

Chapter 3. Evaluation and economic development

3.1 Introduction

Evaluating economic development is one of the prime targets for the Evaluation science and enterprise. Adam Smith, 1776 (in Todaro 2000:151) said: "No society can surely be flourishing and happy, of which by far the greater part of the numbers are poor and miserable." In 1979 the Nobel Prize was presented to Arthur Lewis and Theodore Schultz of University of Chicago who confirmed "Economic Development" as a separate field of study within the economic discipline (Todaro 2000:7).

According to Picciotto & Rist, (1995:ix) "Both evaluation and development have logged 50 years of practice." For Patton (2002:183) genuine collaborative approaches to development, research and evaluation require power sharing. "One of the negative connotations often associated with evaluation is that it is something done to people. Participatory evaluation, in contrast, involves working with people." According to Squire (1995:47) there will be no sustainable development if it is not done with people, therefore beneficiary assessment is increasingly recognized as a useful tool for conveying and eliciting information about the successfulness of an endeavour.

The Norwegian Agency for Development NORAD (1990:10) states that "No development projects exist in a social vacuum." According to Odwedo (2000:81) no African country has won its struggle against poverty. The whole of the African struggle is now in the third phase – "the economic struggle."

During the past decades paradigms for economic development shifted. Even views about women's roles in development have undergone fundamental changes as theoreticians and practitioners have evaluated and reassessed women's contribution to development (Moser 1995:127). The president of the World Bank (Wolfersohn 2002) said: "The World Bank will work with governments and civil society in client countries and with other donors to diagnose the gender-related barriers to and opportunities for poverty reduction and sustainable development, and will then identify and support appropriate action to reduce these barriers and capitalize on the opportunities." (Also refer to Chapter 5 for women in development).

This chapter will explore the concept of economic development and how development evaluation changed its emphasis and direction.

3.2 Economic development defined

Mohr (2001:639) defines economic development as “a complex phenomenon that involves a variety of social and economic processes.” Economic development refers to the improvement of living conditions. It entails an improvement in the quality of life of the majority of the population as a result of economic growth, the reduction of inequality and the eradication of absolute poverty (Todaro 1994; Mohr 2001:635).

According to Todaro (2000:12) the ultimate purpose of development economics is to better understand 3rd World economies in order to help improve the material lives of ¾ of the global population. Development economics deals with dilemmas of hunger, poverty and ill health that plague so much of the world’s population, over and above normal institutional, social and political context. The concepts of economic development and modernisation represent implicit as well as explicit value, premises about desirable goals for achieving what Mahatma Gandhi called the “realisation of the human potential.”

The concept of economic development is the economics of poor underdeveloped 3rd World nations with varying ideological orientations, diverse cultural backgrounds and very complex yet similar economic problems, that usually demand `new ideas and novel approaches, according to Todaro (2000: 7).

Economic development should embrace the three core values of sustenance, self-esteem and freedom, which are common goals, sought by individuals and societies alike. They have a bearing on the three objectives of development:

- to increase the availability and the distribution of basic life-sustaining goods (food, shelter, health and protecting);
- to raise the standard of living (better income, more goals, better educate, attention to cultural and human values); and
- to expand the range of economic and social choices available to individual and societies (Todaro 2000:18).

Development economics should strive to address central economic problems of all societies – “what, where, how, how much and for whom and goods and services should be produced as well as who actually makes or influences economic decisions and for whose benefit these decision are made” (Todaro 2000:19). There is no development if poverty, inequality and unemployment do not improve, even if real GDP is growing (Mohr 2001:641).

3.3 Sustainable development

Several countries recommitted themselves to sustainable development and Agenda 21 during the World Summit on Sustainable Development in Johannesburg (IIED 2002; World Bank 2002g; Australia 2002; Sweden 2002; USAID 2002).

Sustainable development involves people, planet and prosperity (PPP), which includes social, environmental and economic aspects. Programmes, projects and endeavours are now evaluated and measured against "multiple goals imbedded in sustainable development" (Picciotto & Rist, 1995:x). Development is growth that is sustainable and that substantially enhances the creation of employment, reduces poverty, empowers people, benefits the majority of the people, and increases their economic, political and social choices. The development concept is dynamic, emerging from a narrow concept of gross domestic product (GDP) growth rates to wider concerns about what GDP growth can do for the people (OEU 2002).

The old term 'economic growth' is too narrow. For Mohr (2001:641) "Jobless growth" becomes an enormous problem, but there can be no development if poverty, inequality and unemployment do not improve, even if real GDP is growing. Picciotto & Rist, (1995:x) are supporting this standpoint as programs are now assessed "not only in terms of the balance between their costs and benefits but also in qualitative terms for their policy relevance, environmental sustainability, and institutional development impact." For Todaro (2000:272) "this phenomenon of jobless growth or what has more formally been called the output-employment lag, continued into the 1980s, when the output growth slowed and real wages declined, particularly in Africa." This paradigm shift to outcomes and impact (what GDP can do for people) has major implications for the work of development evaluators.

