

# Practitioners of Social Investment Funds – Applied Phronesis

**A study of how social investment fund policy framework affect the practices of professionals**

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## Abstract

Social Investments (SI) have become a significant policy tool during the 2010s for developing and implementing social policy. This study explores how the SI framework, based on social innovation, evidence-based policy and practice, and impact evaluation, affects professionals when it is implemented and evaluated.

The empirical material of the study was based on semi-structured interviews with professionals operating in the City of Stockholm. The author applied practical philosophy, relational sociology, and evaluation theory to answer four phronetic social science research questions focusing on *phronesis* (practical wisdom).

SI comes with *constitutive effects* that affect the praxis of professionals. It is accompanied by different logics that can both enable or restrict common understanding between economists or social advocates, these differ between professional groups. It creates new content to strive for to create measurable outcomes, which can often lead to conflicts of power. Whether it is delivering outcomes within a certain set of time, or following evidence-based policy and practice, different chains of accountability put a lot of pressure to not do *wrong*, rather than do *right*.

The design and implementation of the SI fund in the City of Stockholm have had problems that need addressing. Thus, this study concludes with a warning that any attempts to fix these problems must refrain to create an *evaluation machine* that risks alienating professionals' relationship with their work.

**Key words:** *Social Investments, Evidence-Based Policy and Practice, Phronesis, Relational Theory, Impact Evaluation, Constitutive Effects*

## **Popular Scientific Summary**

This study has attempted to qualitatively research how the social investment (SI) framework affects the way professionals work, and if there are things that play out differently in practice compared to theory. Social investments (SI) attempt to solve a major problem all municipalities need to handle: how can they create the most effective social policy with limited money? To do this the SI policy framework attempts to find out what truly works, by evaluating what impact a SI project has contributed. The author of the study has interviewed seven people that have or are currently working with implementing and evaluating SI projects.

The study shows that there have been many challenges with the SI fund in the City of Stockholm. Whenever evaluation is present, there seem to be different unintended consequences of how people handle the evaluation. Different professions have different knowledge, and they apply different logic in their work. This makes it difficult for them to do their jobs together as they prioritize things differently. This can create conflicts and misunderstandings that move focus away from the core idea of SI, which is to provide services to people that helps them.

The study gives examples of unintended consequences of the SI. The study also gives some suggestions for the City of Stockholm in how they should attempt to solve some of the problems that were observed in the study.

## Foreword

Sometimes, you choose to write about something easy with a straightforward approach. Sometimes you choose to write about something complex and difficult to package, but there is something about the topic that *resonates* with you. In those cases, it is difficult to take the easy approach.

I would like to thank all those that have participated in this study. Without you, I would not have been able to write this dissertation. Additionally, I would like to thank my mother whom I was able to discuss the study with and who gave me very valuable comments.

The “machine” as a metaphor has been a reoccurring concept in traditional sociology, and so is it in this study. Organizing society into machine-like relationships has many consequences. To get the reader into the right mindset, I present a quote from activist Mario Savio from the Free Speech Movement that I, as the author, have had in the back of my mind throughout the writing. Maybe it will do something for the reader as well.

“...Well, I ask you to consider: If this is a firm, and if the board of regents are the board of directors; and if President Kerr in fact is the manager; then I'll tell you something. The faculty are a bunch of employees, and we're the raw material! But we're a bunch of raw materials that don't mean to be—have any process upon us. Don't mean to be made into any product. Don't mean ... Don't mean to end up being bought by some clients of the University, be they the government, be they industry, be they organized labor, be they anyone! We're human beings!

There is a time when the operation of the machine becomes so odious, makes you so sick at heart, that you can't take part; you can't even passively take part, and you've got to put your bodies upon the gears and upon the wheels, upon the levers, upon all the apparatus and you've got to make it stop! And you've got to indicate to the people who run it, to the people who own it, that unless you're free, the machine will be prevented from working at all!”

