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Social Impact Evaluation: Useful? Utopian?

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Social Impact Evaluation: Useful? Utopian? (Part 1 of 4)

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Maddeningly, the anti-poverty impact evaluation craze is precariously close to inflicting an unrealistic hegemony over social change.

No better example exists than the book [More Than Good Intentions](#) from the oft-lionized Innovations for Poverty Action institute at Yale University. The book is a genial, readable, entertaining demand for us all to become truth-seekers and truth-tellers -- to get real about the scourge of grinding poverty.

The authors are crusaders for hard-nosed research and evaluation (in particular, randomized controlled trials, the social science gold standard) of anti-poverty programs to inform an idealized donor, foundation program officer or social investor of the future, namely, the perfectly rational decision-maker.

The profession's conceit is that, until an academic evaluator evaluates it, every anti-poverty program is under suspicion. In the closed world of evaluation, what cannot be measured is invisible. What cannot be validated by an evaluator should not be funded. Responding to the United Nations definition of poverty ("Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society."), the authors ask, "This may be entirely true and accurate. But is it useful?"

Perhaps I am living on a planet populated with people, but I love the U.N. poverty definition. All advocates for economic justice do.

Of course, what the authors mean by "useful" is that human dignity is hard to measure. Social impact measurement is inherently limited to reporting on what it can conceive and quantify.

Consider a neighborhood newspaper anywhere in the world. Computing the impact of a newspaper based on its circulation and advertising revenue produces its valuation, not

its value. A paper is a social asset advancing free speech and fostering community cohesion. Our support for a free press is grounded in much more than an economist's research evaluation.

To the book's credit, it acknowledges the tension between personal commitment to social justice and the impersonal process of evaluation. But, after paying lip service to our complex and very human do-gooder impulses, in a classic example of escalating commitment, the authors persist in adamantly plugging their brand of academic research evaluation for deciding what works and doesn't in economic development.

At conferences, in research publications and in the offices of funders, the troubling trend is a forming hierarchy of hubris. Soon, in-the-trenches anti-poverty practitioners with long experience, community-based organizations close to their clients, market-based programs with real revenues and real customers, and experimental, innovative initiatives with great promise may be written off as woolly-headed, undisciplined or unscalable simply because they are un-evaluated.

To my way of thinking, this is upside down. Art critics more valued than artists? Sports writers more admired than athletes? Political pundits more powerful than elected leaders?

If foundations stopped funding social impact studies, would it remain a "hot" fad? Would anyone outside the halls of academia really care?

We need evaluators and critics. The rougher and tougher, the better. What we don't need is academic hegemony over activism.

Social Impact Evaluation: Useful? Utopian? (Part 2 of 4)

Posted: 6/28/2011

In nonprofit fundraising, in the investment world, in political campaigns, in TV ads and even at grant-seeking research universities, hyping products and services is routine. Propaganda happens.

Nonetheless, for the misdemeanor infraction of enthusiastically summoning the world to address global poverty with a solution that appeals to Western sensibilities (i.e., bootstrap, self-financed business loans), academic researchers have issued a grand jury felony indictment against microfinance. The charge: over-promotion.

A promotional leaflet for a recent book on the topic of scientific evaluation of anti-poverty programs proclaims, "microcredit does not solve poverty." Well, duh, nothing alone solves poverty, a point the authors themselves conclude inside their manuscript.

The mundane verdict that public relations departments proselytize microfinance's impact may sell books, but it also feeds a cynicism about one of the few viable poverty

alleviation techniques that has emerged from a developing country. Let's remember that hyping impact is not the same as not having any impact.

In a metaphorical news cycle, microfinance went from "laudatory Nobel Prize winner" to "predatory profiteering" to "not solving poverty." Don't blame the evaluators, consultants or academics, but an unintended consequence of their work could be (will be?) donor skepticism and paralysis.

In my view, microfinance is being unreasonably measured and criticized for what it is not: (a) Microloans are not savings accounts. (b) Micro-lending to the poor with an entrepreneurial bent is not reaching the poor without one. (c) Individual economic empowerment in remote villages is not macroeconomic development. These criticisms are akin to whining that a rural clinic is not a hospital or an apple is not an orange.

Microfinance has succeeded without much scholarly research or social science oversight. It is a poverty reducer rooted in the non-academic, marketplace realities of the poor: 190 million micro-borrowers enrolled. 97% microloan repayment rate. Billions of social investment dollars at work. Are we hearing the poor here?

Before outsourcing your judgment to the social scientists and economists, you must read University of Michigan Professor Michael [Gordon's blog](#): "The lives of desperately poor people are at stake. If we continue to provide support for methods of microfinance that aren't completely effective, our losses will be modest compared to discontinuing support for ideas that are helping the poor lead more productive lives, with more dignity, even if science tells us they shouldn't be."

Or as NYU Professor William Easterly insightfully [writes](#), "Unfortunately, the books [on anti-poverty evaluation] also indulge another sort of irrationality: the demand for big, general statements....The authors criticize over-promising and generalizing in the aid business, but they too often do their own exaggerating when it comes to what their methods can deliver."

Microfinance has a lot to be proud of -- and a lot yet to improve. About that, everyone agrees. But, a serious discussion does not begin with either sensationalist "gotcha" generalizations or making the poor wait for a perfect solution.

Social Impact Evaluation: Useful? Utopian? (Part 3 of 4)

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I want to do good, but I don't want to waste my time or money doing it. You, too?