Consistent with the Rio Declaration, from the 1992 United Nations Conference on Environment and Development, and the World Summit on Sustainable Development held in South Africa, the Comprehensive Development Framework also argues for evaluating the integration of environmental concerns into the design and implementation of development strategies (Essama-Nssah 2000; World Bank 2002g).

Sandstrom (1995:13) shared the following lesson: "Perhaps the most important lesson we have learned over the years is that, ultimately, development can only come from within. But external assistance - when it is used effectively - can help to supplement it." According to the World Bank (2002d) through the participatory

process people can make informed commitments, and by observing the participatory process, assessments can be made by Bank and government staff about the presence or absence of the commitment necessary to ensure sustainability.

Todaro (2000:710) explains that the causes of the African dilemma are many and varied. Some were beyond its control e.g. drought, depressed commodity prices, foreign capital withdrawal, diminished foreign aid. Others can be ascribed to poor government policies e.g. neglect of agriculture, inefficient state-owned enterprises, and lack of concern with promoting export growth. Surely rapid population growth in Africa, the highest in the world, must also be considered.

In the face of the challenge presented by the failure of past development efforts, the World Bank Group has decided in recent years to embed its vision of a world without poverty in an approach known as the *Comprehensive Development Framework* (CDF). The framework requires of development efforts to *empower* people to take charge of their destinies (Essama-Nssah 2000). This includes: "The empowerment of women and improvement of their status are important ends themselves and are essential for the achievement of sustainable development" (Ogula 2000:173).

3.4 The changing development fraternity

Todaro (2000:42) points out the following seven common characteristics of developing nations:

- Low levels of living, inequality, poor health and inadequate education.
- Low levels of productivity.
- High rates of population growth and dependency burdens.
- High and rising levels of unemployment and underemployment.
- Substantial dependence on agricultural production and exports.
- Prevalence of imperfect markets and limited information.
- Dominance, dependence, and vulnerability in international relations.

According to IPDET (2002:m1p8) there is rapid economic growth in industrialized countries while in developing countries suffer under:

- Effects of a debt crises;
- Collapse of central planning;
- Local conflicts;
- Poverty reduction efforts;
- Humanitarian and environmental concerns;
- Reduced resources;

- Increased citizen expectations; and
- Increased donor expectations.

The changing development fraternity brings new demands for development according to IPDET (2002:m1p8) that includes:

- Sound government;
- Private sector involvement;
- Participation;
- Equity; and
- Environmental sustainability.

3.5 The changing concept of development and new economics

Over the decades the concept and definition of development changed according to IPDET (2002:m1p9) to include the following Objectives, Approaches and Disciplines:

Figure 3.1: The changing concept of development

<u>Decades</u>	<u>Objectives</u>	<u>Approaches</u>	<u>Discipline</u>
Fifties	Reconstruction	Tech. Assistance	Engineering
Sixties	Growth	Projects	Finance
Seventies	Basic Needs	Sector Investment	Planning
Eighties	Adjustment	Adjustment Loans	Neoclassical
Nineties	Capacity-Building	Country Assistance	Multidisciplinary

According to IPDET (2002:m1p6) the definition of development should be formulated within a specific Development Context. "Evaluation in developed countries is not easily transferable to developing countries. Developing countries may lack data and resources. Even in the best of circumstances, it is not easy to design studies to measure outcomes. It is difficult to collect data over time and results are not always quantifiable."

For Todaro (2000:14) the experience of the 1950s and 1960s, when many Third World nations did realize their economic growth-targets, but the levels of living of the masses of people remained for the most part unchanged, signalled that something was very wrong with a narrow concept of development.

Persaud (2001:1) states that New Economics are:

- Anchored in human rights paradigm; dignity, equality and fundamental freedoms;
- Mandate for sustainable development; and
- Legal duties, social responsibilities and accountability particularly for business as the engines of economic development.

According to Eloff (2001:1) the nature of employment is changing. Hierarchical organisations are being replaced by networked learning organisations, and jobs have shifted dramatically. For example in the 1970's, 57% of the American population produced all the food for that country. This figure is less than 2% today.

Nowadays the role of the entrepreneur is stressed to bring about development. Hisrich (1998:9) is of the opinion "To an economist, an entrepreneur is one who brings resources, labour, materials, and other assets into combinations that make their value greater than before."

3.6 Evaluation, development and judgement

Major issues of development such as poverty, inequality, unemployment, population growth, rural stagnation and environmental decay are examples of the value **judgement** that this improvement or elimination is desirable and good. In development economics one's underlying assumptions or value premises must always be made clear (Todaro 2000:12).