Mario Savio, December 2, 1964.  
University of California, Berkley

# Table of Content

- 1. Introduction ..... 1
  - 1.1 The Challenges of Implementing Social Investment Policy in Practice ..... 2
  - 1.2 The Framing and Aim of Research ..... 4
  - 1.3 Research Questions ..... 5
  - 1.4 Outline of the Dissertation ..... 6
- 2. Previous Research ..... 8
  - 2.1 Quantifying Social Sustainability..... 8
  - 2.2 Social Investment Policy ..... 9
    - 2.2.1 Social Investment Fund Evaluation..... 10
    - 2.2.2 Social Investments: Consequence of Projectification of the Public Sector ..... 11
    - 2.2.3 Experimentation and Social Investments ..... 12
    - 2.2.5 Critiques of Social Investments..... 12
  - 2.3 Evaluation as a Social Practice..... 13
    - 2.4.1 The Marketization of the Evaluation Enterprise ..... 16
  - 2.4 The Contribution of this Study ..... 18
- 3. Theory ..... 19
  - 3.1 Phronesis: Going Back to Practice ..... 19
    - 3.1.2 Phronesis and Power ..... 21
  - 3.2 Sociology of Human Relationship to the World: The World as a Point of Aggression 23
    - 3.2.1 The Controllable World: A Dead World? ..... 24
  - 3.3 The Context of Evaluation: Resonant or Mute Relationship to the World ..... 25
  - 3.4 Constitutive Effects as an Analytical Tool..... 26
    - 3.5.1 Interpretive frames and world views ..... 27
    - 3.5.2 Content and What to Strive For..... 27
    - 3.5.3 Timeframes..... 27
    - 3.5.4 Relationships ..... 28
- 4. Methodology: Phronetic Social Science Research..... 29
  - 4.1. Case: The City of Stockholm and the Social Investment Project Tech Tensta..... 30
  - 4.2 Data Collection..... 31
  - 4.3 Validity and Reliability ..... 33
    - 4.3.1 Alternative Methods Considered..... 34
  - 4.4 Data Management and Analysis..... 34

4.4 Ethical Considerations.....	34
4.4.1 Personal Relationships and Ethical Consideration.....	35
5. Analysis.....	36
5.1 How Problems and Solutions are Framed in Social Investment Work.....	36
5.1.1 Social Investments as Innovations .....	36
5.1.2 Social Investment as “Investments”.....	37
5.1.3 Controlling the World Through Social Investments .....	38
5.2 The Rules of the Social Investment Game.....	39
5.2.1 Perfect Being the Enemy of Good.....	42
5.3 Time frames in Social Investment Practices .....	44
5.3.1 Timeline .....	44
5.3.2 Timing .....	45
5.4 Relationships in Social Investment Practices.....	47
5.4.1 Relationships With Each Other.....	48
5.4.2 The Relationships to Work.....	50
5.4.3 The Relationship to the Divine and the Greater Good.....	52
5.5 Who gains and who loses by this development?.....	53
5.5.1 Managers and Decisionmaker in the Municipality .....	53
5.5.2 Consultants and Impact Evaluation Specialists.....	54
5.5.3 Grass-Root Professionals and Civil Servants.....	54
5.5.4 What Mechanisms of Power are in Play?.....	55
6. Discussion .....	58
6.1 Is this Development Desirable?.....	58
6.1.1 Is Tech Tensta a Case of “Smart” or “Stupid” Evaluation? .....	58
6.1.2 Evidence and Evaluation – A Lack of Trust? .....	60
6.2 What, if anything, should we do about it?.....	61
6.2.1 Do Not Create an Evaluation Machine .....	61
6.2.2 Strengthen the Bottom-Up Approach: Knowledge and Meaning of Impact Evaluation.....	62
6.2.3 Establish a Network for Social Investment Project Managers.....	63
7. Conclusion.....	64
7.1 Limitations of the Study and Future Research.....	67
7.1.1 Future Research.....	68
References .....	69

Appendix 1 – Interview Guide ..... 74  
Appendix 2 – Internal Social Investment Fund Guidelines – Translated to English ..... 76

**Tables**

Table 1 – Empirical Material ..... 32

**Figures**

Figure 1 – The Logic of Social Investment..... 9  
Figure 2 – Timeline of Tech Tensta and the Social Investment Fund ..... 45  
Figure 3 – Social Investment Fund Relationships..... 49

# 1. Introduction

Municipalities and cities are important actors in the transition toward a sustainable society (Eneqvist, 2022). The wide responsibility of municipalities to provide services for their citizens and handle multiple stakeholders puts them in an extremely difficult decision. Whether it is transitioning towards a socially just, economically efficient, and planetary boundaries aligning society, there always seem to be conflicts between the different dimensions of sustainability. By prioritizing the social, the ecological will suffer; focus on economic efficiency, and the social safety net might falter.

