsory for Heathrow to meet legal requirements on air quality. (Department for Transport & Grayling, 2016) In a recent debate on Airport Capacity and Airspace Policy in February 2017, Transport Secretary Chris Grayling stated that *"expansion must not come at any cost and that we will meet our legal requirements on air quality and obligations on carbon* (Parliament, 2017c).*"* Not being able to meet the requirements could therefore cancel expansion at Heathrow, as was the case in 2010. The Transport Secretary does however state that meeting requirements should be possible for Heathrow due to changes in policies and mitigation measures.

Opposers to the expansion at Heathrow have claimed that it would become one of the UK's largest emitters of CO_2, should the expansion take place (Greenpeace, 2010), while others have merely stated that expansion will lead to increased emission levels. Recently, Energydesk, an online media reporting on environment and climate for Greenpeace, published an article stating that an independent air quality analysis for the DfT concludes that there is in fact a risk that expansion will not be able to meet requirements, thereby delaying compliance with emission

limits, meaning that expansion would not be approved (Howard, 2017). The analysis concluded that the earlier a runway is opened, the higher the risk of not complying with targets. It shows that should the runway open in 2025 the risk of surpassing the set limits is high. Should the runway open in 2030 the analysis is concluded to have *"no impact on compliance with limit values* (Department for Transport, 2016c: 9).*"* This is due to surface access on the A40 Westway, which is placed more than 15 km from the airport, but serves as main access point to the airport. The development from 2025 to 2030 is thereby linked to the investments in roads and rails (Department for Transport, 2016c). The report thus serves a massive risk for Heathrow as it may delay expansion, continuing to limit capacity, while environmentalists and opposing community groups continues the fight for Heathrow not to expand.

Compulsory Purchase of Local Residents' Homes to Make Room for Expansion

To add an additional runway, Heathrow's area needs to be extended into the surrounding community, which is densely populated. Consequently, the airport must purchase a number of local residents' homes to be demolished prior to the runway being established, referred to as compulsory purchase. By compulsory purchase, Heathrow is given legal power to purchase homes regardless of the owner's willingness to sell the property in exchange for fair compensation. The acquisition is one of the more direct costs for the communities, as it would mean that the homeowners and their families must move elsewhere.

Since the beginning of the process to add a third runway, Heathrow has committed to purchase homes at prices above market values. With the expansion, Heathrow has drawn a Compulsory Purchase Zone (see illustration in appendix 9), estimating that approximately 750 properties will need to be purchased to enable construction of the third runway. The majority of these properties are private homes, while a few are local businesses. Heathrow offers owners the unaffected market value plus 25% and coverage of stamp duty costs (a charge on property transactions in the UK) for purchase of a new home at equivalent value as well as reasonable legal fees and moving costs. (Your Heathrow, 2016b) When approval to start runway construction is certain, Heathrow will note the value of properties to be purchased to guarantee that homeowner are paid the value from before construction began, also named the unaffected market value (Heathrow Airport Limited, 2013a). The unaffected value is priced by two independent surveyors from the Royal

Institution of Chartered, one appointed by the homeowner and one appointed by Heathrow, of which the average of the two price estimates will become the offer price. If the two differ more than 10%, a third surveyor will be appointed. The average of the two closest valuations would then become the offer price, as exemplified in appendix 10. (Your Heathrow, 2016b)

Additionally, a Wider Property Offer Zone has been established. This zone includes homes further from the airport that might also be affected by a new runway however to a slightly smaller degree than those in the Compulsory Purchase Zone. Property owners in this zone will be offered the same compensation as those in the compulsory zone, but are not forced to sell the property. The zone consists of approximately 3,750 homes.

The AC also supported Heathrow's offer of payments at 125% of market value for compulsory purchase, as this is higher than the statutory minimum in similar cases. The offer exceeds the government's own offer of compulsory purchase to homeowners to the construction of the High Speed 2 railway. The AC also recommended that financial transactions for homes to be purchased are completed as quickly as possible to provide homeowners enough time to find an equivalent home elsewhere, thereby limiting the stress and concern the homeowners are exposed to. (Airports Commission, 2015a)

The government has agreed that Heathrow must commit to compulsory purchase at 125% of market value as well as the stamp duty, legal fees and moving costs in order to expand, but does not include guidelines of the time period for this to occur. (Department for Transport & Grayling, 2016) The decision causes the affected homeowners to feel betrayed by its own government, for example by residents in the village Harmondsworth that is to be partly or entirely demolished. After the government's decision to expand at Heathrow, one resident said:

> *"We received a promise. We all made life choices based on that, which we believed. Some people decided to lay their loved ones to rest here because of it. I invested in my home. I thought we were safe and and we had a reasonable expectation that we were. I feel we*

have been have been betrayed by Theresa May" – Neil Keveren, Harmondsworth resident

(Addley, 2016)

Another local resident pointed out that it is not merely a matter of compensation, stating that the continuous monetary discussion is irrelevant, once more pointing to the complexity of the case, which largely has become a discussion of monetary figures and human feelings:

"I'm very disappointed, and I feel betrayed, and also worried. Where can I go? They keep on about the money, but it's not about the money. They can keep their money. I want to stay here." – Lesley O'Brien, Cambridge Close resident (Addley, 2016)

To clearly sum up how stakeholders are affected by the Heathrow expansion, the below table shows the involved stakeholders and how they are affected by the costs and benefits.

Table 4: Summing Up – Which Costs and Benefits Affect Which Stakeholders

Stakeholder affected	Costs	Benefits
Heathrow Airport *Including the seven private owners*	- Direct financial costs for noise mitigation and home purchases - Investment in technologies reducing emissions and noise - Negative Reputation - Resources for community conflict	- Increase in income from airline charges, cargo activities and passengers' spend per head
Regulators *Including government and international institutions*	- Investment in roads and rails - Risk of surpassing legally binding climate change targets - Potential impact on outcome of electoral votes - Negative perception/breach of responsibility for affected citizens	- Financial accruement to the overall UK economy - Job creation - Business development due to global trade opportunities - Increasing tax income from more or larger businesses
Local Communities	- Home purchasing causing owners and families to move elsewhere - Potentially rising noise levels - Potentially worsened air quality - Potentially congested rails and roads	- Job creation - Financial accruement to the overall UK economy - Improved insulation of homes and community buildings - Increased connectivity by air, rail and roads

| Operators and service providers
Including airlines, handlers and concessionaires | - Potential increase in charges | - Potential increase in income
- Opportunity to expand
- Job creation |
|---|---|---|
| Passengers | - Potentially congested rails and roads | - Enhanced connectivity |
| Businesses and related industries
Including exporters and importers and tourism | | - Enhanced connectivity
- Potential increase in income
- Opportunity to expand
- Job creation |
| NGOs
Including Greenpeace, WWF and similar | - Potentially worsened air quality | |

Some of the above stakeholders are subject to externalities. An externality arises when a person engages in an activity that influences the wellbeing of a bystander (a third party) who neither pays nor receives any compensation for that effect (Mankiw & Taylor, 2014: 239). Stakeholders in this case are subject to negative externalities in terms of noise and air pollution, which are considered as costs imposed on a third party because of the Heathrow decision. However, it can be argued that Heathrow acknowledges that local communities are subject to the negative externality of noise pollution, which is the reason why it pays compensation in terms of insulation of houses to bring down noise levels. Externality does thereby not apply to compulsory purchase of homes, as the homeowners are directly involved in the deal, whereas those impacted by noise and air quality generally are not directly involved.

Costs in relation to Human Rights

In 1998, the UK incorporated a Human Rights Act in British law, which included key elements of the European Convention on Human Rights (the Convention). The aim of the Act was to *"give further effect to rights and freedoms guaranteed under the European Convention on Human Rights… (United Kingdom, 1998: 1)"*. The Convention Rights means the rights and fundamental freedoms set out in Articles 2 – 12 and 14 of the Convention, Articles 1 – 3 of the First Protocol and articles 1 and 2 of the Sixth Protocol (United Kingdom, 1998). The Convention rights are listed in appendix 11. However, the thesis takes its point of departure in the IBHR, as it includes the Right to Health, which is argued to be a potential argument the local community could use.