Concepts such as economic and social equality, the elimination of poverty, universal education, rising levels of living, national independency, modernisation of institutions, political and economic participants, grass roots democracy, self-reliance and personal fulfilment all are to be considered in terms of **value judgments** of what is good and what not. Opposite values e.g. sanctity of private property and the right of individuals to accumulate unlimited personal wealth, the right to lead or to follow also comes to the fore in these considerations (Todaro 2000:12).

For Worthen (1997:119) the expertise-oriented approach to evaluation is probably the oldest and most widely used, and depends primarily upon professional expertise to judge an institution, programme, project, or activity.

Development Evaluation Approaches had to change according to IPDET (2002:m1p20) to include:

- Stakeholder analysis;
- Rapid assessments;

- Participatory evaluations; and
- Evaluation synthesis.

For Essama-Nssah (2000) there is an intimate relationship between *evaluation* and *development* to the extent that the very definition of development involves an "evaluative judgement."

3.7 Development evaluation versus classical evaluation

IPDET (2002:m1p6) distinguishes between Classic and Development evaluation: Classic evaluation includes concepts, cause-effect, experimentation and probability sampling. It describes program implementation and assesses its impact, and is:

- Often conducted by outsiders;
- Often looks backwards; and
- Judgment is made on success or failure.

Development evaluation:

- Focuses on performance indicators,
- Concepts, relevance, sustainability,
- Involves stakeholders,
- Emphasizes learning,
- Fast and flexible, current and future orientation, and
- Builds local capacity.

In June 1992, the second United Nations Conference on Environment and Development (UNCED) Earth Summit was held in Rio de Janeiro. The first meeting had been held in Stockholm in 1972 (Todaro 2000:706). These meetings provided valuable inputs into the Millennium 2000 Development Goals.

3.8 Millennium 2000 Development Goals

In the Millennium Summit website (www.developmentgoals.org) the Millennium Summit of Sept 2000 the states of the United Nations reaffirmed their commitment to working toward a world in which sustaining development and eliminating poverty would have the highest priority. The Millennium Development Goals grew out of the agreements and resolutions of world conferences organized by the United Nations in the past decade. The goals have been commonly accepted as a framework for measuring development progress. The goals focus the efforts of the world community on achieving significant, measurable improvements in people's lives.

Each of the eight Millennium 2000 Development Goals decided on at the 2000 Millennium Summit (www.developmentgoals.org) has identified a development issue:

1. Eradicate poverty and hunger.
2. Achieve universal primary education.
3. Promote gender equality and empower women.
4. Reduce child mortality.
5. Improve maternal health.
6. Combat HIV/Aids, malaria and other diseases.
7. Ensure environmental sustainability.
8. Develop global partnership for development (www.developmentgoals.org).

The Millennium Development Goals established yardsticks for measuring results, not just for developing countries, but also for rich countries that help to fund development programs and for the multilateral institutions that help countries implement them. The first seven goals are mutually reinforcing and are directed at reducing poverty in all its forms. The last goal-global partnership for development is about the means to achieve the first seven. Many of the poorest countries will need additional assistance and must look to the rich countries to provide it. Countries that are poor and heavily indebted will need further help in reducing their debt burdens, and all countries will benefit if trade barriers are lowered, allowing a freer exchange of goods and services.

For the poorest countries many of the goals seem far out of reach. Even in better-off countries there may be regions or groups that lag behind. So countries need to set their own goals and work to ensure that poor people are included in the benefits of development (www.developmentgoals.org).

The International Development Evaluation Association, IDEAS (2003:4) plans to do a short series of workshops on Evaluating the Millennium Development Goals, as well as the indicators they can use.

3.9 The African Union and NEPAD (New Partnership for Africa's Development)

Despite Africa's past efforts for economic development and poverty eradication as top priorities, the overall impact of the many programmes and projects that have been initiated in Africa to this end is questionable. In Africa, 340 million people, or half the population, live on less than US\$1 per day (NEPAD 2002). The Mortality rate of children under 5 years of age is 140 per 1000, and life expectancy at birth is only 54 years. Only 58% of the population have access to safe water. The rate of illiteracy for

people over 15 is 41% (OEU 2002). Most African countries are still poor and "the entire African landscape is littered with failed projects" (Odwedo 2000:81).

According to the website of the SA Department of Foreign Affairs (www.dfa.gov.za) the "African Heads of State at the Extraordinary OAU Summit in Sirte, Libya on 2 March 2001 declared the establishment of the African Union, based on the unanimous will of the member states of the OAU. Related to the birth of the African Union, however being implemented as a completely different initiative on the African Continent, is the 'New African Initiative', which was unanimously adopted by the Lusaka Summit on 11 July 2001. The New African Initiative represents a merger between the Millennium Partnership for the African Recovery Programme (MAP) and the OMEGA Plan." NEPAD is a merger of the Millennium Partnership for the African Recovery Programme (MAP) and the OMEGA Plan (NEPAD 2002).

The development goals of Nepad are: (NEPAD 2002).

- To promote accelerated growth and sustainable development;
- To eradicate widespread and severe poverty; and
- To halt the marginalisation of Africa in the globalisation process.