To solve social issues experienced by the welfare state, economist Ingvar Nilsson (Nilsson et al, 2014) proposes that there needs to be more of a long-term perspective in the public sector. Instead of being viewed as expenses, public spending in welfare services should be perceived as *social investments* (SI), where future costs are reduced by intervening early and preventing more costly problems to arise at a later stage.

SI is a relatively new concept that has become emerged in Sweden during the 2010s. SI has become and widespread policy in Swedish municipalities (Hultkrantz, 2015a;2015b) and can be seen as an attempt to create a new paradigm for public policy and practice. SI policy is said to have the possibility to address social issues with its focus on preventive interventions and long-time thinking for municipalities (Balkfors et al, 2019). Although the perspective is spreading, the SI perspective is generally hindered by short-term budgeting and silo-thinking in public organizations where social problems are viewed from the organizations' point of view. A SI perspective, on the other hand, focuses on social problems from the perspective of creating *outcomes* for individuals or groups of people. It is about focusing on “what works”.

The focus on “what works” refers to the connection between SI and evidence-based policy and practices (EBPP) (Balkfors et al, 2019). Since SI mostly cares about outcomes it means that social interventions should be constituted of the methods and practices that have been tested scientifically. The point of EBPP is to link science with the professional world to ensure that public organizations use the best methods available to create the best outcomes possible, with as little risk as possible. When different methods can be compared in terms of their effectiveness, then these methods can be translated into cost-benefit analyses based on invested capital that leads to reduced costs concerning the outcomes the intervention creates. Therefore,



for the SI framework to function there needs to be an intervention and an evaluation that objectively states the actual outcomes associated with the intervention (Hultkrantz, 2015b).

Advocates for SI (Nilsson et al, 2014; Hultrantz. 2015a; Balkfors et al, 2019) argue that a SI framework would ensure a more efficient public sector that can provide more social services with a finite budget. The social and economic dimensions become integrated into the same framework, meaning they can both be compared based on the outcomes of social interventions. When welfare services and interventions have known effects and costs, then leaders and managers can focus on the interventions that create the most effect, thus creating the most “bang for your buck”. When society must shift and become more sustainable than the social, environmental, and economic needs to be integrated into the same logical framework. In this case, the logical framework is that of monetary value.

For the shift to a SI paradigm in the public sector, Balkfors et al (2019) argue that there needs to be a change in the organizational culture in the public sector where outcomes become the center of focus. To truly create this “culture of outcomes” and allow for a thriving SI paradigm, Nilsson et al (2014) propose that social workers need to start thinking as economists, and economists need to start thinking as social workers. When the different perspectives begin to consider the other persons' point of view, only then will the SI framework truly function in a wider context, and silo thinking can be avoided.

## **1.1 The Challenges of Implementing Social Investment Policy in Practice**

Although the advocates present promising arguments for SI policy and its potential to solve social problems, there are challenges to implementing SI policy. In the attempts of creating a new paradigm in the public sector, there are some practical difficulties associated with it that tie into other trends.

One challenge is that SI is mostly done through projects (Fred, 2018). Currently, SI funding in Sweden is mostly found in municipalities in a separate fund. The SI fund finance different projects in the municipality from which civil servants apply for funding to innovate and develop a new method for a specific problem, or to adopt an already existing “best practice” into the organizations. The use of projects, although a powerful tool for municipalities to manage multiple stakeholders and get things done (Fred, 2018), might not be able to solve social

problems and produce outcomes based on its limited scope (Lowe, 2017). Still, the outcomes of projects are integrated into a refunding mechanism of SI funds, that continue to finance the fund if projects continue to provide a sufficient social return on investment (SROI) (Stadsledningskontoret tjänsteutlåtande, 2015).

If we assume that projects produce outcomes, there is the empirical problem of SI. SI project needs to be evaluated based on the outcomes of the SI project: the impact (Hultkrantz, 2015a). To determine impact, a relationship between cause and effect needs to be established. This requires knowledge of relevant research design and scientific methods for the SI projects to ensure that the impact assessment is based on the projects and nothing else. This is a lot to demand from municipal civil servants that often lack such knowledge (Hultkrantz, 2015b). Still, if projects are not designed in a way that measures impact, then successful SI projects might not be seen as successful if they cannot show it. Thus, SI is not simply about creating social value, but it is to make the social value empirically visible to determine the worth of a project.

