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Social Impact Assessment (SIA)

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Why should we care about society and environment?

because you will lose in long term

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Example (Pollution):

- Maximize profit first with high pollution, then engage in environmental projects.
- Any effect to the life and health lost during severe pollution?

- http://hedleyindex.sph.hku.hk/html/en/

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Social Impact Assessment (SIA)

measuring outcomes, not outputs

engagement of all stakeholders

well developed in UK, not HK

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Input-based measurement

Output-based measurement

Outcome-based measurement

SIA

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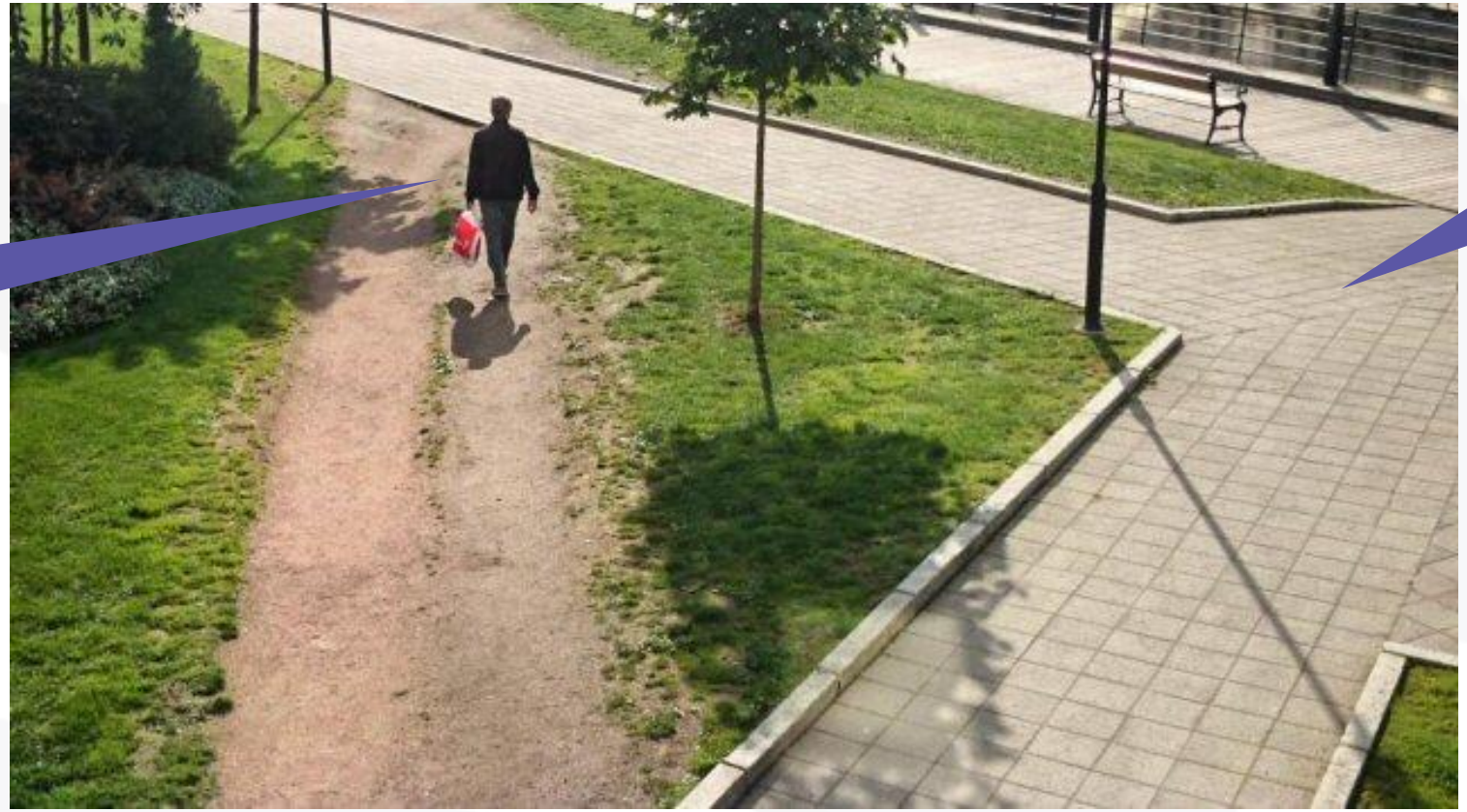
Output vs Outcome



Outcome

Output

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Rain Shelters in Quarry Bay (Cost HK$210,000)

Output

Outcome

Stages of SIA

Step 1:

What are potential outcomes of the project?