Nepad is described as:

- a vision and programme of action for redeveloping the African continent;
- a plan that has been conceived and developed by African leaders;
- a comprehensive integrated development plan that addresses key social, economic and political priorities in a coherent and balanced manner;
- a commitment that African leaders are making to African people and to the a commitment African leaders are making to accelerate the integration of the African continent into the global economy;
- a framework for a new partnership with the rest of the world; and
- a call to the rest of the world to partner Africa in her own development on the basis of her own agenda and programme of action (NEPAD 2002).

Todaro (2002:59) pointed out that primary commodities form the main exports from developing to developed countries. These primary commodity exports "account for over 70% of exports." The unequal strengths are manifested not only in the "dominant power of rich nations to control the pattern of international trade but also in their ability often to dictate the terms whereby technology, foreign aid, and private capital are transferred to developing countries" (Todaro 2000:61).

Zadek (2002:2) agrees with this when he states "September 11 has starkly revealed what many already knew – that there is enormous anger and frustration across the world at how globalization is playing itself out. It was notable that contributors from outside the North Atlantic community highlighted the considerable support around the world for the view that the attack on the World Trade Centre was understandable, although unacceptable."

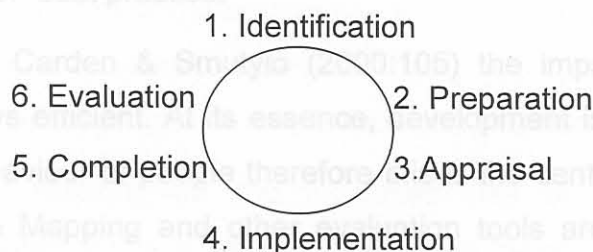
Public opinion surveys, for example in Brazil and South Africa, revealed support for the view that the US and the global business community need to understand the implications of the despair that communities feel in the face of globalization. Such views are indicative that for many this is not a "Muslim issue", but one that reflects the facts of how globalizing business and US foreign policy are undermining and disempowering people and communities (Zadek 2002:2).

In line with the above Eloff (2001:1) estimated that the top 500 multinational corporations generate, in total, revenue of \$11trillion. This is disruptive and threatening, and developing countries are becoming increasingly marginalized.

3.10 The place of evaluation in development

Scheifer (2000:139) warns that international funders require greater accountability. The Project Cycle is used by developers, Development Finance Institutions (DFIs) and governments to execute large endeavours. "Projects go through a number of clearly defined stages in the process of their establishment, i.e. identification, preparations, appraisal, implementation and monitoring and ex post *evaluation*" (Odwedo 2000:81). "The project cycle includes *evaluation*" before the cycle ends according to Patel & Russon (2000:125).

Figure 3.2: The project cycle



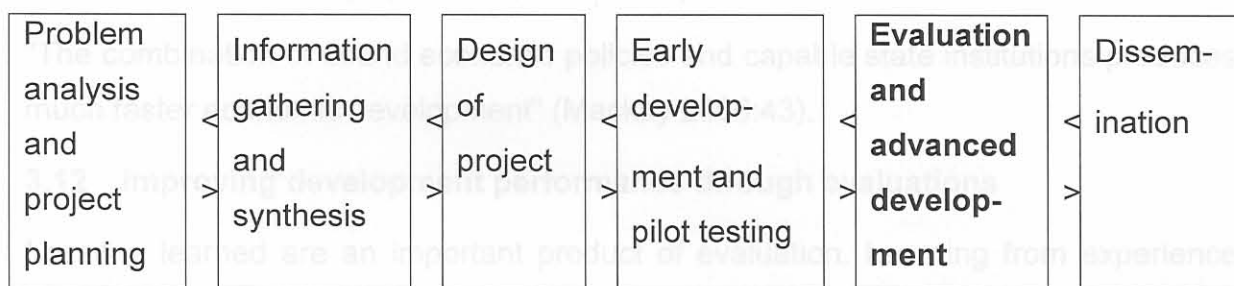
Evaluation is placed as the final assessment of how well a project/program achieved its objectives stated in the other elements of the cycle (ZOPP 1999). Ongoing evaluation (during project implementation) is referred to as 'review' and is linked closely with monitoring.

Evaluators have shown a long-standing interest in the nature and extent of impact (Kirkhart 2000:5). For each of the interventions in the project cycle quantitative indicators can be developed (Moser 1995:128).

For Lumsdaine & Lumsdaine (1995:223) evaluation has a place as a continuous part of judgement and critical thinking that stems from left-brain thinking. "Creative idea evaluation is in essence a second round of brainstorming" and a continuous process of deferring judgement and a key process involved in engineering.

De Vos (2000:385) place Evaluation and Advanced Development fifth in her Design and Development (D&D) and Intervention Research framework of six phases:

Figure 3.3: Evaluation within a research framework



It is vital for De Vos (2000:365) to know the place of evaluation and to understand the concepts, theory and practice of evaluation, as evaluations of individuals; of businesses and of projects are "an ever-present fact of live."

