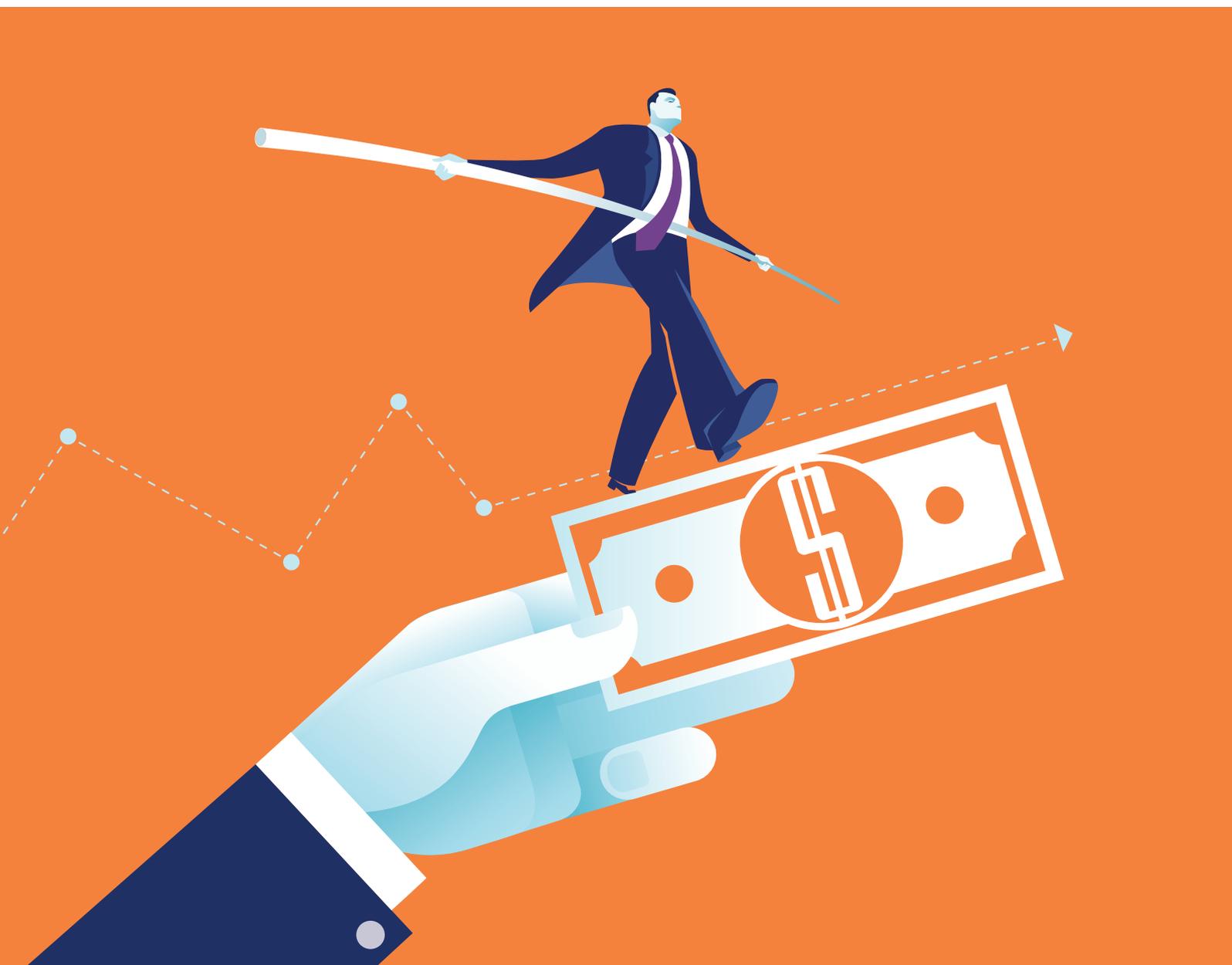


The importance of conventions

A CRITICAL EVALUATION OF CURRENT PRACTICE
IN SOCIAL COST-BENEFIT ANALYSIS



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Abstract

This research reflects on current practice in cost-benefit analysis, specifically how evaluators quantify social costs and benefits. This paper focuses primarily on the public and third sectors. Using the French L'économie des conventions (Economics of Convention) school, this research argues that traditional economic evaluations should not claim objectivity. Such claims are not just unrealistic, but impossible.