Yet another challenge for the SI paradigm is regarding how economists and social workers need to think more like each other. The SI framework is meant to create a common language and understanding of how social interventions are to be viewed as investments (Nilsson et al, 2014). But this idea might be fundamentally flawed in how the interpersonal understanding of problems and solutions is manifested. The missing components to this interpersonal understanding can be attributed to a lacking focus on *practice* and *power* (Flyvbjerg, 2001; Bornemark, 2020) and *resonance* (Rosa, 2019; 2020).

There are multiple theorists and researchers (Bourdieu, 1986, Flyvbjerg, 2001, Bornemark, 2020) that argue that knowledge is truly internalized through practice. There are limits to what quality of knowledge someone can learn from a book, and what must be experienced, practiced, and performed in a contextual setting of competing priorities and demands (Flyvbjerg, 2001). Thus, for economists and social workers to think like each other requires a focus on practice – what do they do all day? Although they might have a common language to speak of SI, there might be a missing component of meaning ascribed to the use of SI. It is a question of whether it resonates with both sides and whether they perceive it as the way forward to create a better society. Engaging with the framework in cooperative practice might be the way forward when getting a common understanding between economists and social workers (Flyvbjerg, 2022; Rosa, 2019; Rosa, 2020).

Practice is not only relevant in terms of economists and social workers doing different things practically but it is also related to power relations (Flyvbjerg, 2001). Economists and social workers do not generally function on the same hierarchical level. Social workers are in many cases grass-root bureaucrats that help clients directly. Economists are much more likely managers, analysts, strategists, or evaluators. All of which are far from the main function of the welfare services.

According to Bornemark (2020), the emergence of EBPP has led to an increased power struggle between a "manualizing class" and those operating "on the floor". The manualizing class is those that increasingly come to remotely control the work of other professionals at the expense of professional judgment and trust, by enforcing manual use and *best practice*. Constantly putting EBPP manuals above professionals' competencies and ability to make adequate decisions in given contexts. Knowledge cannot be translated from abstract theory to practice without there being some variance in its execution. The human factor is always there and there is no knowledge without humans knowing it (Kristensson Ugglå, 2019). This might lead to a sense of meaninglessness and even *worse* outcomes if the method manual becomes too dominant. It risks to de-professionalize their users by not being present in the moment (Gerard, 2020; Bornemark, 2020)

The SI framework use evaluation to create control and accountability for SI projects (Hultkrantz, 2015a). Evaluators, often third-party consultants, evaluate whether a project has led to positive outcomes. But evaluands are not always keen to have third-party actors evaluate their work and judge it as good or bad. Especially when they have no interpersonal experience with the project. Instead, they are introduced toward the end of the project to determine the outcomes. This often leads to defensiveness and resistance from the evaluands (Dahler-Larsen, 2012).

## **1.2 The Framing and Aim of Research**

To understand the implementation of an SI project, there arguably needs to be a focus on practice to understand whether it succeeds to reach the potential that SI advocates describe. The professions that are involved in the SI project will be the main interest of study: the project workers and the evaluators. By focusing on the different professionals and their practical

experience of working with SI projects this study is an attempt to uncover whether SI succeeds to solve social problems. By researching how the different professions encounter and handle challenges associated with SI in their organizational contexts, this study is also an attempt to break down some of the barriers between evaluation and practice to develop realistic and useful knowledge (Dahler-Larsen, 2012). This is done by focusing on *phronesis*, commonly referred to as practical wisdom (Flyvbjerg, 2001) to understand how actors manage dilemmas, make value-rational decisions, and interpret meaning in practice.

This study is based on the case of the SI fund in the City of Stockholm. The main interest of this study is to get close to the evaluation process by interviewing the evaluators and the evaluands. For this, third-party consultants that evaluate most of the city's SI projects are interviewed and analysed, as well as project workers from one of the city's SI project *Tech Tensta*.