Identification of the relevant human rights is based on the IBHR, which comprises the UDHR, the ICESCR and the ICCPR. In relation to the Heathrow expansion the most relevant articles are number 12, 19, 20 in the UDHR, article 12 in the ICESCR and articles 17, 19, 21 in ICCPR. Noise pollution is a problem that occurs near an airport and as seen in the CBA a cost to the local community. With the Heathrow expansion people's homes will be subject to compulsory purchase, while new neighbours will be affected by aircraft noise. Article 12 in the UDHR states that *"No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, not to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks* (UN General Assembly, 2003 (1948): 3)*"*, which is a human right that some in the neighbouring community might feel is infringed. Article 17 of the ICCPR states the same but divides article 12 in the UDHR into two parts, the first part says: *"1. No one shall be subjected to arbitrary or unlawful interference with his privacy, family, home or correspondence, nor to unlawful attacks on his honour and reputation"*, and the second part: *"2. Everyone has the right to the protection of the law against such interference or attacks"* (UN General Assembly, 2003 (1948): 23). It can be argued that aircraft noise pollution and the compulsory purchasing of homes interfere with the right to respect privacy, family and home. With an acceptance from government, it becomes possible and acceptable for Heathrow to interfere with the human right to respect for privacy, family and home, as it becomes legally accepted by government to compulsory purchase local residents' homes, and therefore it is not an arbitrary or unlawful interference with article 12 in the UDHR or article 17 in the ICCPR, despite by some being perceived as such.

Both stakeholders for and against the expansion have the right to freedom of expression and the right to freedom of assembly and association, as stated in article 19 and 20 in the UDHR. Article 19 states: *"Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference..."* and article 20: *"1. Everyone has the right to freedom of peaceful assembly and association... (UN General Assembly, 2003 (1948): 4)"*. Article 19 gives everyone the right to express him or herself whether being for or against the expansion. However, article 19 paragraph 3 in the ICCPR states that *"the exercise of the rights … carries with it special duties and responsibilities. It may therefore be subject to certain restrictions, but these shall only*

be such as are provided by law… (UN General Assembly, 2003 (1948): 24)*"*. Everyone might express their opinions differently, and sometimes through demonstrations, which might put others or themselves in danger. People interested in or affected by the Heathrow expansion have been associated, for example at public consultations. Article 21 in the ICCPR states when it is accepted to interfere with the right to peaceful assembly: *"The right of peaceful assembly shall be recognized. No restrictions may be placed on the exercise of this right other than those imposed in conformity with the law...* (UN General Assembly, 2003 (1948): 24)*"*. However, not all assemblies have turned out to be peaceful, as protesters set up a camp for climate action, which ended in clashes between protesters and police, and protesters staged an anti-expansion demonstration on the roof of the Houses of Parliament (Aldred, 2012). In both incidents, people has trespassed and thereby broke the law, meaning that police were allowed to interfere with their right to peacefully assembly and freedom of association.

Human rights also come into play when it comes to a question of health problems. The World Health Organization (WHO) enshrines *"… the highest attainable standard of health as a fundamental right of every human being* (World Health Organization, 2015)*"*. To obtain "*the right to the highest attainable standard of health*" requires a set of social criteria that are conducive to the health of all people, including the availability of health services, safe working conditions, adequate housing and nutritious food. Achieving the right to health is closely related to that of other human rights, including the right to food, housing, work, education, non-discrimination, access to information, and participation. (World Health Organization, 2015) Also, article 12 in the ICESCR states that *"the States Parties to the present Covenant recognize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health."* (UN General Assembly, 2003 (1948): 11), which is part of the IBHR and thereby international law.

The health argument against Heathrow has been addressed multiple times, as assessed under the cost of noise in the CBA. One of HACAN's reasons to oppose Heathrow expansion is the matter of people being exposed to aircraft noise at levels that impact public health. Also, 2M, a coalition of local councils, green groups and local residents that represents millions of people, has brought the health issues on its agenda against the Heathrow expansion. Among the members of the 2M

group are the four boroughs that has worked hardest to oppose Heathrow are Hillingdon, Richmond, Wandsworth and Windsor. In their case against Heathrow's expansion, it is stated that the government's own environmental adviser, the Environment Agency, noted that there would be serious health impacts as a result: *"It is likely that worsened air quality will result in increased morbidity and mortality impacts* (2M, 2009: 2)*"*. Also, on Wandsworth borough's website it says that the council's concerns with the Heathrow expansion include increased detrimental health impacts, as thousands of people's health would be damaged – particularly children and those with existing conditions (Wandsworth Council, 2017).

The above shows examples of how issues relating to public health are used as arguments against the third runway. However, none of the arguments on the health issues have been related directly to human rights. One can argue that if the arguments were to be linked to the Right to Health the arguments would be stronger and have more legitimacy and power. If, for example, the local communities link the health argument to the human right of the highest attainable standard of health, one could argue that the local community would obtain the attribute of power, as the government would be obliged to adopt the claim. Hereby, in relation to the Stakeholder Salience Analysis, the local community could move from a dependent to definitive stakeholder, as they would then have all attributes. If rights are violated, the local community would have the power to make a legal case against Heathrow. One can therefore argue that it is a potential risk for Heathrow, should the local community or others use the health argument linked to human rights. If one makes a legal case related to health as a human right and wins, it would give power to close the expansion and hurt Heathrow. Another potential risk related to health as a human right are complaints made to the NPC, as these might be interpreted as a breach of the OECD guidelines. If a complaint is received, the NPC might make a statement to and about the company. If the statement concludes that there is a breach of any human rights, it could also be a risk for Heathrow, potentially resulting in costs such as economic loss, damaged reputation and image among business partners, customers and the public, as these will not be associated with human rights breaches. Many think that human rights breaches only occur in developing countries, but they do also occur in developed countries. The reason for not linking human rights to the health argument can be due to unawareness. The public might not be aware of the Right to Health. As a

member of the UN, the UK has ratified the IBHR, placing an obligation, not only on the public authorities, courts and tribunals, but also on private organisations to act in a way compatible with human rights.

The CBA provides important information, which outlines issues that stakeholders expect Heathrow to address. Accordingly, it is expected that Heathrow adapts its communication to these issues and informs how the issues are addressed from their perspective. How Heathrow has involved stakeholders and addressed the issues is analysed below.

10.3 Communications Strategy

The section on Heathrow's communications tactics starts with an analysis of how Heathrow dealt with its HRDD and access to remediation. After it follows an analysis of whether Heathrow adjusted its communications efforts based on the interests of its stakeholders, and if so, how such adjustments are carried out.

10.3.1 Heathrow Airport's Human Rights Due Diligence

As mentioned previously, the analysis is grounded in pillar 2 and 3 of the UNGPs, as they are applied in regard to Heathrow rather than the state.

Businesses to a greater extent need to know and show that human rights are respected in their actions. Principle 15 in the UNGPs explicitly set out three aspects an organisation should do in order to meet their responsibility to respect human rights: *"In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including: a) A policy commitment to meet their responsibility to respect human rights; b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights; c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute"* (United Nations, 2011: 16). Heathrow Airport does not seem to have an explicit policy regarding the affected local communities and its people's human rights relating to the expansion. Through the Your Heathrow website regarding the expansion, Heathrow assesses and communicates estimated results and impacts continuously throughout the process. Principles 17-21 relate to HRDD, where

principles 18-21 are applied. In accordance with principle 18, Heathrow should identify and assess actual or potential adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationships. Furthermore, part (b) of the principle says the process should involve meaningful consultation with potentially affected groups and relevant stakeholders. First of all, Heathrow might have identified that it interferes with the right to respect private life when it comes to the local communities. Then, in accordance with principle 18 (b), Heathrow invited the affected local communities and other relevant stakeholders to consultations in 2014, where two extensive public consultations were carried out about its proposals. One consultation was on the North West Runway proposal and the other the principles of any mitigation and compensation proposals that might be introduced (Your Heathrow, 2016c).

The first consultation was conducted to establish which factors were seen as the most important when planning a new runway, to identify attitudes towards noise relief and community impacts, and to discuss improvements to the runway proposal suggested by the public. The responses to the consultation highlighted the issues that were identified as most important to the local residents, including aircraft noise, safety, air quality and jobs. The results of the first consultation made Heathrow make changes to the original plans by placing the runway further South, which led to an adjusted proposal that would reduce noise impacts and protect more homes and important heritage sites. The second consultation was meant to provide property owners, tenants and small business owners with the opportunity to engage in and influence the development of property and noise compensation proposals that would be offered in the event of a new runway. (Your Heathrow, 2016d)

Principle 19, which states that *"In order to prevent and mitigate adverse human rights impacts, business enterprises should integrate the findings from their impacts assessments across relevant internal functions and processes, and take appropriate action"* (United Nations, 2011: 20), can be combined with principle 20 (b), which point out that *"In order to verify whether adverse human rights impacts are being addressed, business enterprises should track the effectiveness of their responses... (b) Draw on feedback from both internal and external sources, including affected stakeholders* (United Nations, 2011: 22)."* It becomes clear that the feedback from affected

stakeholders received at the consultations gave Heathrow new information and contributed with learnings about how stakeholders felt and which issues they considered most important. These new findings were integrated to the proposals and Heathrow hereby took appropriate action, according to the UNGPs, and changed the proposals to be more favourable.