Who are stakeholders of the project?

- Literature Review
  Publications: impact assessments GOV.UK
- Focus Groups

Stages of SIA

Step 1:

Focus Groups

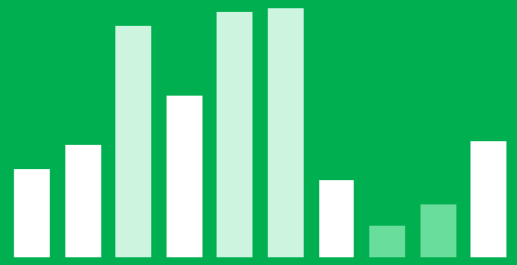
- Focus Groups:
  - Define properly the targeted groups
  - Avoid “Yes/No” Questions
  - More “What”, “How”, “Why”
  - Encourage discussion
  - Be objective

Stages of SIA

Step 2:

Any proof of the outcomes?

- Questionnaire
- Control Group Experiment
  (more resource consuming)



Analysis

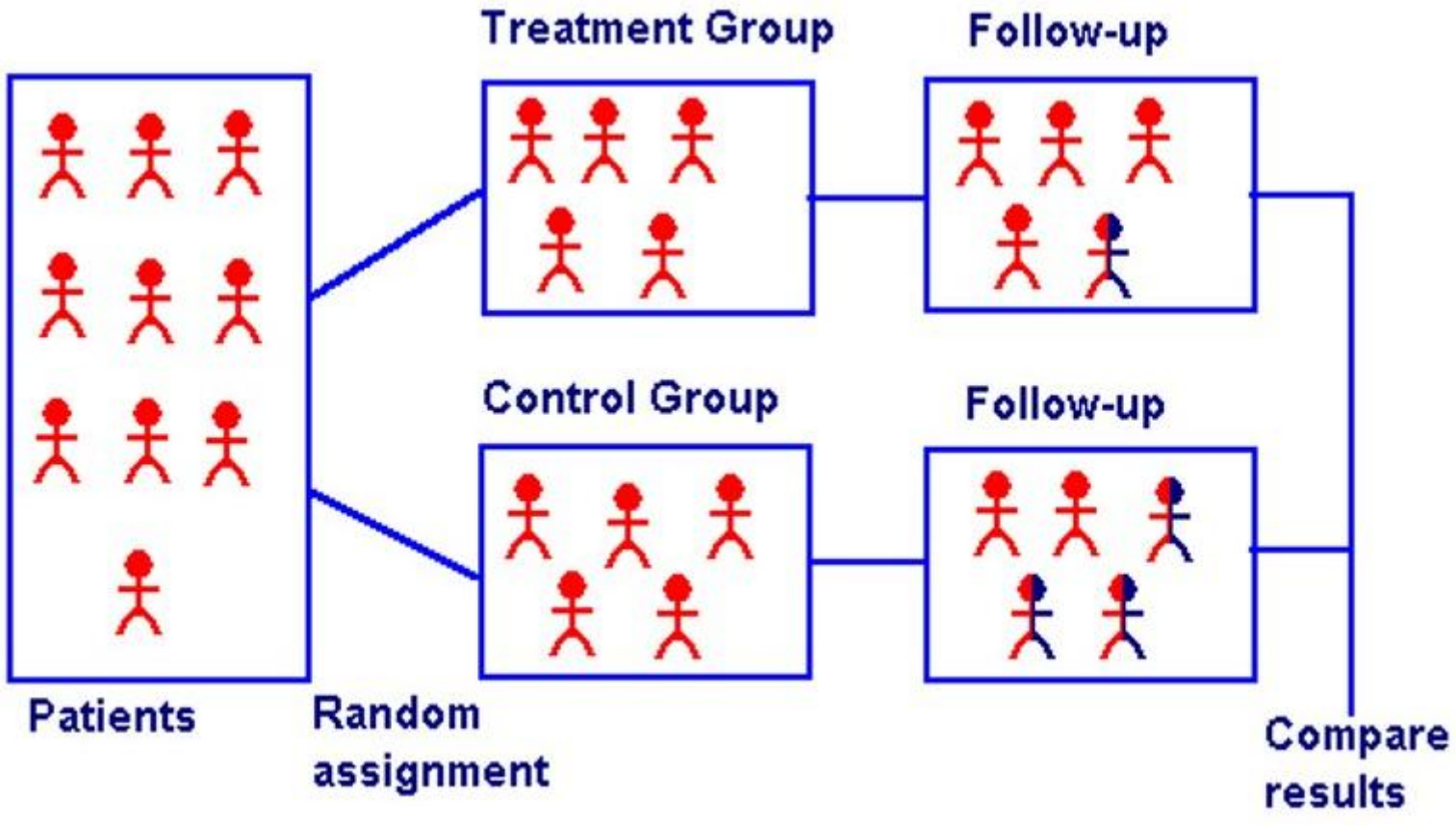
Stages of SIA

- Levels of Evidence (best to worst):

1. All outcomes with randomized controlled trials (RCTs).
2. At least one outcome with RCT.
3. Controlled trials without randomization (quasi-experiment).
4. Case-control, cohort studies and econometrics
5. Systematic reviews of descriptive and qualitative studies
6. Single descriptive or qualitative study
7. Opinion of authorities and/or reports of expert committees

Stages of SIA

1. Randomized Controlled Trials : golden rule for medical research



Stages of SIA

1. Randomized Controlled Trials :

Pros:

- Most robust and convincing
- Can determine the cause-and-effect relation

Cons:

- Most resource and time consuming
- Most difficult to apply for political research and social science research
  - Hard to enforce a policy to a randomly chosen group of people

