A learning system for evidence informed social policy

Effective social policy and service delivery requires a learning system

New Zealand needs to be deliberate in creating a learning system to generate and capture evidence to inform spending decisions for social policy and investment. Central Government spends around $34 billion (11% of GDP) on social services and another $31 billion on transfer payments such as New Zealand Superannuation and welfare benefits. We know relatively little about what works when, for whom and under what circumstances and we lack an institutional system to address the gap in our understanding. We don't know which spending is good value for money, which is ineffective and if any is downright harmful. These gaps in understanding are helping drive the Government's implementation of a social investment approach, the focus of an NZIER Insight to be published in December.

An effective learning system addresses two questions – 'are we doing the right things' and 'are we doing things right'

Learning must occur at two levels within a good learning system (see Figure 1). Firstly, evidence is needed about what works, when, for whom and under what circumstances – 'have we done the right things'. Secondly, learning needs to focus on 'are we doing things right' – having infrastructure that works well, configuring the players to deliver what's needed, streamlining interactions, sharing good practice and building capability. Investment in both levels of learning is critical to build a culture of innovation and make effective and efficient decisions for policy and intervention.

Figure 1 Learning system for evidence informed policy
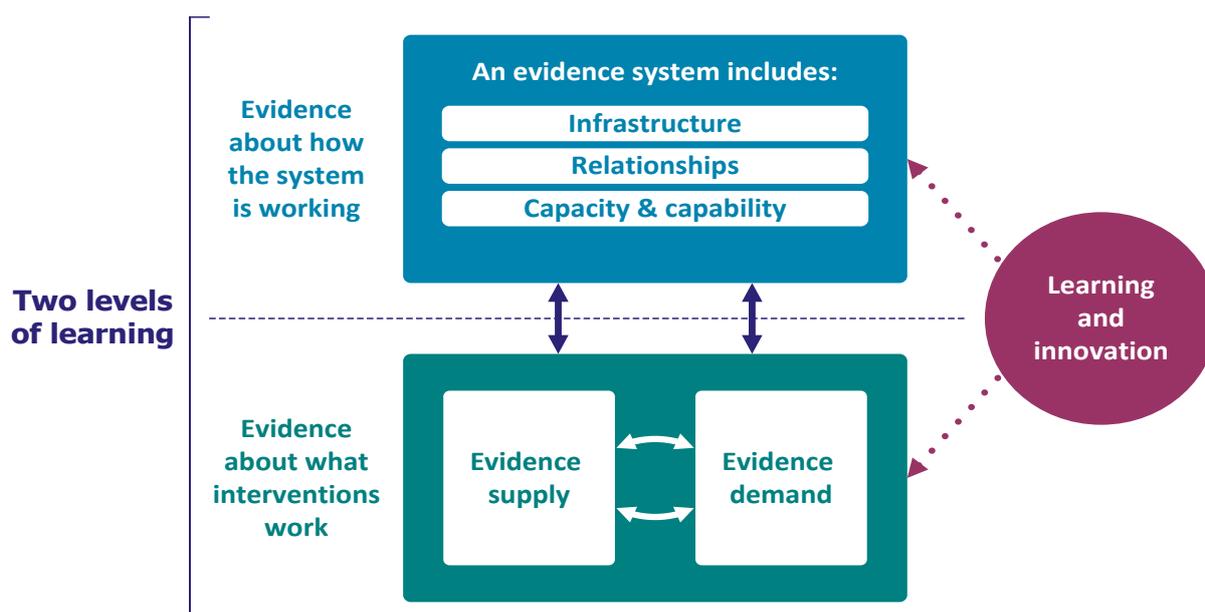
Source: NZIER

There is no single answer and no single method to solve any social issue. Society is not static, it is constantly changing and transforming.[1] Our people, organisations and institutions must become adept at adaptation and learning over time. There are multiple players in the system who provide and use evidence. Within the public sector for instance, there are research and evaluation teams supplying evidence; agencies that fund the generation of evidence; suppliers of services who both use and are a source of evidence; policy and decision-makers who demand evidence – though some would say not often enough.[2] We have Ministers, academia, not-for-profit service providers, the charity and philanthropic sector, iwi, and the research and evaluation providers within the private sector (see Figure 2).