Finally, this study aims to research how practitioners experience implementing and evaluating SI projects. The study inquires to understand how professionals relate to the SI framework and handle the SI requirements on a project basis. Previous research on SI mostly focuses on the organizational structure, funding, and effect of SI funds. This study instead reviews SI policy on a project level to understand the practical and contextual settings professionals need to maneuver in detail. The study hopes to contribute to improving future implementation and evaluation of SI projects.

### **1.3 Research Questions**

This dissertation attempts to answer the four value-rational questions associated with phronetic social science (Flyvbjerg et al, 2012). The research questions are the following:

1. What are the unintended effects professionals must manage when working with social investments?
2. Who gains and who loses by this development and by which mechanism of power?
3. Is this development desirable?
4. What, if anything, should we do about it?

## 1.4 Outline of the Dissertation

In chapter 1, the background, problem area purpose of the study, and research questions have been presented. In the following chapter, the outline of the study is described.

In chapter 2, the previous research on the subject area is presented. The previous research looks upon themes such as the emergence of SI policy and its organization in Sweden, the growing evaluation enterprise, and critiques of SI and EBPP.

In chapter 3, the ontological and theoretical perspectives will be presented. The theoretical perspective of this study takes influence from different schools of sociology and practical philosophy. The concept of phronesis will be explained as a form of knowledge, and how it can contribute to the social analysis of power (Flyvbjerg, 2001). With phronesis established the rest of the chapter will focus on Hartmut Rosa's (2015; 2020) sociology of human relationship to the world. These theories are combined within Dahler-Larsen's concept of *constitutive effects* (alongside *evaluation machines*) which is the main analytical tool to frame how SI affects praxis.

In chapter 4, the methodological research approach of phronetic social science (PSS) is presented. The PSS framework is a school developed and advocated by Bent Flyvbjerg (2001, 2004, 2012), and puts phronesis in focus. The PSS research questions are explained and motivated, to as how they contribute to social research that matters. This is followed by a case description of the SI fund in the City of Stockholm and Tech Tensta, interview methodology and execution, and ethical considerations.

In chapter 5, the analysis of the interviews takes place. The analysis focuses on the different dimensions of the concept of *constitutive effects* and ends with an analysis of power. The main part of the analysis focuses on providing the answers to research questions 1 (What are the unintended effects professionals must manage when working with social investments?) and 2 (Who gains and who loses by this development and by which mechanism of power?)

In chapter 6, the author attempts to answer research questions 3 (Is this desirable?) and 4 (What, if anything, should we do about it?). It is put in a separate chapter as the questions refer to the main component of phronesis: how do we use our insights gathered in the previous chapter and put them into practice? Although the approach is both normative and subjective, it is perhaps the core difference that separates PSS from traditional social science.

In chapter 7, the research questions are summarized and answered. The conclusion finish with some remarks about the limit of the study, and how future research could approach studying SI policy.

## **2. Previous Research**

The literary review has been conducted on Google Scholar as well as SöderScholar, the library search tool of Södertörn University. The literature selected has mostly been relatively new research from 2005 and onwards. Some search words used are “social investment”, “evaluation”, and “phronesis”. This has also been used to identify different authors that have these buzzwords on their Google Scholar page. A review of the page with the most cited articles has been made to ensure that the most cited literature has been considered for this text.