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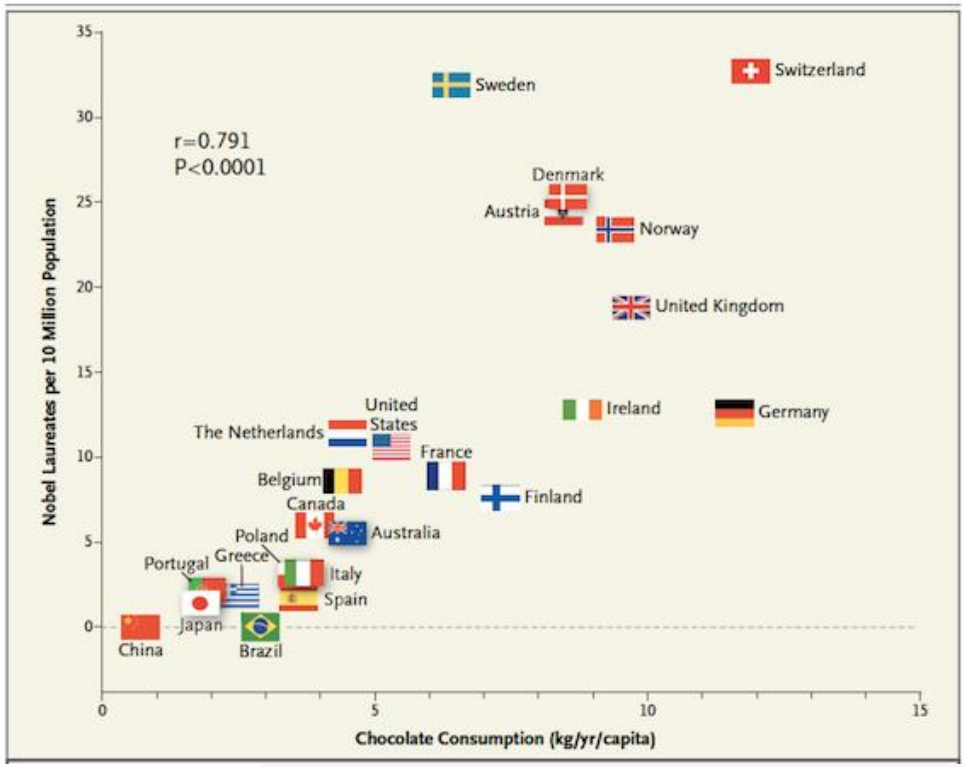
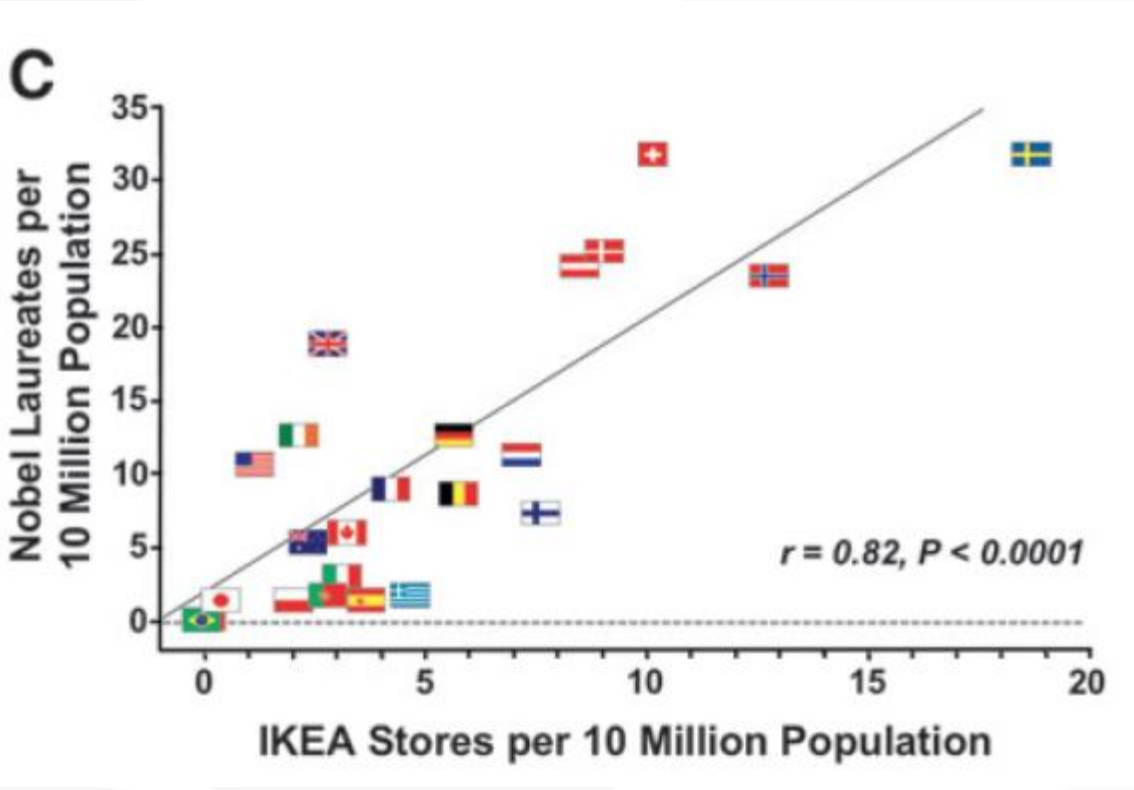
3. Controlled trials without randomization (quasi-experiment)
   - Alpha Test, Beta Test (Apps and software development)
   - Minimum Viable Product, MVP (Product Development / Start Up)
   - Pilot Test (Government policy and business strategies)

Stages of SIA

4. Case-control, cohort studies and econometrics

- Easy but not convincing for cause-and-effect relation





Stages of SIA

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Stages of SIA

Step 3:

What are the values of the outcomes?

- **Quantification + Benchmarking**
- **Financial Proxies**
- **Monetization *(very resource consuming)***