Keywords

Social cost benefit analysis, quantification, Economics of Convention, evaluation.

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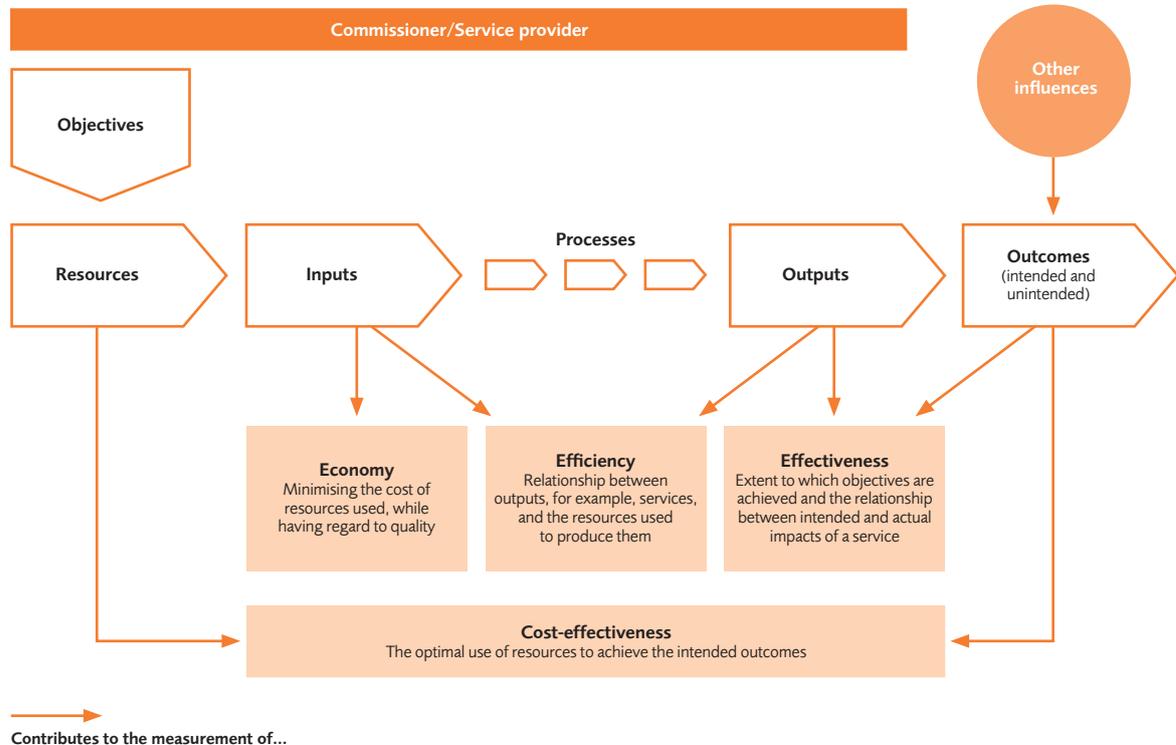
1. Introduction

"Policy evaluation is an inherently normative act [...] It is only a slight exaggeration to say, paraphrasing Clausewitz, that policy is nothing more than the continuation of politics by other means" (Bovens et al, 2006, pp. 319-321).

In the United Kingdom, demonstrating 'Value for Money' has become a central obligation of projects and programmes in the public and third sectors (Mulgan, 2010). Indeed, the National Audit Office (NAO), the main evaluator of public and third-sector organisations, requires these organisations to demonstrate they are delivering their intended policy outcomes, while also showing:

- **Economy:** minimising the financial cost of resources used or required (inputs) (i.e. spending less);
- **Efficiency:** the relationship between the output from goods or services and the financial resources used to produce them (i.e. spending well); and
- **Effectiveness:** the relationship between the intended and actual results of public spending (outcomes) (i.e. spending wisely).