3.11 Inefficiency of development performance

Evaluators known worldwide such as Picciotto & Rist (1995:x) notify that the mounting dissatisfaction with the effectiveness of development assistance programs underlies a growing demand for monitoring and evaluation focused on critical performance indicators, as well as pressure for quicker feedback of evaluation results and dissemination of "best practice."

According to Earl, Carden & Smutylo (2000:105) the impact of development on people is not always efficient. At its essence, development is accomplished through changes in the behaviour of people therefore this is the central concept of Outcome Mapping. Outcome Mapping and other evaluation tools are designed to increase development efficiency and effectiveness.

It is a general problem in development work that programme objectives are often stated in over-ambitious terms, with a subsequent risk of quite useful projects being labelled as 'failures' in terms of their initial objectives. Development assistance

workers are very sensitive to problems this may cause with donors according to Patel & Russon (2000:125).

In the post communist era there is a need to redefine the roles of *state* and *market*. Government must focus on what is essential and on what they do best. As the same time, a healthy private sector reduces the burden on government; it broadens participation in the running of an economy; it attracts savings – domestic and foreign – to sound investment; and it promotes growth and jobs (Sandstrom, 1995:13). The revolution in economic management in the developing countries is well underway, but it is still far from complete. "We must do more to nurture private-sector growth because that will enable more countries to become competitive in the global economy – and to reduce poverty" (Sandstrom, 1995:13).

"The combination of sound economic policies and capable state institutions produces much faster economic development" (Mackay 2000:43).

3.12 Improving development performance through evaluations

Lessons learned are an important product of evaluation. Learning from experience (successes as well as failures) and applying lessons from evaluation, is the key to improving development performance – and to helping as many people as possible improve the quality of their lives as quickly as possible. That is a common goal we all share. It is also the ultimate result by which we must expect to be judged, and by which we must judge ourselves (Sandstrom 1995:12). Business motivation will act differently. "Faced with impoverished customers, degraded environments, failing political systems, and unravelling societies, it will be increasingly difficult for corporations to do business (Persaud 2001:2).

Squire (1995:44) discussed the necessary ingredients for rigorous evaluation of poverty alleviation programs in developing countries. Evaluation should confront such poverty-specific issues as empowerment of the poor, beneficiary participation in design, implementation of programs, and beneficiary assessments (Squire 1995:44).

There are several reasons for the increased use of evaluators to improve development performance e.g. a recognition that the major use of evaluation results was for purposes of program improvement, and the knowledge that the evaluation itself could be an "intervention and instrument of social change" (Caracelli 2000:103).

A change in recent years has been an "increasing willingness to discuss and address corruption publicly — corruption is generally no longer viewed as a taboo subject."

There is awareness that corruption within government acts as a "tax on development, that it is an impediment to the efficient operation of markets, and that it frustrates the development of a service-oriented culture within a country's civil service" (Mackay 2000:43). In response to a complex and rapidly changing development agenda, the World Bank has adapted and expanded its toolkit of assistance. New lending instruments, advisory and analytical tools, and partnership arrangements have been crafted to address the myriad needs and preferences of borrowers and to meet the challenge of the Bank's mission of poverty reduction (World Bank 2002c).

Some of the main barriers to Evaluation Capacity are "Lack of demand, ownership and support" (IPDET 2002:m12p56). From an entrepreneurial perspective Wickham (2001:5) acknowledges that "an individual take charge of the project."

The main focus is on efforts to strengthen the Monitoring and Evaluation (M&E) functions of governments, but there are also many important implications for civil society, and for its many actual or potential roles in M&E (Mackay 2000:43). In the planning stage, the Logical Framework can improve the identification, preparation and performance appraisal process by clarifying the project design and making it transparent to both borrower and lender (TEAM Technologies 1994:2). In response to unfavourable assessments of project performance in a number of sectors, the World Bank's Economic Development Institute (EDI) joined forces with Team Technologies, Inc., to develop a computer-based approach to upgrading managerial skills, especially team-based and Logframe methods (EDI 1995:2).

The International Development Evaluation Association, IDEAS (2003:2) focuses on the evaluation needs of developing countries and transition economies, as well as for demands for accountability.

3.13 Applying the fundamentals of evaluation to poverty alleviation

According to Squire (1995:44) the "fundamentals of evaluation" should be applied to poverty alleviation programmes, such as empowerment of the poor and beneficiary participation (Squire 1995:44). "Poverty and unemployment is a real threat to the economic and social survival of the entire African Continent. The real development challenge for most African countries is therefore how to get out of this quagmire" (Odwedo 2000:81).

Zadek (2002, 3) is of the opinion that the September 11 events have highlighted the need for those advocating corporate responsibility to honestly face the challenge of

what can and cannot be achieved through its current forms. In so far as poverty and inequality have some bearing on those events. Corporate responsibility will have to go a lot further than the isolated good practices of individual companies if it is to make a serious contribution in the future.