Washington State Institute for Public Policy

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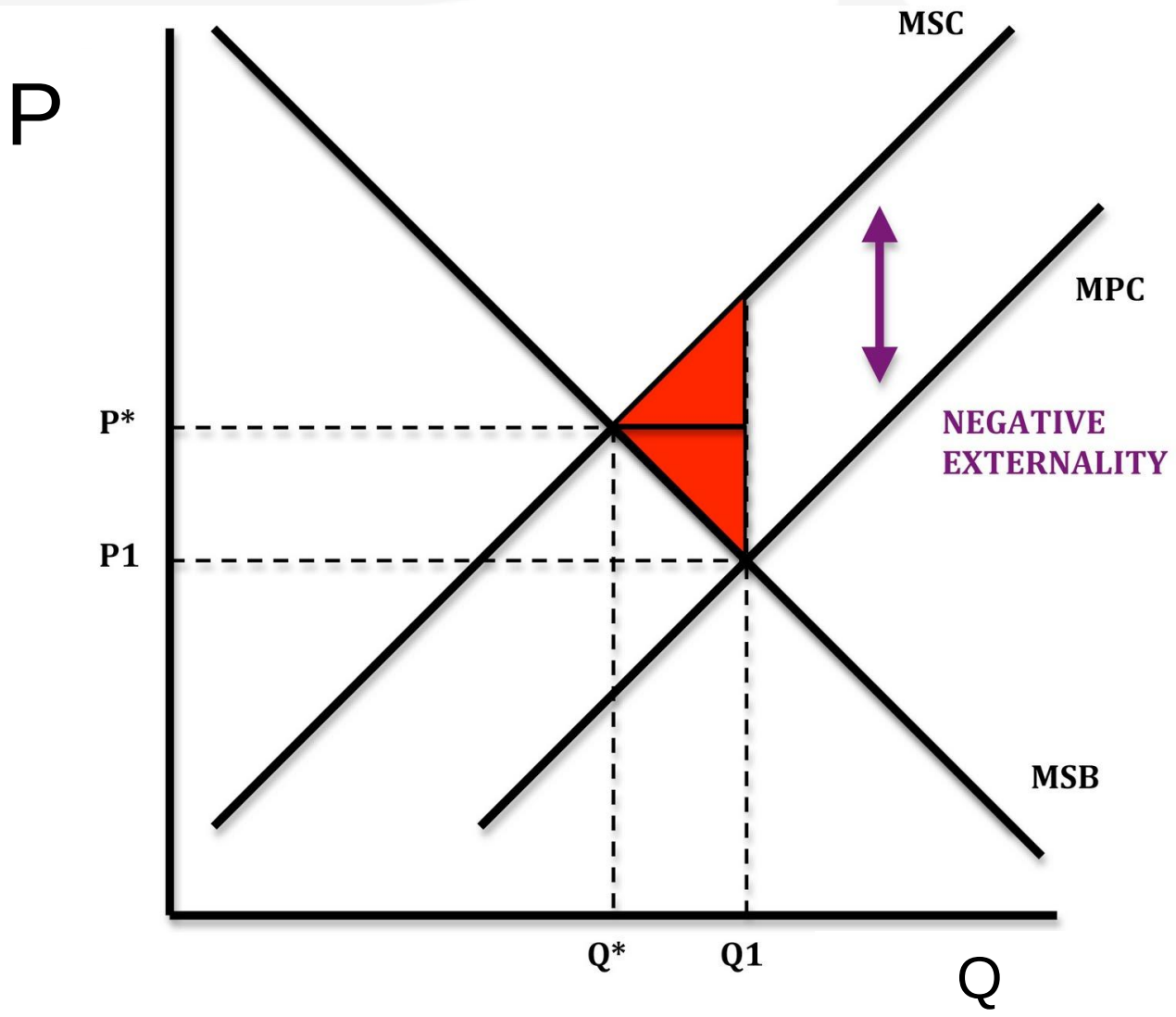
Stages of SIA



- **We are, in fact, measuring the red area.**

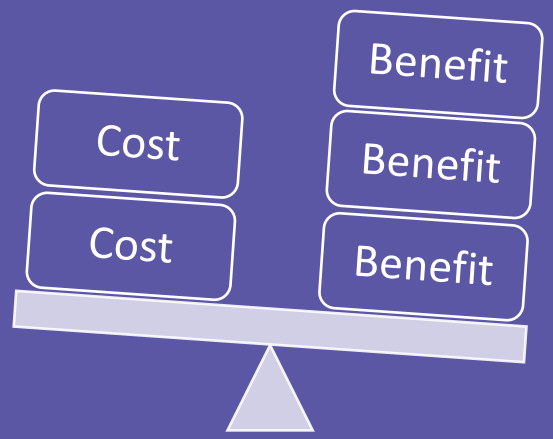
- Stated Preference
- Revealed Preference
- Subjective Well-being

Stages of SIA

Step 4:

How can we use the results?