Principle 21 states that *"In order to account for how they address their human rights impacts, business enterprises should be prepared to communicate this externally, particularly when concerns are raised by or on behalf of affected stakeholders. Business enterprises whose operations or operating contexts pose risks of severe human rights impacts should report formally on how they address them* (United Nations, 2011: 23)*"*. Heathrow does externally communicate about the expansion through the Your Heathrow website, where it points out which areas fall within the compulsory buying zone and which zones are entitled to noise compensation. Though, it does not explicitly say that the expansion might interfere with human rights, Heathrow does seem to acknowledge the need to address human rights in a compatible way, as this might be what is expected of it.

Another aspect of businesses' responsibility to respect human rights is remediation. The businesses principles 22, 29 and 31 relate to how businesses should deal with access to remedy. With knowledge of which homes and areas will fall within the construction area, Heathrow might have identified, in accordance with the UNGPs, *"… that they have caused or contributed to adverse impacts, they should provide for or cooperate in their remediation through legitimate processes* (United Nations, 2011: 24)*"*. Here, Heathrow is aware of some of the impacts a third runway causes and has decided to provide access to remediation, as it solely will be responsible for the compensation packages.

The second public consultation held in 2014 was about remedy, and here the local communities were invited to assist in the formation of compensation packages, which is advised in principle 29, where *"business enterprises should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted"* (United Nations, 2011: 31) and 31 (h) which propose that operational-level mechanisms should be *"(h) Based on*

engagement and dialogue: consulting the stakeholder groups based for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances (United Nations, 2011: 31 & 34)*"*. In accordance with principle 31, Heathrow Airport seems to fulfil what should be included in order to ensure effective grievance mechanisms. Principle 31 lists a number of effectiveness criteria for grievance mechanisms which should be: a) Legitimate; b) Accessible; c) Predictable; d) Equitable; e) Transparent; f) Rights-compatible; g) A source of continuous learning and; h) Based on engagement and dialogue (see appendix 12 for full principle) (United Nations, 2011: 33-34). The information provided on the Your Heathrow website fulfils the list of criteria, as it provides adequate information or provides links to websites with adequate information. As mentioned in the theoretical framework, remedies can take many forms, but in the Heathrow case it mostly concerns monetary compensation. Compensation packages have been divided into property and noise compensation, as previously elaborated in the Cost and Benefits Analysis.

The above example of the public consultations show that the process leading up to the decision has been on-going and changed according to what stakeholders have expressed. Focus has been noticeably on principle 18 (b), 19 and 21, as Heathrow conducted public consultations, inviting the ones affected to be included and later integrated the findings from the consultations in its solution. Heathrow thereby took appropriate action from the results, made favourable changes to the proposals, and communicated externally how it will deal with the issues that stakeholders find most important. In relation to remedy the due diligence process, and especially the engagement with stakeholders, has shown how consultations have had an influence in forming the remediation to the affected stakeholders.

If one looks into the Right to Health as an argument against expansion, it can be discussed whether Heathrow dealt with its HRDD. Both in cases against Heathrow and in its submission to the AC, it is acknowledged that some health issues in relation to the expansion might occur. However, potential impact on the Right to Health was not identified. Heathrow acknowledged that *"… the development of Heathrow could have both positive and negative effects on health and local people's quality of life… Increases in noise, physical impacts through loss of properties and changes*

to the physical nature of communities are some of the negative impacts that could affect the health and quality of life of some communities close to the airport (Heathrow Airport Limited, 2013a: 29)*"*. No specific impacts on health are listed or explained, but Heathrow says *"…We are committed to continue to examine the health effects of our options and plan to prepare a detailed Health Impact Assessment on any Heathrow option that is short-listed* (Heathrow Airport Limited, 2013a: 30)*"*, but instead of mentioning specific health impacts Heathrow refers to Quality of Life, which is closely related to health. However, the airport does say that it proposes to assess and benchmark the quality life of communities that live in and around the airport before any expansion occurs. Such assessment should include a series of strategies and programmes aimed to address potential impacts to quality of life. Although the proposal is from 2013, Heathrow has not yet published a Health Impact Assessment, or publicly stated anything about human rights or health impacts. The strategies would be developed in consultation with appropriate experts and stakeholders (Heathrow Airport Limited, 2013a). What Heathrow stated in its proposal shows that it recognised that expansion might bring negative health impacts, but instead it focused on Quality of Life. However, it also shows that Heathrow does not think of it in relation to human rights infringements.

Should the Right to Health become an argument against expansion, it could become relevant due to Heathrow not having accomplished its HRDD sufficiently. As Heathrow has not (yet) identified the Right to Health as a human right impact, it does not have any consultations with potentially affected groups and other stakeholders, which it should have in accordance with principle 18. Hereby, principle 19 is not addressed at all in relation to the health issues that might occur with the project, as there are no findings to integrate. If the question of the health argument should arise, it seems that Heathrow might conduct consultations with external sources and stakeholders in accordance with principle 20 (b). This is argued to be the case, as Heathrow has previously held public consultations and seem to continue to integrate such consultations in the process by stating that the strategies would be developed in consultation with stakeholders. According to principle 21, the airport should account for how they address human rights impacts by communicating it externally to the affected stakeholders, but this is not done as the human right impact is not identified. How to provide access to remediation and what the remedy should be, would be

another step for Heathrow to complete if the health argument, suddenly, becomes a burning platform under its business and expansions plans. However, it can be argued that Heathrow does approach the impacts in terms of noise, air quality and compensation, but not by explicitly linking these to human rights. Thus, Heathrow indirectly considers human rights to the affected communities.

The reason for Heathrow to not address potential human right impact of the right to health could be that they frankly are not aware that the expansion might infringe this particular right. If that is the case, then the human rights argument poses as a massive risk for Heathrow's business objectives. However, if one should be more critical, it can also be assumed that they do not link to this right or pretend to not be aware of it on purpose – also creating massive risk, should such secrecy be discovered by the public. From this view, Heathrow does not provide opponents with this particular counterargument. Hereby, this would not influence the decision negatively, and in that way Heathrow can focus on positively influencing the government's decision without "noise" from potential human right impacts. In accordance with the principles discussed above, Heathrow should have identified and have had a consultation, where it informs the potentially affected about the potential impact regarding the Right to Health. The above shows that it can be argued that Heathrow has not thoroughly conducted its HRDD, as it might not have identified its impact related to the right to the highest attainable standard of health.

The above analysis of Heathrow's approach to stakeholders indicates a shift in Heathrow's communications moving from more information-based one-way communication to feedback-based two-way communication with stakeholders. Whether, the indication of a such shift can be argued to have happened in Heathrow's communications efforts after its proposal was shortlisted in December 2013, will be analysed through Grunig & Hunt's Four Models of Public Relations.

10.3.2 A Changing Approach to Communications?

In early 2013, Heathrow submitted its original proposal with concrete plans and figures on how the airport could expand to the London Borough of Hillingdon Major Cases Planning Committee. As previously elaborated, the application was denied by the Committee and later appealed to the Planning Inspectorate and from here escalated to the State of Secretary for Transport, before the

establishment of the AC, who ultimately received Heathrow's proposals among those of other competing airports in the UK to be shortlisted for the recommendation. The proposal included two scenarios of how a third runway could be layouted. Consistently throughout the report, Heathrow communicated statements followed by calculations and figures. The proposal was aimed at decision-makers, but did mention several of the stakeholders identified previously in the stakeholder analysis, for example the communities and industries affected. The proposal was furthermore published publicly, allowing anyone interested in the case to read it. These characteristics comply with Grunig & Hunt's second model of PR named the Public Information Model, under which the aim is to distribute truthful information to a broad public. This approach illustrates one-way mass communication moving from the organisation as sender to a broad public as receiver. Them, the aim for Heathrow was to obtain a recommendation from the AC to the government, and specific stakeholder groups apart from the government were not targeted individually, but rather as a broad whole. In the proposal, Heathrow does however give some consideration to other stakeholders who may be affected by the expansion:

> *"At this stage of the Airports Commission process, we have sought to set out as clearly as possible how we would tackle the impacts of growth at Heathrow. We also recognise that if Heathrow is short-listed as a location for expansion, we will need to undertake significant further work in consultation with the local community and other stakeholders"* – Heathrow Airport, 2013 (Heathrow Airport Limited, 2013a: 10)

The quote indicates that local communities and other stakeholders have not been consulted prior to the submission, but demonstrates clearly that Heathrow acknowledges that they must be consulted, should the proposal become shortlisted and thereby become included in the proposals that the AC examines further. A minor focus on including the local community and other stakeholders prior to sending its proposal is also indicated through Heathrow's own search tool on their website's media centre. Here, Heathrow provides the option to search for certain keywords in the media centre that contains Heathrow's own published press releases (Heathrow Airport Limited, 2017). Conducting a quick search with the keyword "community" gives 49 hits before April 2013, while it gives 121 hits after 2013 in an interval from May 2013 to April 2017. One may

argue that this could be due to tags of keywords not being up to date from before 2013 or other technical limitations. One could, however, also argue that this very simple search method could indicate a shift of focus in the material Heathrow publishes itself. Such a search does however in itself not prove or reject any hypothesis regarding community engagement and prioritisation, but combined with other elements it could be argued to indicate a tendency for communities to not be of significant meaning prior to the AC's assessment.