The scope of development economies, in addition to being concerned with the efficient allocation of existing scarce or (idle) productive resources and with their sustained growth over time, also deals with economic, social, political and institutional mechanisms (public and private) and large scale improvements of living for the masses of poverty-stricken, malnourished and illiterate people of Africa, Asia and Latin America. In these 3rd world countries most commodity and resource markets are highly imperfect, consumers and producers have limited information, major structural changes are taking place in both the society and the economy and disequilibrium situations often prevail (Todaro 2000:8).

How should program impact be measured? "Program impact should be judged against what would have happened in the program's absence." Thus, evaluation requires specification of a counterfactual. And since the counterfactual is not observed, the technique for specifying requires careful thought (Squire 1995:45).

It is important to evaluate and disseminate developmental discrepancies. Todaro (2000:497) points out that the world has become a global financial village, but the poorest 20% of the world's people have benefited little from the increased globalisation of economies, because in world trade their share is only 1%.

It is not so easy to apply evaluation fundamentals to all cultures. In a study on evaluation standards done by Patel and Russon (2000:125) the participants thought that Africans have a different concept of time than Western audiences: E.g. in Africa, the "way in which a thing is done" is often considered more important than getting it done "on time and within the budget." "Timeliness" should be modified to make it more relevant to Africa and India. "To insist on holding someone to an officially stated deadline is viewed as nit-picking and unreasonable." The injunction to disseminate reports to intended users caused participants to raise the question, "Who are the intended users?" (Patel & Russon 2000:125).

What constitutes a program for the purpose of evaluation? An evaluation focuses exclusively on inputs (budgets costs, for example) and outputs (reflecting judgments (Essama-Nsiah 2000).

intermediate objectives such as students' performance) might fail to account for the often-critical role of other factors (Squire 1995:45).

3.14 The World Bank policy on evaluating development

The World Bank is strengthening its evaluation measures: from intensified scrutiny of all the projects in the more broadly – establishing an independent inspection panel (Sandstrom, 1995:14). The World Bank's early focus on projects has evolved into a more comprehensive approach focused on policies, strategies, and institutions that influence the success of economic programs and projects (Choksi 1995:15).

"Since the Beijing meetings, which is when I really came in, many women's leaders were keen to point out to me that the Bank was not doing the job that it should and that, in fact, on gender issues, internally in our institution we were not giving an adequate recognition to the quality of women that we had in our own institution. That was a pretty bad signal for what we were doing on the outside" (Wolfersohn 2002).

A recent overview of gender issues in the World bank's lending, for instance, evaluates 615 projects in terms of their "WID / gender-related actions," using a rating system that covers intended gender-related actions at project appraisal but does not reflect what was achieved (Moser 1995:130). Michael Bamberger of the World Bank highlighted the relevance of Social Assessment (SA) at every stage of the project cycle and went on to explain that SAs are often conducted by local NGOs, women's organizations, local consulting companies, local consultants with international support, international consultants, and very rarely by implementing agencies of projects (Bamberger 2000). The Comprehensive Development Framework and the Poverty Reduction Strategy initiative are designed to centre the Bank's mission on poverty reduction through support of a country-driven, results-oriented framework jointly owned by the public, private, and voluntary sectors (World Bank 2002b).

The International Development Goals set by the Development Assistance Committee (DAC) focus on: *income, education, health and environment*. Evaluating public policy requires an assessment of the likely responses of the socio-economic system to the policy. This responsiveness depends on the *incentive properties* of the policy as revealed by the distribution of gains and losses among individuals and socio-economic groups. This consideration must govern the design of the *counterfactual*. Given that the appraisal of the aggregate merit of a state of affairs requires *value judgments* (Essama-Nssah 2000).

"So I set about trying to help change the culture and most particularly to align myself with the people in the organization who understood that we could not do our job unless we mainstreamed gender. That it simply was not possible not to be aware of the inhibitions placed on the development process by an inadequacy of attention to gender issues" (Wolfersohn 2002).

3.15 Evaluation, beneficiary assessment and participation

According to IPDET (2002:m3p13) "Local people know better how to get out of their own mess because they live in it." The World Bank (2002d) agrees with this standpoint when asking the following questions:

- How can experts positioned outside the local system figure out what the people in it are willing and able to change?
- More important, how can they know the speed and depth with which the local stakeholders are willing to make these changes?

The World Bank (2002d) comes to the following conclusion: If behavioural and organizational changes are necessary, then the people whose behaviour has to change should create the change and commit themselves to it. For Bamberger (2002:13) this is a sensitive process as "many indigenous people live in remote areas and do not participate actively in local (modern) political processes, their views are often not captured."

For Todaro (2000:439) it is important that community-based environmental programmes work closely with women because their own day-to-day activities may largely determine patterns of resource use and their ability to meet the needs of their families is dependent on the sustainable management of water and fuel supplies.