- **Improvements for a project**
- **Cost and benefit comparison for a project**



Common SIA Frameworks in HK

Kirkpatrick model of Fullness
B Impact Assessment
SEE Mark
SROI
SIA of HKCSS
TIMM of PwC
True Value Model of KPMG

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Data Bank

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Examples of Data Bank

The Value of Recreational Activities per activity day (in 2008 U.S. dollars)			
Backpacking	$57.84	**Pleasure driving**	$65.75
Bird-watching	$32.87	**Rock climbing**	$62.45
Camping	$41.28	**Scuba diving**	$35.93
Cross-country skiing	$34.84	**Sightseeing**	$40.90
Downhill skiing	$37.18	**Snorkeling**	$33.65
Fishing	$52.36	**Snowmobiling**	$40.28
Boating (nonmotorized)	$112.02	**Swimming**	$47.39
General recreation	$38.96	**Visiting on environmental education center**	$6.67
Going to the beach	$43.78	**Visiting an arboretum**	$15.02
Hiking	$34.24	**Visiting an aquarium**	$31.43
Horseback riding	$20.11	**Waterskiing**	$54.42
Hunting	$52.08	**Wildlife viewing**	$47.03
Motor boating	$51.36	**Windsurfing**	$439.01
Mountain biking	$81.90	***Average value of a recreational day***	*$52.88*
Off-road vehicle driving	$25.44		
Other recreation	$54.06		
Picnicking	$46.02		

Source: Kaval and Loomis (2003)

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Examples of Data Bank

- The numbers are ready to be used to evaluate policies and social projects
- Examples:
  - Suppose a policy can allow 200,000 more HK people to go hiking 4 times per year.
  - The annual benefit can be estimated as:
    - 200,000 x US$34.24 x 4 = US$27,392,000 per year (in 2008 dollar)
    - US$27,392,000 x 1.094 = US$29,967,643(current dollar)
    - US$29,967,643 x 7.76 = **HK$232,548,909**

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Examples of Data Bank

Mean Values of Wetland Habitats (per hectare per year, 2008 U.S. Dollar)	
Overall	$3,948
Woodland	$4,512
Freshwater marsh	$4,935
Salt/brackish marsh	$3,666
Unvegetated sediment	$12,690
Mangrove	$564

Source: Brander, Floran and Vermaat (2006)

Examples of Data Bank

The Cost of Components of Crashes by Level of Severity (2008 U.S. Dollar)					
Abbreviated Injury Scale (AIS) level	**1**	**2**	**3**	**4**	**5**
Medical	$2,959	$19,423	$57,796	$163,222	$413,268
Emergency	$120	$263	$457	$1,032	$1,058
Market Productivity	$2,174	$31,098	$88,822	$132,311	$545,341
Household Productivity	$712	$9,102	$26,197	$34,878	$185,600
Insurance Admin	$922	$8,588	$23,485	$40,195	$84,773
Workplace Costs	$313	$2,428	$5,303	$5,839	$10,182
Legal Costs	$187	$6,192	$19,650	$41,873	$99,266

Source: Blincoe et al. (2002)

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Examples of Data Bank

The Cost of Crime and the Willingness to Pay for Crime Reduction (2008 U.S. dollars)			
Plug-In Category	**Victim Cost per Incident Based on Millar et al.(1996)**	**Criminal Justice Cost Per Incident Based on Cohen (1998)**	**Total Cost per Incident Sum of First Two Columns**
Burglary	$2,225	$3,225	$5,450
Armed robbery	$30,125	$9,663	$39,788
Serious assaults	$38,100	$6,438	$44,538
Rape and sexual assaults	$138,113	$4,063	$142,176
Murder	$4,625,000	$228,750	$4,853,750