The above statement from Heathrow and the quick search among Heathrow's published press materials suggest that Heathrow's communication experiences a shift of focus after the proposal was shortlisted, and thereby were to be further examined by the AC, moving from one-way communication to a broad audience to an approach focused more on targeting relevant stakeholders, such as the community. Heathrow stated that consultations must be held, rightly indicating that the airport would initiate contact to the stakeholders to receive their feedback and inputs on the proposal, making Heathrow the initiating sender of communication and the stakeholders the receivers, however with a focus on collecting feedback from the receivers. Heathrow is thus aware that stakeholders' opinions must be heard and considered for the proposal to be shortlisted and to be considered for a further recommendation from the AC. As already explored above, the same need for consultations are included in principle 18 (b) in the UNGPs, while consulting with the public is also integrated in the government's policies, for example as an obligatory step in the process of examining applications received by local planning committees. It is also obligatory in the Planning Inspectorate's process to evaluate whether an application fulfils the requirements in the valid National Policy Statement for the particular land planning aspect. As known from previous paragraphs, there is currently no National Policy Statement for airport capacity. The government has thereby integrated consultations in its policies and processes, highlighting the need for Heathrow to conduct such consultations and consider the stakeholders in order for it to even be eligible for expansion. The government itself also runs consultations in the process of developing a National Policy Statement for airport capacity and runs information events related to the proposed Heathrow expansion held in the Heathrow area (Department for Transport, 2017c). Consulting with stakeholders, including local communities, has

previously been noted to be crucial for modern airports in a society where awareness about environmental effects, rights and moral obligations has increased rapidly:

> *"The key to managing local community opposition is to adopt a 'good neighbour' strategy which addresses the major issues of concern, in so far as this is possible while meeting commercial or economic objectives. It is important to provide information to local residents about what actions are being taken to resolve their perceived problems, to establish a system of public consultation, to set targets publicly for improvement and then implement transparent monitoring systems to show that progress is being made."* – Upham et al., Environmental capacity and airport operations: current issues and future prospects (Upham et al., 2003: 149)

Grunig & Hunt label the approach, which Heathrow seems to have switched to after it as shortlisted, the Two-way Asymmetrical Model, under which the organisation seeks to gain useful feedback from the receivers to incorporate in the organisation's further communications tactics and material. Despite being two-way, the approach is asymmetrical, as it is still the organisation that initiates such hearings and thereby sets the agenda to which it wishes the audience to react. Doing so gives an unbalanced effect. This does not mean that the affected stakeholders cannot or have not expressed their opinions independently from Heathrow's initiative, but exclusively looks to how Heathrow's communications approach to stakeholders has been conducted.

As stated in its proposal, Heathrow initiated consultation after the proposal was shortlisted in December 2013 and submitted to the AC. In 2014, Heathrow held its two public consultations. Heathrow has also informed the local community about the process by delivering bulletins regularly to homes nearby. Heathrow estimates to have delivered bulletins to around 5,000 homes. (Your Heathrow, 2016e) The bulletins address the concerns local residents have about expansion. For example, the bulletin from October 2016 distributed after the government's approval of Heathrow expansion states:

"I understand you may have concerns and questions about how this announcement impacts you and what the next steps are. This Bulletin provides more information and an indicative timetable for expansion. Over the next few years we'll be preparing our development consent application and this process will include public consultations on our proposals and their impacts. We will keep you updated at each major step." – Nigel Milton, Director of External Affairs at Heathrow Airport (Heathrow Airport Limited, 2016)

Furthermore, Heathrow has invited its local community to participate in weekly meetings during which it is possible to consult with members of the airport's technical team regarding more specific questions about technicalities in relation to the new runway. (Your Heathrow, 2016e)

Another step taken to target involved stakeholders more directly, particularly the community, was the establishment of the site Your Heathrow – also created after the submission of the proposal in 2013. Along the microsite, a twitter profile was launched under the same name in May 2013 (@yourHeathrow, 2013). On the microsite, it is stated that it has been created to *"give you a look at the stories and news behind the airport"* aiming to give *"from behind the scenes views of the airport, to aviation enthusiast information and events, and the latest in Heathrow's involvement in the UK airport capacity debate – we want to give you a fun and easy way to get involved with the airport"* by providing *"an online venue for education and debate amongst all our users"* (Your Heathrow, 2014b). Despite mentioning the opportunity for debate, the site does not include a debate forum, but only allows the users to contact Heathrow via email. Users from the local community may also complete a community questionnaire to provide Heathrow with their views on the expansion (Your Heathrow, 2015i).

The consultations and weekly meeting with the local communities would be labelled the Two-way Asymmetrical Model in the theoretical framework proposed by Grunig & Hunt, as they are initiated by Heathrow, participated in by the public and stakeholders and then integrated in Heathrow's further actions and communications tactics. The same would be the case for a website as the Your Heathrow microsite and Twitter profile, as the tools for voicing one's opinion, for

example by participating in the community questionnaire, is done on Heathrow's initiative. The website does however allow stakeholders to contact Heathrow on own invitation.

There are, however, tendencies to move towards a more symmetrical approach, where individuals can engage with the airport on own initiative, for example through the creation of the social media profile on twitter. Establishing a public social media profile and thereby allowing the public to provide feedback and publicly voice opinions directly to Heathrow suggests that the airport has adopted a more engaging approach to communication with its stakeholders after its proposal. This approach aligns with an increasing demand generally for large organisations to communicate differently with stakeholders, shifting from pure information sent to stakeholders to more engaging methods and to communication initiated by both parties rather than one party setting the agenda of discussion.

Moving towards an approach where communications with stakeholders is more engaging and dialogue oriented moves Heathrow's communication towards Grunig & Hunt's Two-way Symmetrical Model. In the Two-way Symmetrical Model the organisation strives to understand the environment in which it operates and strives to resolve conflicts with those that are part of that environment. The aim under this model is to promote the mutual benefits that may be obtained from the organisation by negotiating opinion equally between organisation and stakeholders. With this model Heathrow seeks to understand what is key to its stakeholders through a process where both Heathrow and the stakeholders take the role as senders and receivers of communication and dialogue. In Grunig & Hunt's Four Models of Public Relations organisations that undertake the fourth model of Two-way Symmetrical public relations and communication act in the most optimum and ideal manner.

However, it remains clear that Heathrow's change in communication approach and strategy only occurred after it was shortlisted by the AC. In the process leading up to sending its original proposal in 2013, it seems that stakeholders have not been involved or communicated to in a Two-way Symmetrical Approach, but rather received information under a Public Information Model. The CBA showed that Heathrow often forecasted higher figures in its assessment of

economic benefits in its proposal aiming to become shortlisted to become examined by the AC than what was ultimately forecasted in the AC's assessment. For example, Heathrow projected larger figures in relation to job creation and significantly more new long-haul routes than the AC. The large figures in its proposal is likely to be communicated to demonstrate that expanding Heathrow would boost economy, thereby attempting to become shortlisted by the AC to ultimately influence the government's decision on where to expand. As also shown in the CBA, Heathrow does acknowledge costs that expansion might bring, but also clearly communicates that it will be able to handle these, for example with noise insulation of homes, by stating that cleaner and less noisy planes will lower the risk of air quality breaches and excessive noise, or by communicating the rebuilding of the M25 motorway as an opportunity to improve rather than a cost and annoyance. It is likely that costs were downplayed in the original proposal to become considered by government. However, it is noted that forecasting and communicating considerably larger figures would probably not be in Heathrow's interest, as it would be likely to create further resistance from affected stakeholders. Heathrow has thereby also been forced to balance costs and benefits in its proposal, while it still indicates that the benefits have been highlighted to a larger degree than the costs. After being shortlisted, Heathrow initiated its new approach to communication with stakeholders, for example by launching its Your Heathrow website and social media profile, delivering bulletins, hosting consultations and hosting weekly meetings with the community and others interested to enter into dialogue about the expansion.