These have become the three Es of evaluation and can be shown diagrammatically:



The literature testifies to Cost Benefit Analysis increasingly being used for ex-ante (pre-implementation) evaluation and ex-post (post-implementation) evaluation of the three Es across an expanding range of policy areas. These include mining (Wakefield & Myers, 2016), agriculture (Sain et al, 2017), controlling pollution (Anderson & Parker, 2013; Bartik, 2015; Gao et al, 2016), financial regulation (Alfon & Andrews, 1999), education policy (Hummel-Rossi & Ashdown, 2002; Ross, Barkaoui & Scott, 2007; Dalziel, Halliday & Segal, 2015), public participation in health (El Ansari & Andersson, 2011), mental health reform (Wolstenholme, Monk & Todd, 2010), addiction and its treatment (French et al, 2000; Schori, 2011), library provision (Francis, 1976; Cummins, 1990; Holt & Elliot, 2002; Linn, 2010; 2011), the location of Government Training Centres (Hughes, 1977), criminal justice policy (Fass & Pi, 2002; Roman, 2004; Caldwell, Vitacco & Van Rybroek, 2006; McFadden & Porter, 2011; Welsh & Farrington, 2011; Elliot & Beech, 2012), family planning (Lanzona, 2013), World Cup bids (de Nooij, van den Berg & Koopmans, 2011), recycling (Jamelske & Kipperberg, 2006), public transit (Cervero & Guerra, 2011; Schweitzer, 2011; Weisbrod, Mulley & Heshner, 2016), highways (Waters, Hyder & Phillips, 2004), partially automated vehicle collision avoidance (Harper, Hendrickson & Samaras, 2016), volunteering and volunteers (Handy & Mook, 2011), fisheries (Bavinck & Monnereau, 2007), flooding (Joseph et al, 2014), local investment subsidies (Willis, 1985), gambling (Walker, 2006) and research (Florio & Sirtori, 2016; Florio, Forte, & Sirtori, 2016; Schopper, 2016).

“The evaluation of public policy is not an exacting or objective science, but a normative exercise in social construction”

However, as Bovens et al (2006) highlights in the initial quote of this research, the evaluation of public policy is not an exacting or objective science, but a normative exercise in social construction. This research will argue that nowhere is this truer than in the definition and quantification (valuation) of social costs and benefits in public and third-sector projects and programmes.

An important starting point is to distinguish between different types of costs and benefits:

Direct costs, defined as the costs incurred within the project/programme during its delivery/implementation. These are generally straightforward to quantify using standard accounting procedures. For example, the cost of raw materials or labour. Linked to this are private costs, which are the costs occurred as a result of a private transaction. Direct costs are private costs.

Social costs are costs incurred by society. These may come about as a result of a private transaction, in which case they are called the negative externalities of that transaction. For example, a new incinerator creates air pollution that negatively affects the health of those living nearby.

Benefits management concerns itself with “defining, quantifying, measuring and monitoring benefits” (*APM Body of Knowledge*, 2012, p.14). Benefits are the longer-term effects of project/programme beyond initial outputs or medium-term outcomes. Benefits are usually intended, but can be unintended consequences of private transactions, often referred to as positive externalities. For example, getting immunised not only benefits me, but also benefits those around me.

Drawing on existing research through a Systematic Review, this research explores current evaluative practice and the challenge posed by the Economics of Convention.

2. Current quantification/valuation practice

To demonstrate 'Value for Money' of a project/programme, evaluators must quantify (give a financial value to) the expected costs and benefits. However, the 'problem' soon emerges that there are many costs and benefits, especially those affecting society, that are not easily quantified. If we take, for example, a citywide project to 'green' public spaces, how does one quantify the additional 'public amenity' (social benefit) of having beautiful green spaces?

A range of economic valuation models have been developed, which attempt to quantify (value monetarily) social costs and benefits:

■ Contingent valuation method

Contingent valuation method (CVM) "involves eliciting the maximum amount that people are willing to pay for welfare improvements and the minimum that they are willing to accept as compensation for welfare loss, to derive a demand curve for the good in question" (Quah & Toh, 2012, p. 14). Using the 'greening' example above, this would involve a survey asking city residents how much they would personally be willing to pay for the additional green spaces, or accept in compensation for losing them. Within CVM, a distinction can also be made between stated preferences, i.e. asking people what they would pay for a service or outcome, and revealed preferences, which "examines the choices that people have actually made to infer the relative worth of different options" (Mulgan, 2010, p. 41). This distinction is important, as there can be a wide gulf between what people say they would be willing to pay, and the reality of their economic decisions.