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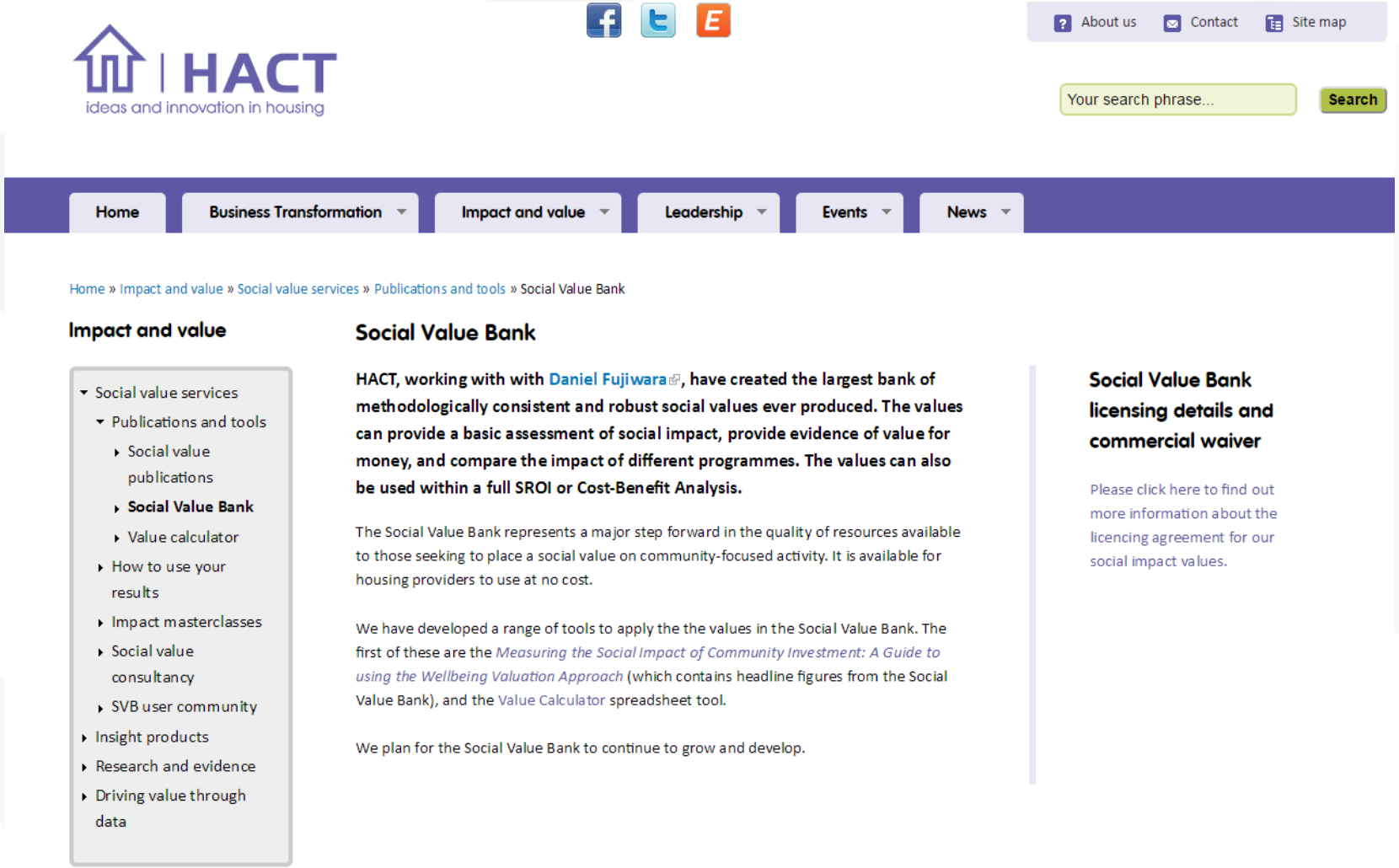
Database for Social Values

- Social Value Bank, established by HACT



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Database for Social Values

- Washington State Institute for Public Policy

All Research Areas | Juvenile Justice | Adult Criminal Justice | Child Welfare | Pre-K to 12 Education | Children's Mental Health | Health Care | Substance Abuse | Adult Mental Health | Public Health & Prevention | Workforce Development

Juvenile Justice

PDF

For questions on benefit-cost results relating to Juvenile Justice, contact Elizabeth Drake.