The Twitter profile, amongst others argued to drive Two-Way Symmetrical communication, does however still massively communicate the benefits. In the first week of May, the profile posted four posts. One reveals a new route, one shows a video highlighting how expansion will add to the economy and secure new long-haul routes that will *"secure Britain's future and place in the world* (@yourHeathrow, 2017)"*, while another quotes that government has stated that committing to a third runway at Heathrow will boost manufacturing and the last post congratulates a winner in an export competition. Going further back, older posts show the same tendencies. (@yourHeathrow, 2013) Heathrow thereby still clearly communicates the already proven highly insecure economic benefits. Twitter is known to be a platform predominantly used to share views on political and societal matters, frequently used by politicians. However, as it has already been widely

discovered, the government must also consider its commitments to the environment and human rights, which seem to still not be addressed by a large degree on a platform with many political actors, but rather in dialogue with the community.

Despite Heathrow seemingly moving towards a stakeholder oriented since it was shortlisted, recommended and later decided upon, the communication efforts conducted have been criticised by one of the most salient stakeholder groups, namely the local community. One major critique is related to trials of changes to flight paths. Similar flight paths would be introduced with an additional runway. Heathrow did however often fail to inform local residents about trials for changing flight paths, which also make changes to the noise experienced. In late 2014, after consultations had been held, after the Your Heathrow site had been launched and after Heathrow regularly had begun hosting weekly meeting and delivering bulletins, the local community heavily criticised Heathrow regarding the lack of information, resulting in the local councillor of Richmond upon Thames calling Heathrow's approach *"hopelessly wrong (Odling, 2014)"*. To this head of communications at Heathrow, Cheryl Monk, responded:

> *"It is very clear that we need to do a lot more about communication. We have committed to doing that and we will publish information about the trials we do in the future."* – Cheryl Monk, Head of Communication, Heathrow Airport (Odling, 2014)

Changing flight paths are also central in current criticism of the airport. The recent formation of the opposition group No Third Runway Coalition, consisting of 18 opposing groups, has the lack of communication about concrete flight paths as a primary objective in its fight against the third runway. In recent press statements, it is stated that the coalition will work to secure information about the location of new flight paths over the local communities, highlighting that despite numerous recent consultations nothing has yet been communicated about the location of these, leaving the community in doubt and uninformed about the effects on their daily lives:

> *"The coalition is critical in this period of consultations: all communities need to know the flight paths of a proposed Heathrow third runway; every community affected is concerned*

about the increase in noise and air pollution and the financial costs for all taxpayers." –
Tania Mathias, Conservative MP for Twickenham (Airportwatch, 2017)

Heathrow's communications approach towards one of the most salient stakeholder groups is thereby still perceived to be flawed among the groups of local residents and opposing groups. The coalition in particular targets government influencers such as MPs and local authorities, and a perception of lack of communication about concrete elements that will undoubtedly influence the local residents is therefore of high risk to Heathrow, should the government adopt the claims of the local community and opposing groups, assigning this group with the attribute of power and thereby making the group even more salient in Heathrow's stakeholder landscape. However, Heathrow has clearly improved its communication tactics and approach since the shortlist, now including both the Public Information Model with bulletins and website information, the Two-way Asymmetrical Model with consultations and meetings initiated by Heathrow, and the Two-way Symmetrical Model with an opportunity for stakeholders to raise questions and agendas as Heathrow does too. Adopting a mixed approach is recognised in the introduction of the supplementing Mixed Motive Model by Grunig in 2002 (Merkelsen, 2014). The model recognises that organisations can successfully adopt different methods for different purposes, continuously shifting the balance of Symmetrical and Asymmetric methods. The model highlights that the organisation must strive for the two parties involved to meet in a win-win zone, Heathrow being the Dominant Coalition's Position and stakeholders being the Public's Position, between the standpoints they each represent. An example of concrete results based on the two meeting in a win-win zone is the process to collectively create compensation schemes, while the community's influence on the location of the runway is also a win-win result from openly entering into dialogue about their individual standpoints.

Heathrow has thereby not fully adopted a Two-way Symmetrical Model, but communicates through a mix of models, as recognised in the Mixed Motive Model. The measures taken to comply with the interests of stakeholders after the third runway was shortlisted have clearly improved communication between the parties. However, as shown, Heathrow continues to substantially highlight the widely debated uncertain economic benefits to gain further support of

the third runway, which remains massively debated and includes numerous risks, still causing Heathrow's foundation to be unstable.

11 Discussion

The thesis takes the perspective of Heathrow. This is evaluated to have an impact on the results of the analysis, particularly in the stakeholder analysis. Based on the attributes of power, legitimacy and urgency, the stakeholder analysis showed that government, local communities and NGOs are the most salient stakeholders to Heathrow. Had the analysis been conducted from the government's perspective, the results might have turned out differently. Certainly, Heathrow would become a stakeholder to the government. It is evaluated that Heathrow would be ascribed all three attributes, thereby obtaining the salience classification of a definitive stakeholder to the government. Heathrow would then have the power to not expand, the legitimacy to have a claim, as the AC sees Heathrow as the best suitable place for expansion, and urgency, as the government probably would like to continue to see economic prosperity. Still, local communities and NGOs would remain dependent stakeholders to the government. However, it would probably not be likely for Heathrow to use its power not to expand, as it operates at almost full capacity and in a very competitive industry. As the government is the decision maker in the case, it would certainly also be interesting to conduct a similar stakeholder analysis from the government's perspective. One could even argue that one advantageously could have carried out the stakeholder analysis from the government's perspective, even with Heathrow's communications efforts as the focus, as it would then gain insight into the perception of the case from the decision makers' point of view, thereby perhaps being able to target the issues and central stakeholders to a larger degree. The results would, however, be likely to show the same tendencies: that the case revolves around three central stakeholders, namely the government, Heathrow and the local community.

A Cost Benefit Analysis carried out from the government's point of view would most likely also show the same costs and benefits, as the analysis in the thesis has been carried out by examining statements from both government, local communities, NGOs, and Heathrow. It is therefore estimated that the same issues would be highlighted, namely noise impact, air pollution and compulsory purchase of homes, as these have shown to be expected to be addressed by

government and thereby also by the airport chosen to expand. It could be argued that, if the project was seen from the government's point of view, it might have approached human rights in a different manner and might have given it more attention, as one can say that the government is directly committed to the UNGPs and implements legal obligations in this regard. Still, from a governmental point of view the notion of a possible risk of abusing the Right to Health is still in play. However, as the government is committed to the UNGPs it would be arguable that the government then has not completed its HRDD properly, as it did not either identify the potential human right impact, and thereby not complies with the UNGPs. Furthermore, a human right abuse conducted by a government might be perceived as being worse than one conducted by a business, as the government is the actor that is supposed to *protect* human rights. As in the Heathrow case, the government would be expected to address the issues set forward by its stakeholders in order to get social license to operate and to justify its actions.

Based on the analysis' results, it could be argued that stakeholders are actually agenda setting, having major impact on what needs to be addressed and how Heathrow should communicate. It could be argued that it would be so, regardless of taking on the study from Heathrow's or the government's perspective. It indicates that stakeholders might have more power than expected in terms of issues to be addressed in reference to a mega projects, such as airport expansion. Had interviews with representatives from Heathrow or the government been conducted, it is believed that deeper insight into whether this is true would be obtained. Despite the analysis indicating that stakeholders have resulted in campaign and communications adjustments, and thereby the government's decision, one simply cannot know for certain unless the parties who carry out material are consulted and express the same to be true. It is also recognized that it would have been possible to carry out more extensive analysis on the communications efforts and intentions to meet human rights than what was possible without interviews.

Also, it was found that demand forecasts have been significant in the discussion of economic benefits and the costs deriving from expansion. The uncertainties in demand forecasts led to uncertainties in the benefits and costs. It can be argued that external factors, such as the forthcoming Brexit that the referendum in 2016 resulted in, could have an impact on demand

forecasts and thereby on the economic benefits and costs, ultimately affecting the decision. Particularly two aspects regarding Brexit might have crucial effect on forecasts: agreements on trade and free movement of people. Without an agreement on trade, the UK would have to operate under the World Trade Organisation, potentially resulting in intensified customs checks and tariffs, which could mean larger costs for businesses buying and selling goods abroad. (Hunt & Wheeler, 2017) Also, if tariffs make imports more expensive it could be an incentive for companies to move to EU countries.