■ Hedonic pricing

Hedonic pricing uses price differentials in existing markets as proxies for prices with certain attributes (Quah & Toh, 2012). To give a very simple example, if one house is worth £2m with an average ambient noise of 20dB, while another is only worth £1m and has an average ambient noise level of 35dB we can 'price' a reduction of noise by 15dB as £1m.

■ Travel cost method

Also known as the 'Hotelling-Clawson-Knetsch technique', and is most often applied to estimating the value of recreational sites, such as holiday resorts. The travel cost method uses the cost of travel as a proxy for price, thus allowing us to create a demand curve for the amount people are willing to pay to visit a particular site. This method uses 'revealed preferences' rather than 'state preferences'.

■ Shadow pricing

Shadow pricing is a proxy value of a good/service, often defined by what an individual must give up in order to gain an extra unit of the good/service, for example, the journey time saved by motorists as a result of a new motorway can be quantified using an average hourly wage rate.

■ Quality-adjusted life year

A measure used by health economists to estimate both the quantity and quality of additional years of life (QALY). For example, a new cancer treatment offers a patient an additional 10 years of life in perfect health (a utility of 1, where perfect health has a value of 1 and death has a value of 0). Overall yields 10 years x 1.0 = 10 QALYs. The health utilities used to create QALYs are found through surveys of patients or the public, for example, the EuroQol-5 Dimensions of EQ-5D (Jackson, 2012).

■ Life satisfaction assessment

Life satisfaction assessment evaluates social projects and programmes by how much additional income people would have to have spent to achieve an equivalent gain in life satisfaction (Mulgan, 2010). This is a very new unproven approach and is highly sensitive to what assumptions are made about inputs.

Nevertheless, no matter which economic evaluation method is used, all suffer a fatal weakness; they are not value-free, but in fact loaded with the social conventions (social norms) of those who use the evaluation method.

"Life satisfaction assessment evaluates social projects and programmes by how much additional income people would have to have spent to achieve an equivalent gain in life satisfaction"

3. L'économie des conventions (Economics of Convention)

When conducting economic evaluations, or indeed any form of research, researchers adopt a focal theory. Focal theory can best be defined as the theoretical model or paradigm used as a framework through which data is analysed and explained. It is the lens through which the world is viewed and analysed. 'Classically trained' neoclassical economists adopt the positivist focal theory, believing that the social world, like the natural world, can be observed empirically and objectively.

Economics of Convention, on the other hand, is an interpretivist research paradigm, which entails certain epistemological and ontological assumptions. Interpretivism accepts that concepts within the social sciences are subjective, that meaning is socially constructed, and relativism exists.

Traditional epistemology (theory of knowledge), i.e. Plato's tripartite conception of knowledge as 'justified true belief', is no longer adequate (i.e. because of the famous Gettier counterexamples (1963)). Instead, knowledge of real people in real communities is defined in terms of the beliefs that are generally accepted on the basis of the knowledge standards of criteria of a community (which may differ and develop historically). This means that knowledge is not just a social psychological notion of 'shared belief', but also defined in the sociocultural terms of epistemic communities and their specific criteria or standards (Van Dijk, 2008). An ontology (theory of meaning) of relativism argues that the constructed nature of social reality naturally leads to variations between societies. Thus, morality cannot be judged against any objective standard, i.e. there is no absolute truth or validity, only relative and subjective values.

"Knowledge of real people in real communities is defined in terms of the beliefs that are generally accepted on the basis of the knowledge standards of criteria of a community"

3.1. What are conventions?

Although the academic study of conventions goes back as far as David Hume (1738; 1748)¹, it re-emerged in the 20th century with *Convention* by David Lewis (1969). It is within this broader philosophical tradition that an approach to economic institutions and conventions emerged in France in the late 1980s, called L'économie des conventions (The Economics of Convention) (Dequech, 2011).² The definition of conventions has evolved as a result. Hume first defined a convention as:

"...a sense of common interest; which sense each man feels in his own breast, which he remarks in his fellows, and which carries him, in concurrence with others into a general plan or systems of actions, which tends to public utility" (1748, p. 257).