In the action world of volunteering, organizing and check-writing, anti-poverty evaluation feels paralyzing. Mostly we ignore the evaluators because in large measure, the research studies inconclusively nitpick. This feature of that program works better than this or that one. Or, that program oversells itself. Or, a study duplicates what seasoned

practitioners already know. Or, the ubiquitous observation that more studies are needed.

Evaluations rarely guide us in making the big choices between and among the various sectoral interventions, such as health (primary care, prevention, training health professionals or building hospitals?) versus agriculture (sustainable small farms, treadle pumps or massive irrigation projects?). Or, small business development versus clean water? And what about the relative impact between energy, education or elusive governmental reform?

And, often the research findings present bogus choices. If your goal is increased school attendance, surely deworming children *and* better teachers *and* free school uniforms *and* [sanitary napkins for girls](#) and, and, and... are all necessary ingredients for success. Moreover, the house of mirrors in which evaluators reflect on the best research methodology, and whose data is more valid, and which studies are replicable and more rigorous is never-ending. Every approach comes with cautions and caveats. For a [smart, thoughtful taste](#) of it, the best thinker on the topic is David Roodman of the Center for Global Development. From afar we respect the integrity of open scholarship, but parsing the academic debate for an actionable poverty-reduction plan in the here and now becomes a diversionary fool's errand.

Scholarly hubris disheartens us. As *How Matters* editor Jennifer Lentfer [dissuades](#) us, "Recognize that this ephemeral life is governed by a multitude of forces. Control is an illusion. Scientists are wrong all the time."

For a counter view, "[More Than Good Intentions](#)," a new book from Yale's [Innovations for Poverty Action](#) (IPA), is a ringing manifesto for scientific evaluation. "[The authors] want us to believe that Randomized Control Trials (RCTs) are an essential tool in identifying solutions to problems through research," [blogs](#) Guy Stuart, a public policy lecturer at Harvard's Kennedy School. "In fact, there is clear evidence that they think this is the only way to do research. They continuously, and condescendingly, equate 'rigor' with the use of RCTs."

Anti-poverty programs need to improve operations and reach more poor people, but the messianic scientific evaluation message snubs the many non-academic ways we get constructive feedback -- trial and error, marketplace feedback, listening to clients, mimicking competitors, etc. Are these more or less valid?

Evaluation research is costly. IPA, for example, [operates in over 40 countries and employs 500 staff](#) with an annual budget of [\\$25 million](#). Does it make the rest of us honorary members of the Flat Earth Society when we wonder if RCTs might become the Academic and Evaluation Consultant Full Employment Act?

I am curious about one thing: has anyone done a randomized controlled trial to determine if research evaluation centers are having measurable impact in the world of social change?

Social Impact Evaluation: Useful? Utopian? (Part 4 of 4)

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Who can argue with the evaluations expert who challenged me over coffee, "Management needs data for informed decision-making." The smiling, but incredulous, tone implied that the opposite position (mine, I guess) is willful, ignorant, unruly.

In the fierce world of economic injustice and grinding poverty, the rationale for social impact metrics and rigorous program evaluation is logically irrefutable -- and pragmatically beside the point. Here are few practical considerations and concerns:

In the real world, decision-making is based on imperfect information. Decisions are time dated. Complete information is preferable, but tomorrow relentlessly produces countervailing facts and perspectives, not to mention Monday morning quarterbacks (now called external evaluators). Whatever the ideal decision-making data set, indecision is itself a decision with consequences.

In the face of economic and social injustice, Martin Luther King spoke about "the fierce urgency of now." He did not speak about the fierce urgency of developing social impact metrics or evaluation indices to determine if civil disobedience is cost-effective relative to other civil rights interventions. If he had, "I have a dream" would have been "I have an evaluation report."

There are limits to how much a social enterprise leader can do. Capital fundraising, vision articulation, human resources, inspirational leader, board management, stakeholder engagement, program management, product development, financial reporting, media affairs, legal matters, etc. are typical responsibilities of the average social enterprise CEO. Evaluation requires a CEO's most precious commodity, time.

Evaluators demand management attention to frame the project, review interim updates and study the findings (and, of course, listen to the next consulting contract pitch). Moreover, evaluators need rigorous evaluation. Of the numerous evaluation methodologies, which is most appropriate in any given situation? And, once that is determined, which consulting firm or university institute is the most accomplished at it?

And, let's not be naïve. Will the evaluation group's reputation sufficiently impress donors and other external audiences demanding "proof of results"? Will the study at least insulate the organization from criticism, a defensive cover-your-ass response to the evaluation craze? Will the selected evaluator "cooperate" to assure the findings are not punitive, harshly written or otherwise jeopardize future funding?

Speaking of a limited resource, Huffington Post blogger [Sashar](#) replies to my earlier blog, "I want to know who is supposed to fund these social impact studies? I am a small international funder who makes site visits to all my grantees... Site visits give me a firsthand view of the work being done on the ground. My evaluations are informed by

financials and due diligence before and during my visit, but at least 50 percent is based on intuition and gut instinct." As Albert Einstein, a fairly distinguished scientist himself, noted, "The only real valuable thing is intuition."

Whatever the utopian plans of foundations, government funders and celebrity academics, external social impact evaluations & audits -- like the annual Kabuki theatre of external financial audits -- are in all probability going to remain an expensive, sporadic management distraction.