Heathrow Airport's chief executive, John Holland-Kaye, said that Brexit would strengthen the case for expanding Heathrow, as he stated: *"An exit (from the EU) would create a bigger need for what Heathrow would offer, which is direct flights to long haul markets* (Young & Addison, 2016)*"*. Also, IATA projects that even in a hard Brexit scenario, the UK will still experience significant demand for air transport (Schvartzman, 2017). Prime minister, Theresa May said that *"… the decision was made to boost jobs and growth and to ensure the country's success post-Brexit…* (Phipps & Siddique, 2016).*"* Both Heathrow and the government argue that airport expansion would be of greater significance because of Brexit. Although increase in demand is forecasted to still occur, Brexit might cause more uncertainty about demand and benefits than the CBA indicates. However, it depends largely on agreements negotiated with the EU, and the possibility to make feasible agreements.

As outlined in section 10.2.3, trade through Heathrow is reliant on a well-established network of passenger routes. Therefore, an agreement on the free movement of people could also become significant, as without a such agreement it could potentially become troublesome to get in and out of the UK, both for workers and leisure travellers, while no trade agreement could affect prices on imported goods become based on tariffs. The government could introduce a permit system similar to what currently applies to non-EU citizens, which could result in a limitation of workers. Doing so, non-UK people would have to apply for visas to work. This could make it difficult for international corporations to send employees to the UK, and therefore companies might consider moving offices to another country to which it is easier to bring in people from across the world. Hereby, not only Heathrow might lose passengers, but the British economy could also lose jobs

and benefits, should large companies move to other countries. For example, HSBC said it might move up to 1,000 jobs to Paris due to Brexit (Hunt & Wheeler, 2017). Furthermore, if passengers, both point-to-point and transferring, would have to apply for visas to enter the UK it is likely to be perceived highly inconvenient. If passengers see it as too time consuming or troublesome they could choose other hubs towards their final destination or avoid going to the UK overall. Again, this could result in a decrease of passenger figures, which might cause airlines to close routes or lower frequency of flights, which then could affect the movement of cargo. The above shows that the government's Brexit negotiations are key to reach the forecasted benefits and see economic prosperity.

12 Conclusion

The study sets out to examine how Heathrow Airport attempted to influence government's decision on where to expand airport capacity by adjusting its campaign to address the interests of the government and its other stakeholders.

To answer the proposed research question, the analysis first and foremost set out to identify Heathrow Airport's stakeholders and the salience of these. The stakeholder analysis clearly showed the complexity of the case, identifying six stakeholders. From Mitchell et al.'s Stakeholder Typology Model three attributes were assigned each of the six stakeholders: power, legitimacy and urgency. From this, the national regulators were shown to be the definitive stakeholder, whereas local communities and NGOs were shown to be dependent stakeholders. Being dependent stakeholders, the two are especially important, as they have the potential to become definitive, if an actor with the attribute of power adopts their claims. From this, the stakeholder analysis clearly showed whose interests Heathrow must address in its material. Furthermore, it provides knowledge about whose interests the government is likely to care more about before outlining the potential costs and benefits that government bases it decision on. The analysis thereby concluded that the local community and the NGOs involved in the case are highly essential to the decision for Heathrow and for the government.

Having identified the stakeholders and the salience of these, a Cost Benefit Analysis was carried out. As known, the government made its decision by balancing benefits against costs. It was therefore necessary to identify the costs and a benefit to identify which issues Heathrow Airport must address in its campaign to ultimately answer the research question. The Cost Benefit Analysis took its point of departure from the forecasts on demand, as demand serves as the basis of forecasted costs and benefits. The forecasts on demand showed to include a large degree of uncertainty, highlighting examples of how positive forecasts have previously been used as arguments to justify infrastructure mega projects that have later turned out to be less positive than foreseen. From this, it was concluded that one cannot blindly perceive forecasted demand figures as promises of future greatness, as these include uncertainties. As forecasted costs and benefits derive from the demand, these thereby also include uncertainties. The Cost Benefit Analysis pointed to wide spans in the economic benefits from job creation and cargo and trade argued to derive from expansion by the involved actors, adding to insecurity in the overall accruement to national prosperity altogether. Similar uncertainties exist for the costs, despite being difficult to evaluate, as these are non-monetary factors. The analysis of costs concludes that Heathrow Airport risks abusing the human rights of its neighbours, particularly the right to health, as it has been proven that aircraft noise can cause health issues. As the government gives consent to compulsory purchase from Heathrow Airport's compensation scheme, the right to private life is not abused by Heathrow. From the Cost Benefit Analysis it can be concluded that the main issues regarding benefits have been job creation, trade and cargo, and the overall accruement to the national economy. The main issues regarding costs have been noise, compulsory purchase of local resident's homes, and air quality. Subsequently, it was concluded that Heathrow should therefore include these in its campaign material to clearly communicate how the issues are addressed, including how requirements on air quality and noise levels are met, to influence government's decision to obtain approval to expand.

After submitting its proposal on options to expand, Heathrow's communication efforts are characterised by a need to address the costs and benefits and a requirement to show that its actions respect human rights, as it must demonstrate due to the government's commitment to the IBHR and the UNGPs. Analysis on its communications efforts showed that following its submission,

Heathrow established the micro website Your Heathrow and a Your Heathrow twitter profile, through which it communicates and enters into dialogue with interested stakeholders. Likewise, it began regularly distributing bulletins to 5,000 homes near the airport. Most importantly, it called for two extensive consultations with the public. The first to establish factors perceived to be most important in the planning of the new runway, to identify attitudes towards noise relief and community impacts, and to listen to suggested improvements to the runway proposal. The second to provide property owners, tenants and business owners the opportunity to engage in and influence development of property and noise compensation proposals. In accordance with the UNGPs principles 18 (b), 19 and 21, Heathrow conducted public consultations to include those affected and integrated findings from these in its strategy. It has thereby taken appropriate action from the results, made favourable changes to the proposals, and communicated externally how it deals with issues that stakeholders find most important, while also allowing affected stakeholders to influence remediation. However, it continues to highlight the uncertain economic benefits rather than costs.

In conclusion, the study demonstrates that Heathrow Airport did adjust its communication strategy to address issues believed to be decisive to the government's decision. It continues to highlight the economic benefits, despite the proven insecurities of these, while it after it was shortlisted to a larger degree began addressing the costs that must be balanced against the benefits. The compulsory purchase of homes were addressed in public consultations, from which the design of the runway construction was altered to affect fewer residents, while residents' homes would be purchased at 125% of market value under the launch of a Property Compensation scheme. Noise was addressed in the launch of extensive noise mitigation scheme, investing £700 million in insulation of homes in the inner and outer noise zones. Heathrow also communicated that an expanded airport will not hinder the government's commitment to reduce emissions by 80% in 2050 from 1990 levels. Heathrow points to improvements of aircrafts and engines as well as the fuels used as reason for this statement. However, this remains widely debated and a requirement to demonstrate how air pollution levels could be met was included in the government's final decision. The study thereby shows that Heathrow adapted its communications tactics to the interests in its stakeholders to reduce opposition by stating how it

would address costs. Subsequently, it is fair to assume that Heathrow consequentially affected the government's final decision, while it is recognised that one cannot know for certain that this was true for example due to impact of third variables and lack of direct government statements stating it to be the case.

The thesis thus sheds light on how a stakeholder with seemingly little power can in fact largely influence mega projects. It thereby contributes to research by directly linking stakeholder analysis and CBA to communications, thus highlighting how organisations can advantageously incorporate issues relevant to its stakeholders when planning a campaign with major impacts on these in order to reach its business objectives.

CHAPTER FIVE: BIBLIOGRAPHY AND APPENDICES

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14 Appendices

Appendix 1: Interview Questions sent to Heathrow Airport

As stated in the Scope and Limitations of the Study, it was originally planned to conduct an interview with a representative from Heathrow's Communications Team or Community Relations Team. Therefore, numerous e-mails were sent to both teams in attempt to schedule an interview, however with no answer. Later, an e-mail was sent to Cheryl Monk, Head of Communication, who replied that she would indeed answer the interview questions. Unfortunately, Cheryl Monk did not reply since, and an interview was therefore not conducted. Below are the questions planned for an interview, all structured based on Kvale (2007):

External Communications - strategy and changes adopted

1. Have you had the same 'team' working with your external communications throughout the campaign - from proposal to now?
   1.1. If not, what has changed?
   1.2. If yes, why?

2. How do you allocate communications resources to the different stakeholders in play?
   2.1. Has the prioritisation of resources changed since the proposal was shortlisted?