Hume was clearly linking individual behaviour to wider systemic and perhaps institutional behaviour. This is a link developed more recently in L'économie des conventions (Defalvard, 2002; Bessy & Favereau, 2003, cited in Dequech, 2011).

Lewis succinctly defined conventions as: "a regularity in behaviour" (Lewis, 1969, p. 51). Lewis developed his argument further by introducing the concept of 'common knowledge'. To quote the argument directly:

"Let us say that it is *common knowledge* in a population *P* that _____ if and only if some state of affairs *A* holds such that:

- (1) Everyone in *P* has reason to believe that *A* holds.
- (2) *A* indicates to everyone in *P* that everyone in *P* has reason to believe that *A* holds.
- (3) *A* indicates to everyone in *P* that _____.

We can call any such state of affairs *A* *basis* for common knowledge in *P* that _____. *A* provides the members of *P* with part of what they need to form expectations of arbitrarily high order, regarding sequences of members of *P*, that _____. That part it gives to them is the part peculiar to the content _____. The rest of what they need is what they need to form *any* higher-order expectations in the way we are considering: mutual ascription of some common inductive standards and background information, rationality, mutual ascription of rationality, and so on" (pp. 56-57).

¹ Followed soon after by Adam Smith (1759)

² Key thinkers included Jean-Pierre Dupuy, Eymard-Duvernay, Olivier Favereau, André Orléan, Robert Salais, Laurent Thévenot and Alain Desrosières

To help understand how this works, one can substitute into the argument a reasonable and subtle convention. For instance, how to greet friends: a kiss or a handshake, or another example may be what signs signify binding agreement prior to the signing of a contract. Such signals also help to distinguish between those who are (or not) part of a given community and worthy of trust that enables collective action to be coordinated. Therefore, as a society, we are able to solve problems of coordination in situations of uncertainty by following conventions with their associated expectations, and by assuming that such conventions are common knowledge.

Although the Economics of Convention primarily focuses on administrative statistics, the process it highlights is equally relevant to project evaluation. The important link is how social phenomena are problematised (identified as a problem), analysed, categorised and quantified to become social statistics, which are then used for evaluation purposes. Social scientists often appeal to the claimed 'objectivity' of social statistics. As Centemeri argues:

"Quantification and objectivity are strictly associated, since historically objectivity emerged in our societies as a fundamental category in the construction and organisation of modern politics, to quantify a knowledge produced according to conventions (rules and procedures) supposed to guarantee impersonality, impartiality and fairness" (2012, p. 1).

However, as Centemeri argues, such conventions of quantification (or statistical conventions) are not value-free, but, in fact, loaded with the social conventions of those who create them:

"Quantification is guaranteed by 'conventions of quantification' that are the outcome of controversies about the good, or convenient, way to evaluate persons and things, according to desirable social goals aimed at" (Centemeri, 2012, p. 1).

Therefore, according to Centemeri, 'conventions of quantification' are underpinned by the moral values and social expectations of those who then decide how to quantify social phenomena. Such moral judgements and expectations are important, for example, to the way individuals with certain features were categorised by policymakers, and how such categories were defined. Thus, individuals are 'counted' and ultimately 'treated' in different ways by policy based on their statistical treatment.

An excellent example of this process can be seen in Robert Salais et al (1986), in their work *L'invention du chômage* (The Invention of Unemployment). Salais et al argue that 'unemployment' is a social and historical construction that emerged towards the end of the 19th century and culminated in the 1930s in France. 'Unemployment', they argue, was not a renaming of a previously existent social reality, i.e. being out of work, but this category was created as a central pillar of Keynesian economic management; that not having work was a social problem requiring public action, and therefore, measurement. Therefore, "[...] unemployment is not the reflection of a pre-existing social problem, but a quantified social object whose founding conventions are embedded in a specific form of economic regulation [...]" (Gautié, 2002, cited in Centemeri, 2012, pp. 14-15). More importantly, the emergence of the convention allows for the changing of behaviours. In this case, French employers began to discharge surplus employees (who became 'unemployed') rather than redistributing the available work between them. Thus, the emerging convention reshaped both public and private manpower management strategies.

As a consequence of this process, "To quantify is to reshape our world, introducing new entities that are clearly separated from us, and that, once created, have an independent life" (Centemeri, 2012, p. 16). Once established, a convention of quantification becomes "the 'natural' way to measure a reality" (Centemeri, 2012, p. 17), as these conventions stabilise and ultimately solidify in academic and wider nomenclature.

