

Evaluation of Government Programmes- What, Why and How

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Introduction

With a new financial year beginning, editorials of leading Indian newspapers frequently highlight India's slowing economic growth and burgeoning fiscal deficit. In fact even the Economist magazine's March 24-30, 2012 issue carried a cover story labeled 'How India is losing its Magic'. This article too has drawn attention to the slowdown in the growth of Indian economy from 10% to near about 7% and the fact that the fiscal deficit in India is approaching 10% of the Gross Domestic Product (GDP). It has identified that one of the major factors leading to higher spending is the government's emphasis on welfare schemes. They note that subsidies gobble up 2.4% of the GDP and need to be rationalized. In fact as per the Economic Survey 2011-12, Central government expenditure on social services and rural development (Plan and non-Plan) has consistently gone up over the years. It increased from 13.38 per cent of total central government expenditure in 2006-7 to 18.47 per cent in 2011-12. Expenditure on social services as a proportion of total expenditure increased from 21.6 per cent in 2006-7 to 24.1 per cent in 2009-10 and further to 25 per cent in 2011-12 (Budget Estimate (BE)). As a proportion of the GDP, this share increased from 5.57 per cent in 2006-7 to 7.34 per cent in 2010-11. While expenditure on education as a proportion of GDP increased from 2.72 per cent in 2006-7 to 3.11 per cent in 2011-12 (BE), the expenditure on health increased from 1.25 per cent in 2006-7 to 1.30 per cent in 2011-12 (BE).

Prevalence of leakages in the implementation of India's social welfare and economic development schemes is a well-known phenomenon. Late Shri Rajiv Gandhi's famous remark that only about 15% of government money reaching the public (made more than two decades ago), best sums up the situation even today. For example, at least 40% leakages are said to take place in the Public Distribution System (PDS)¹ and Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS²). This analysis is based on secondary data. Unfortunately there is no proper system of reporting effectiveness of a myriad of government programmes such as fertilizer, LPG³ and petroleum subsidies, the *Sarva Shiksha Abhiyan*⁴, the *Indira Awas Yojna*⁵, the National Rural Health Mission (NHRM) etc.⁶

Yet, the answer does not lie necessarily in curtailing such spending. The Indian Government and public are well aware that the flagging rate of growth is amongst other things also the result of inefficient implementation of much needed development or welfare schemes. The only way to sustain growth is to improve programme/subsidy scheme design, plug leakages and make such spending more effective thereby making growth more broad

¹ PDS aims to ensure availability of subsidized food grain to the poor

² MNREGS is a rural livelihood guarantee programme

³ Liquefied Petroleum Gas

⁴ A programme aimed at the universalization of elementary education

⁵ A scheme to provide housing for rural poor

⁶ Himanshu, 'Monitoring Government Spending', *The Mint*, March 2, 2012

based and inclusive. Continued spending on developmental and welfare schemes is critical but poorly designed programmes, inefficient implementation and leakages are something which the country simply cannot afford. To this end Programme Evaluation (PE) can be of invaluable assistance in ensuring that ineffective programmes are dropped or redesigned, performing schemes improved and expanded and much needed mid-course corrections carried out promptly to extract the maximum benefit from every rupee spent.

What is Programme Evaluation

PE is the systematic collection of information about the activities, characteristics, and outcomes of programs to make judgments about the programme, improve programme effectiveness, and/or inform decisions about future programming (Patton 1997)⁷. Evaluation produces evidence that can be used to compare alternative programs, guide program development and decision making, and reveal effective practices. By its very nature, it supplies the publicly accessible information that is at the heart of transparency and open government⁸. In India billions of Rupees spend on Government funded programmes and the Government's intent is often judged by expenditure. However, evaluation by budgetary outlay/expenditure is notoriously inaccurate and unrelated to outcomes as discussed above. This Input related approach has not served the purpose of programme evaluation. Outcome/Performance Budgeting was introduced to tackle this issue but has had limited success as it tends to be a mechanical and routine bureaucratic exercise carried out with little emphasis on genuine assessment of results and shortcomings. PE per se has received increasing focus off late. In fact an Independent Evaluation Office (EO) is to be set up as an attached but arm's length office of Planning Commission to assess the outcomes and impact of the major flagship programmes of the Government of India. The Union Ministry of rural Development is also planning a Concurrent Evaluation Network. (CENET).