Figure 2 Many players and multiple roles
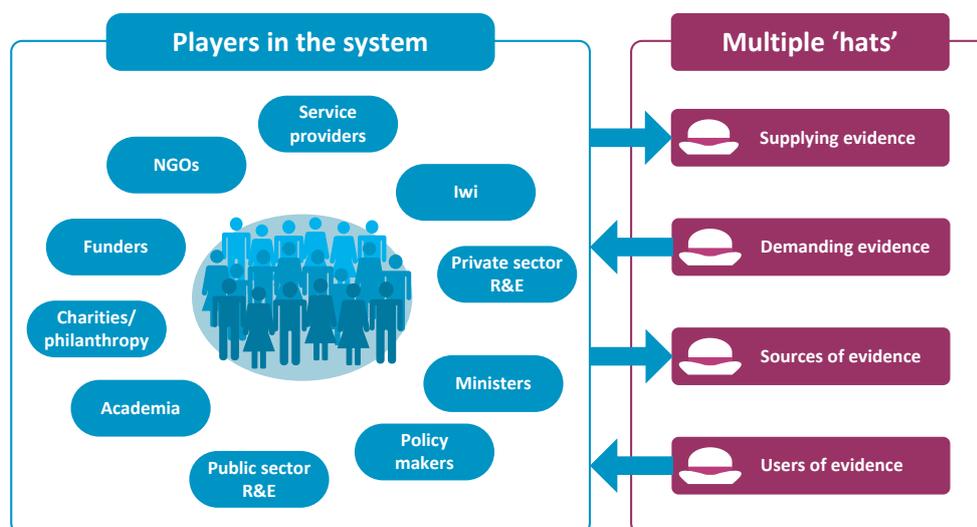
Source: NZIER

Focusing only on the supply push of evidence is not enough

If good quality evidence is available in the right form will it be used? Focusing on the supply or push side will not create an effective learning system unless it is supported by the demand or pull for evidence. Barriers to both the supply and demand of evidence are well-documented.[3] Supply of evidence barriers include timeliness, lack of connections between academia and policy and between practitioners and researchers, exclusion of evaluation in policy and intervention development, and the inconsistent quality of both data and methods. Barriers to the demand of evidence are often related to the different motivations of the players in the system. For instance, politicians are driven by the need to retain power and avoid political risk – evidence is only one input into decision-making and politicians can be selective on what evidence they demand and use (or even if they use evidence at all).[4] The lack of capability of the players within the system to engage and use evidence is also a critical barrier to demand.

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[1] See for example Schon (1973) and Hutchins (1970) who coined the term learning society where they argued that societies' institutions must become learning systems and drive their own adaptation and transformation.

[2] See Gill & Frankel (2014).

[3] See Rutter (2012) for an exploration of the barriers to both the supply and demand of evidence to inform policy.

[4] Prebble (2010) provides an excellent description of the relationship and interaction between politicians and public servants which highlights the different motivations of both in demanding and using evidence.

New Zealand is starting from a low base ...

New Zealand's learning system is starting from a low base. For instance, a review of Cabinet papers by the State Services Commission (SSC) found only a small percentage (7%) included a proposal for a formal evaluation or review[5] and very few were clear about the theory of change to enable a review to be commissioned. More recently the Minister for Social Development's comment in relation to intervention in the social sector, makes it clear that there is a dearth of evidence about whether we are doing the right things – that is, we don't know a lot about what works.

> *Well, I'm very focused on the fact that we put $331 million out into communities. And we really don't know whether we're meeting the needs of that particular community and whether we're making a difference to the lives of the people that we're supposed to be changing.[6]*

... but is taking some promising steps

This said, New Zealand is taking some promising steps in creating a learning system to underpin policy decision-making. This has largely focused on supply side measures such as making evidence accessible and in a form that is useful. Examples include embedding science advisors within agencies to improve the connection between policy and academia;[7] linking data via the Integrated Data Infrastructure (IDI) and then increasing its accessibility for research; beginning to link administrative and practitioner (NGO) data; the production of easily digestible evidence briefs;[8] a move towards an evidence standards framework to improve consistency of data and method; and the explosion of websites and tools for the use by practitioners and others (many government funded).

The demand side needs more attention...

What is lagging is the focus on overcoming the barriers for the demand of evidence. The Treasury (as part of the Budget process) is 'demanding' that new initiatives be underpinned by evidence of good practice and include an evaluation plan. Ministerial demands for reviews of specific social sector programmes (e.g. family violence interventions; parenting programmes) will increase the understanding of what works. The recently established Social Investment Unit will also help drive greater demand for evidence.

Still lacking however, is the infrastructure to accumulate what we are learning about what works – when this is in place it should help to prevent repeating the same demands for evidence (re-inventing the wheel) and make sure our limited dollar allocation for research and evaluation is well spent.

...and we need to capture evidence about what's needed for an effective learning system

What are we learning about whether we are doing things right? The change in focus from agency-centred to child/person/whanau-centred is driving institutional change where the players in the system must work together to achieve change. The greater focus on locality-based interventions requires different engagement and input from local communities and organisations.

Different types of capability need to be built (e.g. NGOs and communities' generation and use of evidence), and we need evidence about the critical success factors for an effective learning system (e.g. trusting relationships between the players).

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5   See Gill & Frankel (2014).