In the private sector, quantifying reality in terms of revenue, cost, profit and loss is done in accordance with the accounting conventions. The emergence of New Public Management in the 1980s, and its drawing upon private-sector management practice, has led to the financialisation of social issues and social policy (the need to demonstrate 'Value for Money'), further encouraging quantification. Over time, policymakers have adopted, co-opted and redefined countless social and statistical conventions, for example, 'unemployment' and 'employment', 'youth', 'disability', 'single-parenthood', 'homelessness', 'elderly', and 'older workers'.

"In the private sector, quantifying reality in terms of revenue, cost, profit and loss is done in accordance with the accounting conventions"

3.2. The social construction of meaning within evaluations

This research demonstrates that meaning is socially constructed. Economic evaluations, such as social cost-benefit analysis, and indeed any academic discourse that relies upon the use of quantified measures, such as statistics, is therefore also socially constructed. Walker (2001), for example, argues that all reality is contested and is defined categorically in terms of the world view of policymakers. This is important because whose meanings do we adopt? What are the moral convictions driving those meanings? Who is to decide the measures/indicators used? These are all important questions, as the decisions made at this stage may come to affect the statistical outcomes, i.e. the headline statistics. To solve this problem, some have argued that evaluation must focus on understanding the meaning stakeholders ascribe in their use of language (Bezzi, 2006). The evaluator should, according to Bezzi, not seek an 'objective' truth, but just the 'truth' surrounding the evaluand (those individuals who are the subject of evaluation).

“Dysfunctional bureaucracy occurs when there is the creation and growth of a self-serving elite who recruit new members, not on the basis of their functional excellence, but based on their usefulness to other bureaucrats”

However, within political, practitioner and academic discourse, it has been argued that no framework exists to explore the nature of policy 'success' in a comprehensive way (Marsh & McConnell, 2010). There are, nevertheless, some attempts to develop a framework that is at least credible for making such judgements. Hurteau et al (2009) argued that for an evaluation to be considered credible, judgements made by programme evaluations must not only be legitimate, but justified. Hurteau et al drew their conclusions from a meta-analysis of 40 programme evaluations. They found that only 50 per cent of these programme evaluations generated judgements, and that although they seemed legitimate, they were rarely justified. They also suggest that perhaps a reason for judgements not being presented in written reports is that it would not serve the purposes of those running the programme, i.e. a critical judgement would undermine the self-interest of those running the programme³. This is a very compelling argument, and it links well with the idea of 'dysfunctional bureaucracy' advanced by Mieczkowski (1991)⁴. Mieczkowski argued that dysfunctional bureaucracy occurs when there is the creation and growth of a self-serving elite who recruit new members, not on the basis of their functional excellence, but based on their usefulness to other bureaucrats. This raises some useful questions for looking at programme evaluations conducted by others: who is conducting the evaluation? What is their relationship to the organisation/programme/individuals being evaluated? If the research was funded, who funded it? Have they made a judgement? If not, why not?⁵

Attempts have been made to develop a more heuristic⁶ approach for practitioners and academics to utilise when approaching the question of whether public policy is, or was, successful (Marsh & McConnell, 2010). Marsh & McConnell note that previous works, such as Bovens et al (2006), have distinguished between two approaches: a rationalist, positivist approach versus an argumentative, interpretative or constructivist approach, and thus they seek to develop a middle ground drawing on Bovens et al (2001) to argue that success is defined within three dimensions: process, programmatic and political. This is demonstrated in table 3.1 (on page 10), which shows the dimensions, indicators and evidence of 'policy success'.