3. When was your current communications strategy created and adopted?
   3.1. If before 2013: Why has it not been changed in recent years?
   3.2. If after 2013: Why did you decide to change strategy?

4. Did you change something in the way you approached communications or communicate some specific information or an issue of particular sensitivity?

5. Do you think your communications strategy influenced the government's decision?
   5.1. If yes, how so?
   5.2. If no, why not?

6. Have you communicated differently with the Airports commission, government and the public throughout the process or has it been more or less the same?

7. Do you continuously measure Heathrow's image among stakeholders?

   7.1. If yes, has it changed since your 2013 proposal or since the recommendation?

   7.2. If no, why not? Do you measure perception of Heathrow among stakeholders in other ways?

Dialogue with the local community

8. What are the main themes you experience from opposition?

9. What do you believe to be the main concerns from your local community?

10. Has the way you have approached the opposing community changed?

    10.1. If yes, how and why?

    10.2. If no, why not?

11. Several residents in local communities have stated that monetary compensation cannot make compulsory purchases fair regardless of the amount, what are your thoughts on that? How do you tackle that argument when entering in dialogue with local residents?

12. Which measures have you taken to accommodate the government's commitment to respect and promote human rights?

13. Does Heathrow carry out Human Rights Due Diligence in relation to local communities?

Forecasts and external factors

14. Do you believe Brexit will affect the forecasts on demand, cargo and passenger figures?

    14.1. If yes, in what ways?

15. How do you follow the upcoming General Election and do you foresee the election to potentially influence the expansion?

Appendix 2: The Research Onion, Saunders et al., 2009
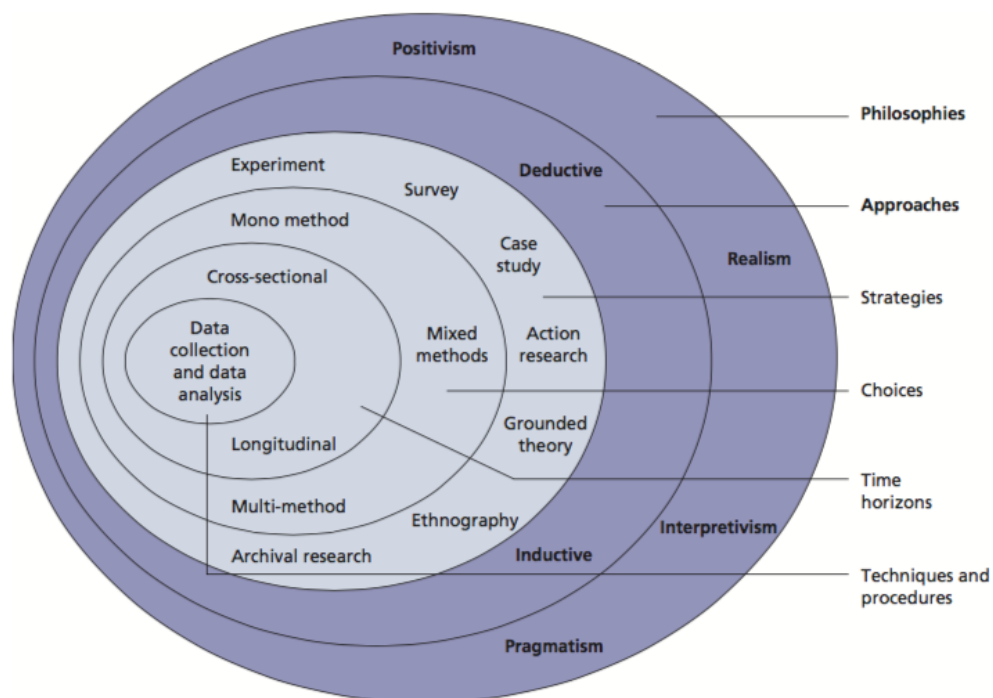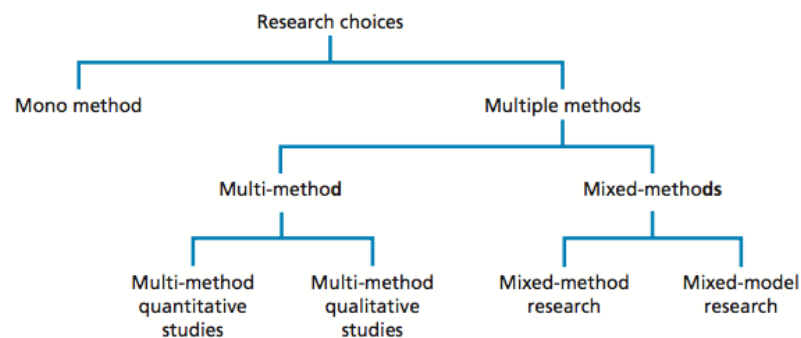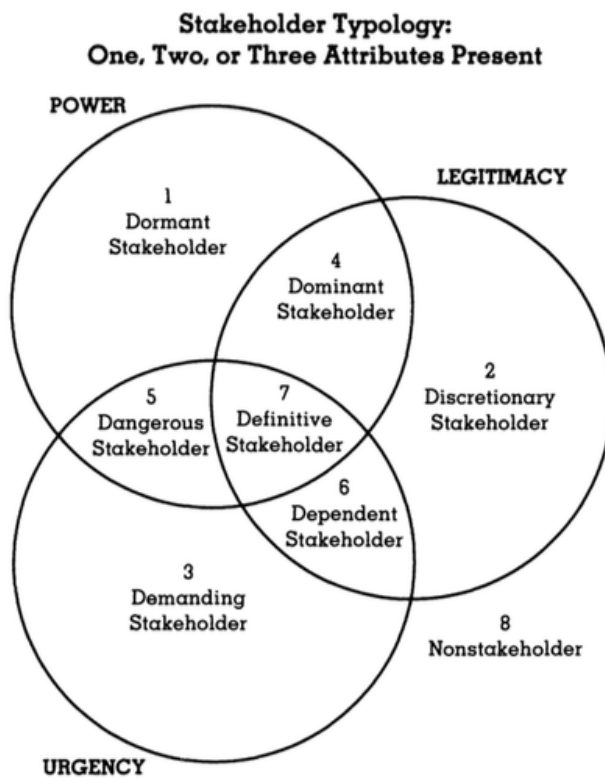

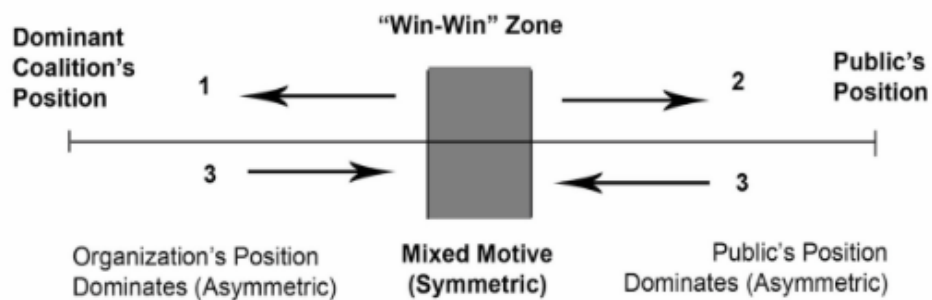**Appendix 3: Multi-method research, Saunders et al., 2009**

Figure 5.4
Research
choices

Appendix 4: Stakeholder Typology Model, Mitchell et al.1997

Stakeholder Typology:
One, Two, or Three Attributes Present

Appendix 5: Mixed Motive Model, Merkelsen, 2014

Appendix 6: Heathrow's actual mppa and growth rate

| Year	Actual mppa	Actual growth rate
2012	69,984,868	
2013	72,332,191	3.35%
2014	73,374,825	1.44%
2015	74,959,058	2.16%
2016	75,676,223	0.96%

mppa = million passengers per annum

Sources: (LHR Airports Limited, 2017f)

Appendix 7: Madrid-Barajas expansion - forecasted figures held against actual figures

Year	Forecasted mppa	Actual mppa	Deviation from forecast
1999	27.8	27.5	- 0.8%
2000	30.1	32.8	9.2%
2001	32.3	34.0	5.3%
2002	34.4	33.9	- 1.5%
2003	36.5	35.9	- 1.8%
2004	36.9	38.7	5.0%
2005	38.5	41.8	8.7%
2006	40.1	44.9	12.1%
2007	41.7	51.4	23.2%
2008	43.3	50.5	16.7%
2009	45.0	48.1	7.0%
2010	46.6	49.8	6.9%
2011	48.3	49.6	2.7%
2012	49.9	45.2	- 9.5%
2013	51.5	39.7	- 22.9%
2014	53.1	41.8	- 21.3%
2015	54.6	46.8	- 14.3%
2016	56.2	50.4	- 10.3%