According to the World Bank (2002d) "Participation is a process through which stakeholders influence and share control over development initiatives and the decisions and resources which affect them." Participation is claimed to improve project implementation. The time allowed for consultations has often been insufficient for the orientation and involvement and participation of the local organisations. Another problem is that many of the local organisations do not fully understand the need for more rigorous quantitative methods to ensure that observed problems for changes can be attributed to the programs.

IPDET (2002:m3p14) states that Participatory Evaluation has many benefits such as:

- Increased credibility of results;

- Results are more likely to be used;
- Increased buy-in, less resistance;
- Increased sustainability;
- A tool for empowering the affected populations; and
- More flexibility in approaches.

The concept beneficiary assessment is used for participant observation, qualitative interviewing, and related techniques to "gauge beneficiary values and preferences" (Squire 1995:49). Beneficiary assessment is similar to the concept 'consumer satisfaction'. The method typically involves "participants observation and intensive interviewing" (Squire 1995:49).

3.16 Ownership of development programmes

Strong country *ownership* of strategies, policies and programs is recognized through evaluations as a key determinant of development effectiveness. This is necessary because development entails a transformation in *the way people think and behave*, and such a change cannot be imposed, explains Essama-Nssah (2000).

According to the *World Bank Participation Sourcebook* (World Bank 2002d) participation is worthless without commitment. "The absence of sufficient commitment in many of the projects the Bank finances comes, we believe, mainly from the external expert stance, in which small groups of experts ask the other stakeholders to commit themselves to a project the experts have designed. Even if these stakeholders do so, they often have not learned enough to understand fully the commitment they are being asked to make. Nor have they learned enough to judge their ability individually and collectively to fulfil it. We need to be clear that commitments made under such circumstances cannot be relied on."

True country ownership also requires *credible participatory mechanisms* involving key stakeholders at different levels of government, from civil society and from the private sector. *Inclusion* and *consensus building* are important factors to promote a sense of fairness about the process of development and minimize conflict related to the distribution of gains and burdens (Essama-Nssah 2000).

The key process factor, especially in poverty alleviation programs, is "the degree of participation by intended beneficiaries." (Squire 1995:48). ODA's WID marker goes beyond the identification of women as beneficiaries to measure women as intended project participants (Moser 1995:130). As the capacity of poor people, and women, is

strengthened and their voices begin to be heard, "they become *clients* who are capable of demanding and paying for goods and services from government and private sector agencies" (World Bank 2002d). For many years the acronym ZOPP has stood for Objectives-oriented Project Planning. It has become GTZ's (German technical cooperation) trademark for participative planning procedures geared to the needs of partners and target groups (ZOPP 1999).

To have useful participation, participants need to understand the objectives and outcomes of an endeavour. Worthen (1997:92) states that discussions of appropriate objectives with the community being served have given objectives-oriented evaluation the appeal of face validity. "The program is, after all, merely being held accountable for what its designers said it was going to accomplish, and that is obviously legitimate."

Bamberger (2002:13) warns that many development programmes may have impacts, often potentially negative, on indigenous peoples that are often not captured by conventional impact evaluation methodologies. One of the major challenges is that indigenous people often have very different criteria for thinking about the potential consequences of development interventions and also different ways of communicating their concerns. Land and natural resources have spiritual values and communities have an obligation to conserve them for future generations. They are not viewed simply as productive resources.

During research interviews, the actual interactions that resulted from the door-to-door contacts turned out to be significantly different from the way the door-to-door process was designed and conceptualised. These findings, which, emerged from interviews and observations, had important implications for staff recruitment and training, and for how much time needed to be allocated to cover a neighbourhood in order to obtain real participation and ownership (Patton 2002:160).

3.17 Evaluating development effectiveness

To evaluate effectiveness is to assess whether an institution or business is 'doing the right things'. It is wider than efficiency, where it is monitored whether an institution or business is 'doing the things right'.

The 2001 Annual Review of Development Effectiveness, ARDE of the Operations Evaluation Department of the World Bank (2002b) found that there has been broad improvement in economic and sector work as it has become more participatory,

client-oriented, and results-focused. But there is room for improvement in the poverty focus of these instruments, as well as in their quality and impact in poor-performing countries (World Bank 2002b). Countries with fundamentalist regimes suffer economically because women are not allowed to participate (World Bank 2001). For Todaro (2000:19) it is not so easy to evaluate economic development effectiveness as the economy should be viewed as an interdependent social system in which "economic and non-economic forces are continually interacting in ways that are at times self-reinforcing and at other times contradictory."

Schnoes et al (2000:100) came to the conclusion that, while collaboration has proved very constructive, the time required and level of resources needed for full consultation and orientation probably need to be increased. Collaboration is also central to stakeholder-based evaluation, as stakeholders and evaluators work together to develop and finalize instruments and procedures, produce recommendations, and make decisions throughout the evaluation process (Schnoes et al 2000: 55).