³More importantly, it would also challenge the policy behind the programme, which was implemented by a democratically elected government, thereby challenging the validity of democracy as the basis for policymaking. It might also block future employment/contracts on evaluation programmes

⁴Max Weber writing in 1922 similarly argued that bureaucracy had the potential to become corrupt and almost an oligarchy

⁵However, it should be noted that to make a judgement about the success of an intervention is to accept it on its own terms, i.e. to accept its conventional assumptions

⁶Pertaining to or based on experimentation or trial-and-error methods

Table 3.1 Dimensions of policy success

Dimension	Indicators	Evidence
Process	Legitimacy in the formation of choices: that is, produced through due processes of constitutional and quasi-constitutional procedures and values of democracy, deliberation and accountability.	Legislative record, executive minutes, absence of legal challenges, absence of procedural challenge (for example, ombudsmen), absence of significant criticisms from stakeholders.
	Passage of legislation: was the legislation passed with no, or few, amendments?	Analysis of legislative process, using legislative records, including identification of amendments and analysis of legislative voting patterns.
	Political sustainability: did the policy have the support of a sufficient coalition?	Analysis of support from ministers, stakeholders, especially interest groups, media, public opinion.
	Innovation and influence: was the policy based on new ideas or policy instruments? Or did it involve the adoption of policy from elsewhere (policy transfer/diffusion)?	Government statements and reports (for example, white/green papers), academic and practitioner conferences, interest group reports, think tank reports, media news and commentary, identification of similarities between legislation and that in other jurisdictions identification of form and content of cross-jurisdictional meetings/visits by politicians and/or public servants.
Programmatic	Operational: was it implemented as per objectives?	Internal programme/policy evaluation, external evaluation (for example, legislative committee reports, audit reports), review by stakeholders, absence of critical ports in media (including professional journals).
	Outcome: did it achieve the intended outcomes?	Internal programme/policy evaluation, external evaluation (for example, legislative committee reports, audit reports), review by stakeholders, absence of critical ports in media (including professional journals).
	Resource: was it an efficient use of resources?	Internal efficiency evaluations, external audit reports/assessments, absence of critical media reports.
	Actor/interest: did the policy/ implementation benefit a particular class, interest group, appliance, political party, gender, race, religion, territorial community, institution, ideology, etc?	Party political speeches and press releases, legislative debates, legislative committee reports, ministerial briefings, interest group and other stakeholder speeches/press releases/reports, think tank reports, media commentary.
Political	Government popularity: is the policy politically popular? Did it help the government's re-election/election chances? Did it help secure or boost its credibility?	Opinion polls, both in relation to particular policy and government popularity, election results, media commentary.

Marsh & McConnell set out a comprehensive range of ways to define what can be meant by policy success beyond narrowly defined quantitative measures. They also present some potentially useful indicators and supporting evidence that would be required to make such judgements. Table 3.2 (below), also developed by Marsh & McConnell (2010), suggests the important choices that need to be made during the process of assessing policy success.

Table 3.2. Critical choices to be made in assessing policy success

1. Form of political success	Which form or forms of success is/are being assessed? Process? Programmatic? Political?
2. Time frame	What time period(s) is/are being assessed? Short-term? Medium-term? Long-term?
3. Interests	In relation to whose interest is success being assessed, for example, target group? Stakeholders? Institution? Interest group? Individual? Collective?
4. Reference points	What is the standard by which success is being judged? Compared to intentions? Compared to policy domain criteria, for example, efficiency and effectiveness? Compared to the past? Compared to ethical or moral principles? Compared to another jurisdiction?
5. Information	Is there sufficient and credible information to assess the extent of success?
6. Policy isolation	With what degree of certainty and credibility is it possible to isolate and assess the impact of a policy from other factors, such as other policies or media influences?
7. Conflict and ambiguity	<p>What significance should be given to conflicts and ambiguities, and how should they be weighted in the overall judgement of success? For example:</p> <ul style="list-style-type: none"> • Process vs. programmatic vs. political success • Short-term vs. long-term • Interests benefiting vs. interests losing • One reference point vs. another, for example, moral principles vs. stated intentions • Availability of information vs. lack of information • Certainty in isolating the 'policy effect' vs. uncertainty in being able to do so • One formal objective vs. another formal objective • One informal objective vs. another informal objective • One formal objective vs. another informal objective • Unintended consequences vs. actual or intended consequences • Foreseeable shocks vs. unforeseeable shocks

These tables provide a broad outline that could allow an evaluator to define what it means for a policy to be 'successful'. As other authors have suggested, however, the nature of 'success' remains highly contestable. Marsh & McConnell (2010) also note there are significant methodological difficulties posed by lack of information and attempting to identify the causal chain of the policy compared to other overlapping policies, exogenous influences and economic forces, etc. Therefore, any attempt at making a judgement regarding 'success' or 'failure' is inherently normative.

