

Evaluation of SME Policies and Programmes

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SME Policy Evaluation

Structure

- ■ ■ The context for Evaluation
- ■ ■ The Evaluation Framework
- ■ ■ The Six Steps Approach
- ■ ■ Some Modifications and Limitations of the Six Steps Approach
- ■ ■ Lessons

Context for Evaluation

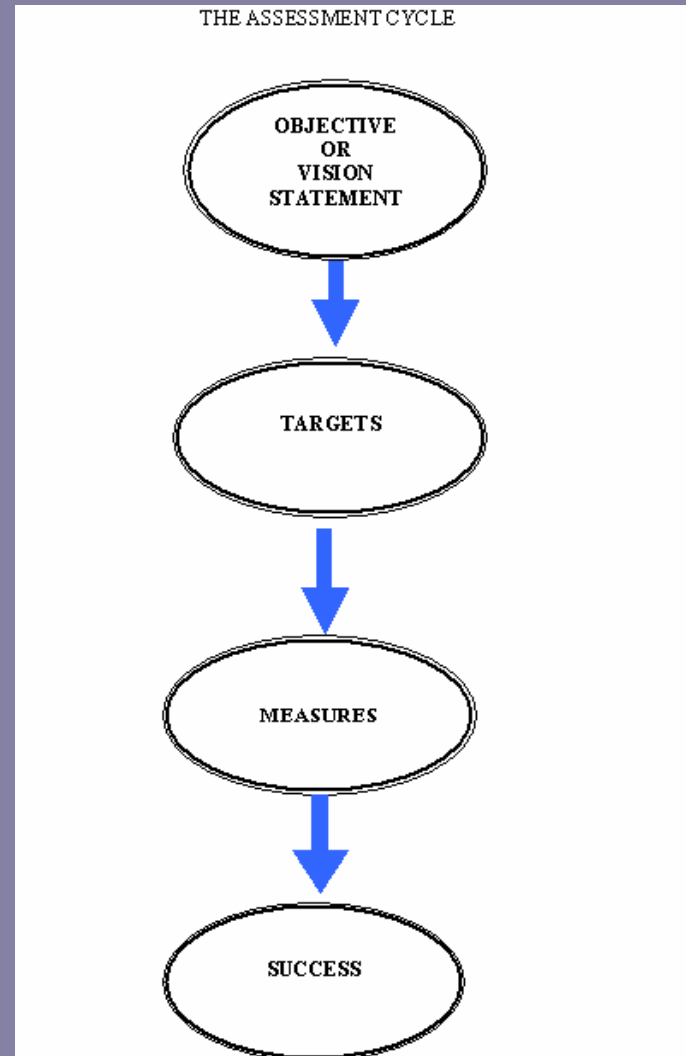
- ■ ■ In their review of policy evaluation in innovation and technology Papaconstantinou and Polt (1997) provide a very helpful definition of evaluation. They say:
- ■ ■ *"Evaluation refers to a process that seeks to determine as systematically and objectively as possible the relevance, efficiency and effect of an activity in terms of its objectives, including the analysis of the implementation and administrative management of such activities"*

Key words

- ■ ■ “*Process*”: So, not a “once-off activity”, So not the “end of the line”
- ■ ■ “*Systematically and objectively as possible*”: So : who does it?, How can we ensure it is independent and conducted to the highest possible standard?
- ■ ■ “*the relevance, efficiency and effect of an activity in terms of its objectives*” : So assumes there are clear objectives