Requisites of Effective Programme Evaluation

For PE to be truly effective every government scheme must have clearly defined mission, goals and objectives and these in turn should be linked to the appropriate measurable performance indicators. The questions that need to be asked and answered by the evaluators are:

- What are the inputs/essentials of our programme?
- What does our programme do (activities)?
- What are the intended results of our programme (short-term and long-term outcomes)?
- What internal and external "influences" that affect our programme (funding, political, social, organizational, technical/technology, etc.)
- Is the programme achieving its objectives & is it achieving them at the lowest practicable cost⁹

⁷ Tony Diecidue, Shelley Rappaport *Modern Program Evaluation: A catalyst for Successful Government programs*, Project Performance Corporation, USA

⁸ American Evaluation Association, 2010

⁹ Supra note 7

- If not what can we do to remedy the situation

To give an interesting example of the same, a study carried out in rural Rajasthan revealed that even free vaccination was not enough to get parents to bring their children to the health centre to complete their immunisation schedule. The study deliberated upon lack of education/information which translated into a lack of belief in the benefits of immunisation and hence parental reluctance and on the means of overcoming the problem. By asking relevant questions as detailed above, it was found that parents could however be induced by an immediate incentive in kind (two Kgs of *dal*¹⁰) which perhaps compensated for the loss of the parents' daily earnings incurred as a result of time spend on getting children immunised.¹¹ This is similar to the logic behind conditional transfer programmes such as Brazil's *Bolsa Familia* wherein cash transfers are used to ensure children's vaccination and schooling. These ideas have in fact been adopted by the Indian Government for health related schemes such as the *Janani Suraksha*¹² programme. Interestingly this programme while fairly successful, has also come under criticism from certain quarters because of the fact that the performance indicators of this programme are number of institutional deliveries rather than actual maternal/baby health outcomes. The former can be ensured by cash transfers but the latter needs robust and good quality rural health facilities¹³. This again underscores the need to ask the right questions and hence identify the correct performance criteria.

For PE to be meaningful it is essential to have up-front and continuous communication, collaboration, and stakeholder engagement and participation and a clear understanding and "buy in" by all participants of the benefits of performing the programme evaluation. At the very least the implementers of the programme must be closely associated with identifying the right questions and demanding answers thereof. In the absence of the same PE can become meaningless and lead to sub-optimal results by way of irrelevant studies and undoable recommendations. The scope of the evaluation and its defined "boundaries" should be well planned and laid out as part of the design (what will the evaluation answer and not answer?). Maximum effort and cooperation should be rendered in accessing the data and information crucial to the programme evaluation without resorting to short cuts as challenges in obtaining necessary data and information will impact design, implementation, analysis, and expectations of evaluation results.¹⁴

Importance of Independent Evaluation

While close association of the user Department/Ministry/Agency is absolutely essential to delineate appropriate boundaries and goals of evaluation and to create a sense of ownership, third party evaluation adds value particularly where an independent and objective assessment is desired or where professional facilitation of the evaluation process is desired. The owner

¹⁰ lentils

¹¹ Abhijit V. Banerjee & Esther Duflo, 'Poor Economics-rethinking poverty and the ways to end it' Random House India, 2011

¹² Maternal health programme

¹³ K.S Jacob, 'Conditional Cash Transfers and Health', *The Hindu*, June 29, 2011

¹⁴ Supra note 7

department may feel compelled to prove effectiveness because after all they designed the programme. However, what is more important is improvement and achievement of the real socio-economic outcomes that the programme hopes to achieve. The best way forward is to combine governmental concurrent evaluation and internal audit with professional third party assessments. For example, social audits of MNREGS have exposed several lacunae in implementation. Independent evaluation can add credibility as long as it is properly designed and based upon credible data. Also all PE whether in-house or third party, should be constructive and aimed at organisational learning and programme improvement.

Following Up is Critical for Success

No matter how rigorous the methods of data collection, design, and reporting are in evaluation, if it does not get used, it is a bad evaluation (Patton, 1997)¹⁵ or at least it's a waste of time and resources. The ultimate purpose of evaluation is improvement and this means following up. A commitment to act on results of PE is critical to the success of government programmes. This means that PE must be formalised in organizational culture & behaviour. It must be incorporated in all contracts resultant to programme implementation. Follow up actions should also form part of the contracts by way of clauses relating to mid-course corrections including budgetary adjustments. Results of PE must be disseminated widely and placed in the public domain. The government and its agencies should embrace rather than fear PE and see it not as a report card but as an on-going process of learning and discovery and a tool to achieve programme effectiveness. Once the public see that findings of PE are acted upon by way of corrective action their commitment and support too will become a given. PE should also aim towards continuous improvement in the skills of programme designers/implementers as it adds to knowledge about the correct activities/methods as against ineffectual/wasteful ones.

Conclusion

There is no doubt that continued government focus and expenditure on developmental schemes and social outcomes is essential for sustained and hence inclusive growth. This in turn demands effective PE. To this end PE should be ingrained into all government programmes. It should be budgeted for and institutionalised. The results of PE must be placed in the public domain and its findings followed up rigorously.

References:

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¹⁵ Supra note 7

4. Remarks by Staats Elmer.B, Comptroller General of US before the Graduate School of Urban & Public Affairs, Carnegie-Mellon University, November 16, 1973
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