6   Q+A: Anne Tolley - profit making companies & social services, Sunday, 21 June 2015, 12:47 pm, Press Release: TVNZ

7   See Gluckman (2013)

8   See the Social Policy Evaluation and Research Unit (Superu). http://www.superu.govt.nz/

Other countries have some promising new practices New Zealand could adopt

New Zealand is not the only country grappling with creating an evidence learning system. Other countries' approaches range from producing evaluation guidelines, investing in infrastructure to capture evidence about what works, making programme evaluation mandatory, and building capacity to both demand and use evidence. Here are three investment examples New Zealand could consider.

1. The USA has invested in clearinghouses to stimulate the supply and demand of an evidence market

In the USA, the Federal administration under Obama developed an evidence-based strategy (Results for America) that focuses on six areas of social intervention.[9] One investment area is infrastructure – clearinghouses – to accumulate/capture evidence about how well interventions are working. A recent review[10] of 51 clearinghouses looked at how well this evidence 'market'[11] is working – they found a long fragmented supply chain with more information suppliers than anticipated, and on the demand side, several types of users with different needs but limited demand from decision-makers. The gaps identified by the review provided the evidence needed on how to strengthen the system. Interestingly, the review identified a new player in the system – intermediaries who make sense of the evidence and provide support/advice on intervention selection and implementation, are beginning to emerge in the market.

2. The UK 'What Works Network' has invested in accumulating and building capacity to use evidence

The UK government has taken a similar approach by investing in their What Works Network.[12] The goal of the Network is to increase the use of evidence in decisions to improve public services. The functions of the Network are to collate existing evidence on policy programmes and practices; produce synthesis reports and systematic reviews; assess policies and practices against agreed outcomes, and make findings accessible. At the system level, the Network also supports capability building to use evidence within the UK Civil Service and to disseminate/share across government for cross agency learning. Unfortunately, while the What Works Centres provide evaluation guidelines (unlike the approach in some other countries) there is no incentive for departments to generate and use evaluation evidence and few consequences for not doing so.

3. Canada has evaluation legislation that is linked to agency performance

Canada has focused on the supply of evidence through the formal incorporation of programme evaluation in 1977 with their Policy on Evaluation. The objectives of the policy *are "to create a comprehensive and reliable base of evaluation evidence that is used to support policy and program improvement, expenditure management, Cabinet decision making, and public reporting"* and a review[13] of the Policy's impact found its purpose has oscillated through the years between accountability and programme improvement. Government agencies are responsible for evaluating programmes, around 150 are conducted each year, and the programme evaluation requirement is now linked to agency performance. Canada is now in the position where 100% of direct programme spending is evaluated every five years on a rotation cycle; there is movement towards evaluating portfolios or clusters of programmes as opposed to individual programmes; and there is increased use in decision-making and useful cross-evaluation insights by senior managers. Despite its top-down regulated approach, the Evaluation Policy has contributed to the increase in both the production (supply) and use (demand) of evidence and in embedding an evaluative culture (learning) with the public sector.

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[9] http://results4america.org/; See Haskins & Baron (2011) for an overview of this.

[10] Neuhoff et. al (2015).

[11] The term market is used to signal the objective of connecting and aligning creators of evidence (supply, e.g. clearinghouses, evaluators, non-profits) with decision-makers demanding evidence (e.g. policy makers, practitioners, private and public funders). The purpose of the market is for learning and continuous improvement.

[12] https://www.gov.uk/guidance/what-works-network

[13] A review was conducted in 2013-14, Gauthier & Kishchuk (2015).

Imagine if New Zealand had a multi-pronged approach to creating a learning system

More pressure and scrutiny on the effectiveness of public spending on social services, coupled with a period of relative fiscal austerity, is driving the increased use of evidence. History and other countries' experiences teach us that taking a fragmented and ad hoc approach to initiatives to increase the supply and demand for evidence is insufficient.

New Zealand needs a multi-pronged approach to create a learning system. Imagine if, like Canada, social sector agencies had to evaluate on a regular basis the interventions they funded and delivered – that would change how budgets are allocated. Imagine if, like the USA, New Zealand invested in clearinghouses to accumulate and assess the evidence about what works – politicians and others would struggle to use the case of one to dispute what is known. And imagine if we invested in building the capacity and capability of the players within the system to both generate and use evidence – this would help embed the evidence culture sorely needed.

We need stewardship of the learning system

The real gap remaining in the system is a steward to oversee that we are both doing the right things and doing things right. The Government's commitment to working in new ways is demonstrated by the establishment of the Social Investment Unit (SIU). The SIU will have an oversight role and will be undertaking a range of stewardship roles including being an intermediary that helps make sense of all that information and data to provide advice on what will be effective. The Government spends 11% of GDP on social service delivery and another 10% on transfer payments. The Government has a duty to learn about what works. Kiwis have the right to expect informed decision-making on how well their dollars are being spent.

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