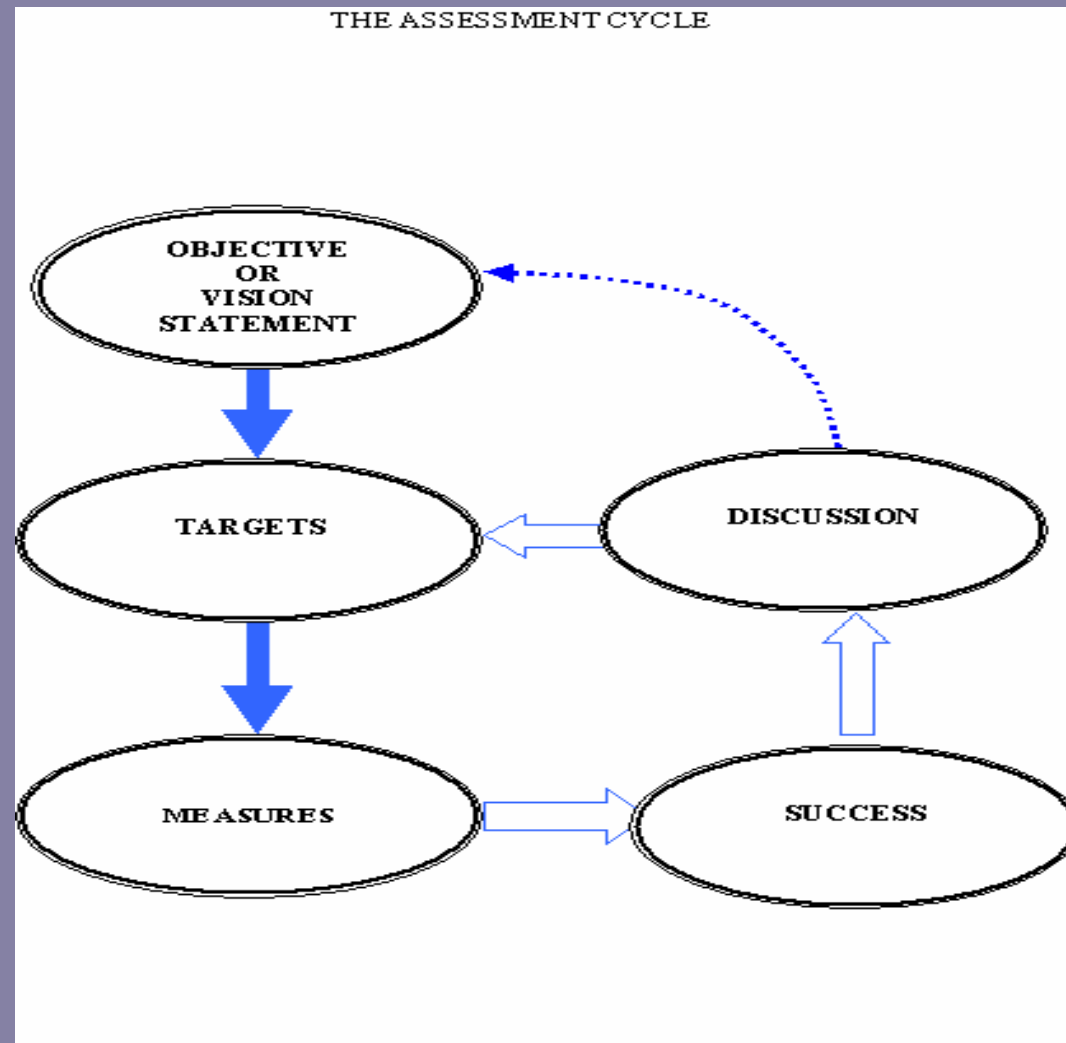
The Evaluation Framework I

Figure 1

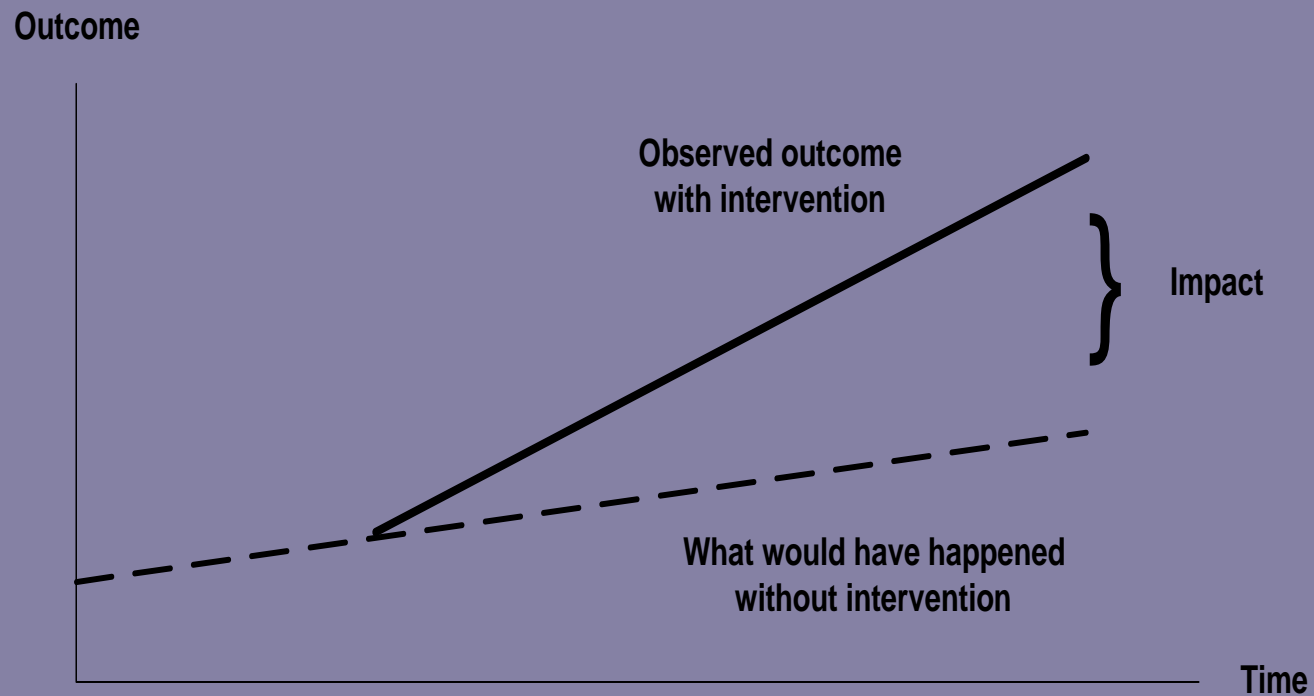


The Evaluation Framework

Figure II



The Evaluation Framework



Three Key Questions

- ■ ■ What are the outcome measures expected of the policy?
- ■ ■ When might effects start to be observed?
- ■ ■ How much, if any, of these changes are attributable to the programme?

The final question is addressed in the Six Steps Approach.

Six Steps

■ ■ ■ **Monitoring**

■ ■ ■ STEP I Take up of schemes

■ ■ ■ STEP II Recipients Opinions

■ ■ ■ STEP III Recipients views of the difference made by the Assistance

■ ■ ■ **Evaluation**

■ ■ ■ STEP IV Comparison of the Performance of 'Assisted' with 'Typical' firms

■ ■ ■ STEP V Comparison with 'Match' firms

■ ■ ■ STEP VI Taking account of selection bias

Six Steps :Some modifications?

Should the most sophisticated approach be used for assessing even small programmes?

No: Evaluation sophistication should be linked to the scale of the programme

Yes: Otherwise you cant compare effectiveness across programmes of different scale

Lessons

- Since it is their money taxpayers have a right to be satisfied that monies are being spent effectively. Evaluation is this reassurance
- Evaluation is not an optional “add-on”
- Statistical advances now mean it is no longer possible to argue that evaluation is “not possible”. It is.

Issues for debate I

- The “heavy- duty” statistical approach makes many politicians and policy makers, who don’t understand it, nervous. They react by claiming the “softer” aspects are being ignored.
- Problem is that the less sophisticated the approach, the greater likelihood of programme impact being exaggerated
- What is the appropriate scale and frequency of the evaluation?
- Who should do the evaluation? Internals are informed, and more likely to be able to induce change, but may be biased. Externals are the reverse

Issues for debate II

- ■ ■ Who commissions evaluations? An independent dept or the delivery dept?
- ■ ■ Evaluation by consultants or by academics? Risk that consultants are too dependent on “good relations” with government departments
- ■ ■ Disseminating the findings of the evaluation and ensuring they are acted upon. Executive summaries have to reflect the key findings of the report; all evaluations to enter public domain; but sponsoring department have to buy in to ensure policy is changed for the better.