"While a positivist analysis would merely observe and count what it claims to be 'social objects', convention theory asks how social statistics are constructed"

3.3. Strengths of the Economics of Convention

It can be argued that the Economics of Convention has a number of strengths. First, it is able to offer an analytical framework for the underlying behaviour of individuals, and thus the behaviour of institutions, social and political groups. This was found to be useful when trying to explain how and why policymakers form their policies and evaluative constructs.

Second, it offers a greater depth of explanation than positivist attempts at economic analysis would be able to offer. While a positivist analysis would merely observe and count what it claims to be 'social objects', convention theory asks how social statistics are constructed, including the social expectations and moral values that become intertwined with the definitions used, and are used to encourage conformity towards what could be called conventional behaviour.

3.4. Limitations of the Economics of Convention

The Economics of Convention is not without limitations. While positivism claims to be able to 'objectify' the world and reach conclusive answers, the Economics of Convention accepts that any findings remain contestable due to their subjective nature. This is unlikely to be viewed as a limitation by readers within social sciences. It may be viewed as such, however, by readers from positivist disciplines who claim that statistical objects are sufficiently external from the observer to not remain contestable.

Similarly, the Economics of Convention would suffer criticism from those who subscribe to traditional definitions of 'reliability' and 'validity', i.e. given that it argues that statistical realities are constructed, would other academics examining the same social issue using the Economics of Convention consistently reach the same conclusions? These limitations could simply be ignored as a reflection of the dominant positivist paradigm. It can be said that constructivism is not static or located, i.e. it changes with place and time. It can also be said to exist in a reflexive relationship in that there is a bidirectional relationship between cause and effect and self-reference such that any claim of objectivity is false.

Therefore, a more constructive approach may be to overcome the limitations through strong inductive reasoning, where compelling propositions are posited, that leads to the most probable conclusion. As mentioned earlier, it is accepted that conclusions reached by evaluators will remain, by their nature, contestable.

4. Discussion and conclusions

As this research shows, the process of social cost-benefit analysis is not a simple case of counting physical objects. Unlike the physical world, the evaluator must make decisions about the very nature of the social 'object' or social problem they wish to evaluate, i.e. what is the object/problem, what is to be counted, and how?

The Economics of Convention can be adopted to better explore social issues and associated moral judgements. However, we cannot escape the political nature of the evaluative process seen in the initial quote of this paper:

"Politicians use statistics in the same way that a drunk uses lamp-posts – for support rather than illumination" (Lang, 1900).

Lang's observation identifies the common mistrust of politicians using statistics; not to inform policymaking, but to legitimise policy decisions already reached by other means. As Desrosières (1998) highlights, the genesis and history of statistics is tightly interwoven with that of modern political economy: "As the etymology of the word shows, statistics is connected with the construction of the state, with its unification and administration" (p. 8). Desrosières outlines how both statistics and political economy emerged from the enlightenment where scientific method led to a belief in the 'objectification' of the social. Inevitably, that which must be recorded for statistical analysis and use by policymakers, must first be defined. Therefore, the social construction and definition of 'social problems' and use of statistical measures is of great importance. Concepts such as 'unemployment', for example, and the belief that 'it is a problem' are social conventions, which emerged as a result of industrialisation and modern employment relations (Desrosières, 1998).

So, given the arguments of this research, how do we go forward from here? An obvious conclusion would be the use of qualitative research to support project and programme evaluation. However, meaning would continue to be constructed and contested. Even the use of the Social Return on Investment (SROI) framework does not overcome this challenge. Perhaps Bezzi (2006) is correct: the evaluator should not seek an 'objective' truth, but just the 'truth' surrounding those who are the subject of evaluation and the focus of policy. What is clear is that project evaluation as a whole remains an under-researched area, and many public and third-sector projects remain under-/un-evaluated. Far too often, nobody is left after project closure to evaluate the long-term benefits of public and third-sector projects. This area will provide countless opportunities for future research, especially how frameworks such as SROI work in practice, and how we might yet overcome the challenges the Economics of Convention poses.

"What is clear is that project evaluation as a whole remains an under-researched area, and many public and third-sector projects remain under-/un-evaluated"

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