Program name (click on the program name for more detail)	Date of last literature review	Total benefits	Taxpayer benefits	Non-taxpayer benefits	Costs	Benefits minus costs (net present value)	Benefit to cost ratio	Chance benefits will exceed costs
Family-based therapy (Parenting with Love and Limits model) NEW	Jun. 2016	$34,691	$9,252	$25,438	($1,688)	**$33,004**	$20.56	**98 %**
Functional Family Therapy (youth in state institutions)	Dec. 2014	$32,150	$7,833	$24,317	($3,427)	**$28,723**	$9.38	**99 %**
Education and Employment Training (EET, King County)	Dec. 2015	$26,708	$7,279	$19,429	($855)	**$25,853**	$31.24	**100 %**
Functional Family Therapy (youth on probation)	Dec. 2014	$22,316	$6,451	$15,864	($3,427)	**$18,889**	$6.51	**99 %**
Mentoring	Jun. 2014	$21,283	$5,936	$15,347	($3,260)	**$18,022**	$6.53	**87 %**
Aggression Replacement Training (youth in state institutions)	Dec. 2014	$17,190	$4,017	$13,173	($1,584)	**$15,606**	$10.85	**92 %**
Teaching-Family (group home model)	Jun. 2015	$37,510	$10,447	$27,062	($22,101)	**$15,409**	$1.70	**65 %**
Wilderness experience programs	Sep. 2015	$19,442	$6,035	$13,407	($6,388)	**$13,054**	$3.04	**100 %**
Cognitive Behavioral Therapy (CBT)	Dec. 2014	$11,146	$3,023	$8,122	($390)	**$10,756**	$28.56	**94 %**

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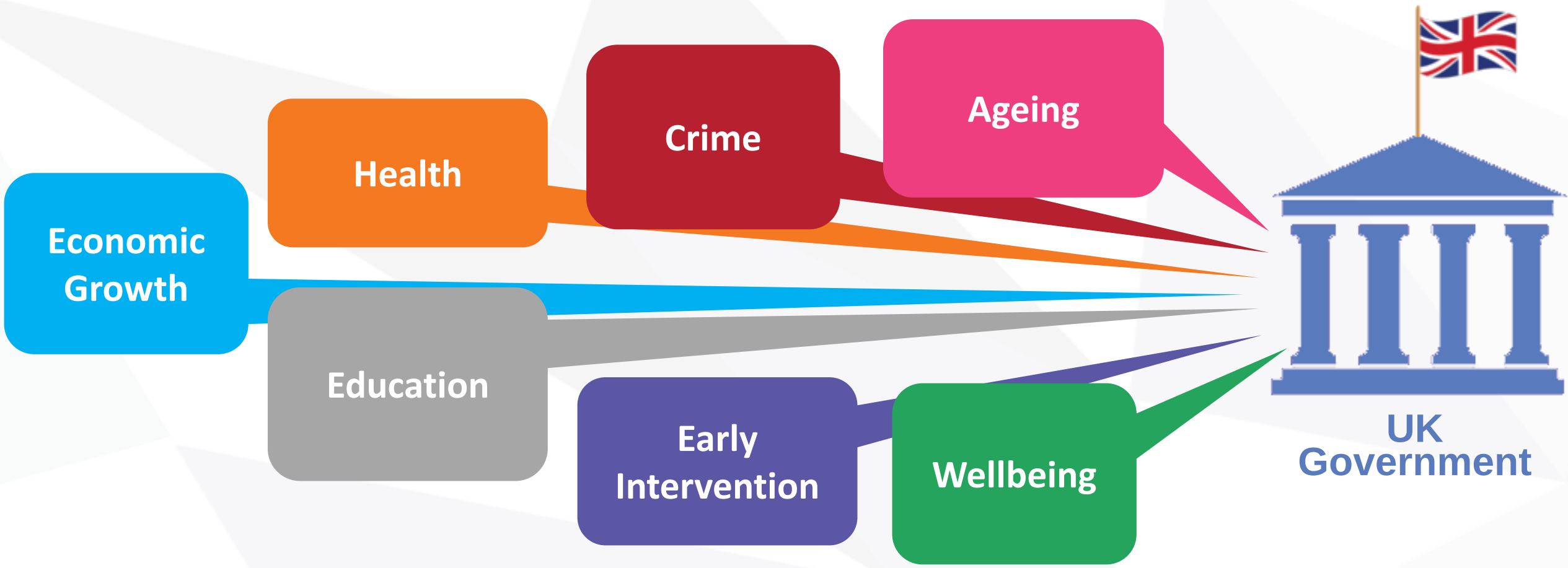
What Works Centres in UK



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Challenge

- No similar database for social values in Hong Kong
- Directly applying foreign data in Hong Kong may not be appropriate

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Suggestions

- Government should set up public units to conduct social impact assessment of public policies.

- The results of the assessments can then be pooled and be accessible freely by public, **creating a database of social values for Hong Kong**

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Q&A