* *mppa = Million passengers per annum and are rounded to one decimal numbers in millions*

Madrid-Barajas Airport expansion Forecast/Actual mmpa
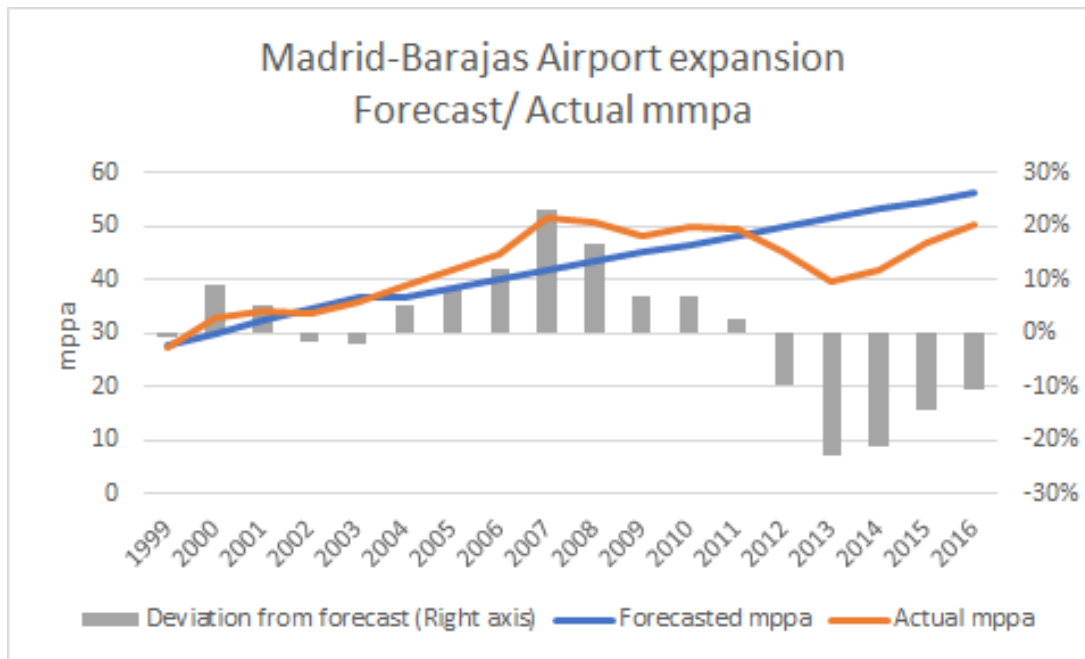
Sources: The forecast numbers and actual numbers are retrieved from (Sismanidou & Tarradellas, 2016), while the actual numbers from 2014, 2015, and 2016 are retrieved from AENA's annual reports on air traffic statistics (AENA, 2014); (AENA, 2015); (AENA, 2016).
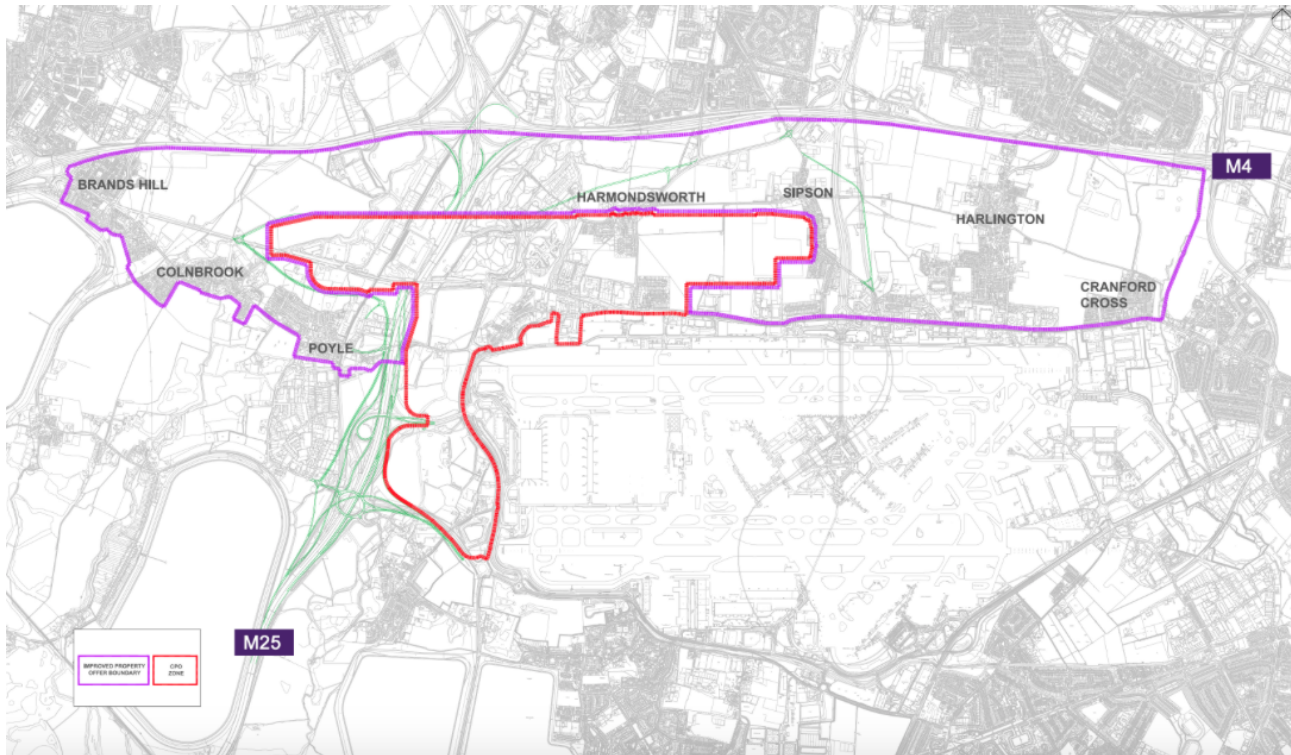
Appendix 8: Employment figures in Hessen before and after expansion of Frankfurt Airport

Year	2009	2010	2011	2012	2013
Total employment	2882	2903	2954	2965	3007
Change in employment	10	21	51	11	42

Figures are given in thousands
Sources: (Hessisches Statistisches Landesamt, 2015: 7)

Appendix 9: Compulsory Purchase Zone and Wider Property Offer Zone, Your Heathrow

Sources: Your Heathrow (Your Heathrow, 2016f)

Appendix 10: Scenarios in Heathrow's offer price based surveyor valuation

Scenario one: Two surveyors to find the unaffected value

Surveyor 1's valuation   = £ 500,000

Surveyor 2's valuation   = £ 530,000

A third surveyor is not brought in as the valuations do not differ by more than 10%

Offer price   = £ 515,000 (average of the two valuations)

Scenario two: Three surveyors to find the unaffected value

Surveyor 1's valuation   = £ 300,000

Surveyor 2's valuation   = £ 400,000

A third surveyor is brought in as the valuations by surveyor 1 and 2 differ by more than 10%

Surveyor 3's valuation   = £ 370,000

Offer price   = £ 385,000 (average of the two closest valuations)

Appendix 11: UK Human Rights Act, based on European Convention on Human Rights, 1998

The Convention: Rights and Freedoms	The First Protocol	The Sixth Protocol
Article 2: Right to life	Article 1: Protection of property	Article 1: Abolition of the death penalty
Article 3: Prohibition of torture	Article 2: Right to education	Article 2: Death penalty in time of war
Article 4: Prohibition of slavery and forced labour	Article 3: Right to free elections	
Article 5: Right to liberty and security		
Article 6: Right to a fair trial		
Article 7: No punishment without law		
Article 8: Right to respect for private and family life		
Article 9: Freedom of thought, conscience and religion		
Article 10: Freedom of expression		
Article 11: Freedom of assembly and association		
Article 12: Right to marry		
Article 14: Prohibition of discrimination		

Source: (The Guardian, 2009)

Appendix 12: UNGPs Principle 31, United Nations, 2011

Principle 31: In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be:

(a) Legitimate: enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes;

(b) Accessible: being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access;

(c) Predictable: providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation;

(d) Equitable: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;

(e) Transparent: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanisms' performance to build confidence in its effectiveness and meet any public interest at stake;

- **(f)** Rights-compatible: ensuring that outcomes and remedies accord with internationally recognized human rights;

- **(g)** A source of continuous learning: drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms;

Operational-level mechanisms should also be:

- **(h)** Based on engagement and dialogue: consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.