Project outcomes could be regressed on a range of control variables and on measures of the "intensity and frequency of beneficiary assessments" (Squire 1995:51). As development is essentially about people relating to each other and their environment, the focus of Outcome Mapping is on people and organizations. The originality of the methodology is its shift away from assessing the products of a program (e.g., policy relevance, poverty alleviation, reduced conflict) to a focus on the changes in the behaviours, relationships, actions and/or activities of the people and organizations with whom a development program works (Earl, Carden & Smutylo 2000:105).

NGOs undertake substantive reviews and evaluations of government performance in Bangalore, India, since 1993. The surveys focus on the services provided by the municipal government, such as water and electricity, garbage collection, and hospitals. Ordinary citizens are asked about their level of satisfaction with these public services, which aspects are most or least satisfactory, whether government staff is helpful, and whether bribes have to be paid to officials to obtain these services. The results of the surveys have been widely published, with lively press coverage (Mackay 2000:43).

The wide dissemination of evaluation reports is a means of civil society groups' participation for effectiveness. In Uganda, monthly transfers of government funds to schools are reported in the press and on radio, and are displayed on public notice

boards in schools and district government centres. This is a useful step in encouraging a fuller flow of information to the ultimate beneficiaries, according to Mackay (2000:43).

Participatory methods for intended project beneficiaries can be used to obtain beneficiaries' perspectives on the impacts of the projects and policies once they become operational (Schnoes et al 2000:98). Civil society can play an important role by inputting beneficiary views on government service delivery. Ordinary citizens are the ultimate beneficiaries of most government services, and their level of satisfaction (or dissatisfaction) with these services provides an important input to any evaluation of government's performance in delivering them. A number of African governments regularly conduct service delivery surveys, also known as beneficiary surveys to evaluate development effectiveness (Mackay 2000:43).

3.18 Conclusions

According to Todaro (2000:151) the "unfinished business of the 21st century is the eradication of poverty." Despite this, evaluation science and enterprise principles and practice proved to be useful in improving economic development over the years. Caracelli (2000:103) even go so far to note that the increased use of evaluators to improve development performance and effectiveness e.g. a recognition that the major use of evaluation results was for purposes of programme improvement, and the knowledge that the evaluation itself could be an "intervention and instrument of social change." The most critical factor is of course that evaluations prove to be useful, warns Bastoe (2000:117).

For evaluation to reach success in improving economic development takes time. Orientation and involvement of the local organisations are necessary as "Many of the national NGOs and women's organisations that would like to participate in the studies are not familiar with the kinds of policies and programs being evaluated or with the research methods used by World Bank economists" according to Schnoes et al (2000:100).

The economic and social dimensions are important according to Wickham (2001:7) for management and entrepreneurship. The entrepreneur is an individual who lives and functions within a social setting. Although the importance of higher levels of entrepreneurship for the well being of South African society will be emphasised in the next chapter, it is important to note that the entrepreneurs seldom initiate business

ventures with the primary aim of benefiting to the society in which they live. Entrepreneurs tend to be people who recognise business opportunities and marshal the necessary resources to exploit business opportunities for personal gain, according to van Aardt (2000:3). This is an unfortunate but real attitude that will have to be changed with the introduction and reality of AccountAbility and Evaluation concepts. Eloff (2001:2) states that business has to "go beyond its traditional role of maximising shareholder value, employing people, paying taxes and keeping within law... business is emerging as a principal engine of growth and development." Scheifer (2000:139) warns that international funders require greater accountability.

The launch of the International Development Evaluation Association, IDEAS (2003:1) on 11 September 2002 in Beijing, one year after the 11 September 2001 World Trade Centre disaster, was a "landmark for development evaluation." The new association fills a gap in the international evaluation architecture regarding developing countries.

The success that evaluation as science and enterprise achieved in economic development and development programmes as illustrated in Chapter 3 will in Chapter 4 be extended to enhance the effectiveness of business management and entrepreneurship.

decision-making process" Ramadan (2001:1) warns that the following phrase is outdated and dangerous: "The role of well run companies is to make profits, not save the planet." Eloff (2001:2) agrees that companies are increasingly required to be "good corporate citizens with emphasis on corporate social investment and responsibility."

For many decades Research and Development (R&D) were the affection of many organisations. Similarly Evaluation and Development (E&D) need to become an important buzzword in development. This should not be too difficult as evaluations are necessary to maximise development outcomes and impacts for all inhabitants while accountable entrepreneurship and responsive management also aim to maximise development outcomes, impacts and the well being of people.

Evaluation thoughts may change the way managers and entrepreneurs think. According to Dollinger (1999:69) changes are not always negative as he describes "change as the most important thing to notice about the business environment" and for Wickham (2001: 211) there is always the potential to create new value. This chapter will point out how evaluation can bring 'new value' to management and entrepreneurship.