### **2.1 Quantifying Social Sustainability**

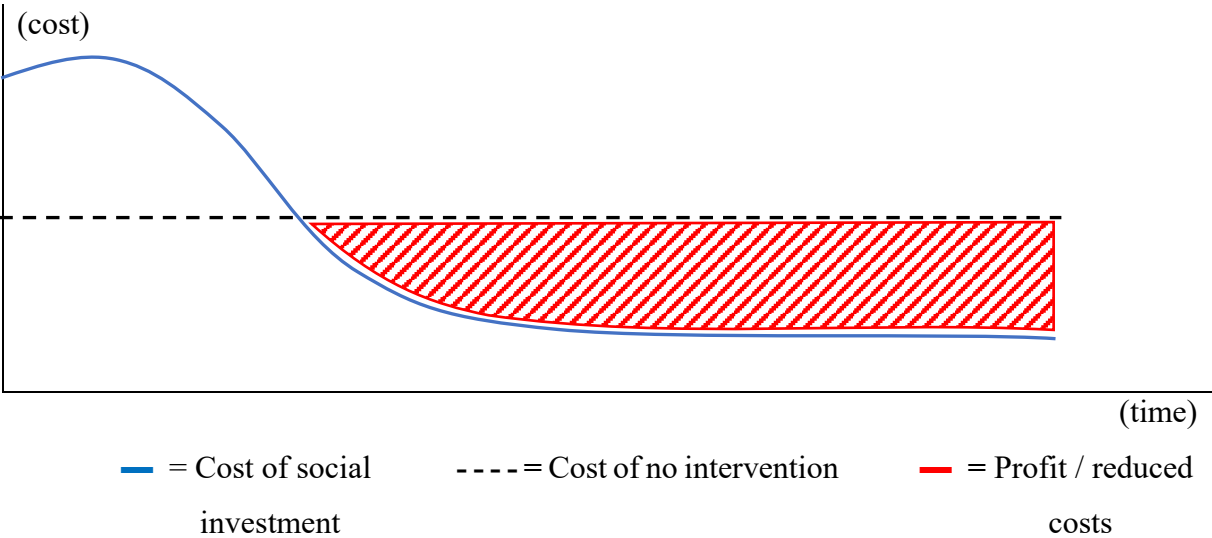
Compared to the dimensions social sustainability is often defined as vague or “fuzzy” (Boström, 2012). One of the main reasons for this is that social sustainability is difficult to standardize, measure, and compared in numbers, as opposed to the economic and environmental dimensions (Boström & Ugglå, 2016). The social cannot be ascribed objective measures because it is intersubjective. There are politics and power involved in the social that emphasizes different parts of social sustainability, e.g. freedom of speech, strong welfare institutions, or health outcomes (Mensah & Ricart Casadevall, 2019). The difficulty to define the social itself is something sociologists have tackled since the discipline emerged. Determining what makes it sustainable is even more difficult.

Cambell (2016) argues that conflicts between different sustainability advocates (economic, environmental, social) are that they do not speak the same language, although they use words the others should understand. E.g., an economist might hear the environmentalist speak of biodiversity without truly grasping its worth. Campbell suggests that if one could give the social and the environment monetary value, it would create a common language that stakeholders can use to communicate between different stakeholders, professionals, and politicians. The idea is that if planning and policy would have cost-benefit estimates, SD challenges could be solved rationally by comparing the costs and the outcomes.

## 2.2 Social Investment Policy

An attempt to link the dimensions of social sustainability and economic sustainability into the same conceptual toolbox for public governance and policy is SI policy. The research field of SI policy has emerged in Europe since late 1990s and early 2000s. Nolan (2013) describes SI as both a paradigm and strategy policy, a conceptual toolbox, and an analytical framework. It's a new way of looking at public organizations and how the welfare state should provide services for its citizens. Essentially, it is a logic that advocates for the welfare state should *prepare* rather than *repair* (Hemerijck, 2017). The welfare state should proactively act before social problems evolve and cause more social and economic stress. The money spent on SI is supposed to pay off for itself and more in the future (Cantillon & Van Lancker 2013) (For example, see *Figure 1*).

**Figure 1 – The Logic of Social Investment**



Different countries have approached the organization and financing of SI differently (Balkfors et al, 2019). The UK have implemented privately funded social impact bonds (SIB). SIB provides welfare services to its citizens by outsourcing the risks to private investors. SIB contracts are made between investors and the government where economic compensations are based on the social return on investment (SROI). Sweden has instead incorporated SI policy as a central municipal funding system for different projects (Balkfors et al, 2019). Although there have been attempts on establishing SIB in Sweden (Fred & Mukhtar-Landgren, 2021).



The municipal SI fund is an instrument that distributes capital within the municipal organization and social innovation (Balkfors et al, 2019; Nordesjö, 2021). SIs are done through temporary projects with a beginning and an end. SI projects exist outside of the main operation of the municipalities and are not a tool to supplement funding for already existing functions. The projects are often collaborative between multiple actors and departments. SI is associated with EBPP. If no prior evidence exists, SI can be used to test new innovative methods and services and create evidence (Balkfors et al, 2019).

### ***2.2.1 Social Investment Fund Evaluation***

SI requires an evaluation to assess the impact of the project to relate it to public spending (Hultkrantz, 2015a). Hultkrantz proposes that SI evaluation needs two types of evaluations. A process evaluation and impact analysis. The process evaluation focus on learning from the process and the impact evaluation is needed to determine whether the project has been a successful *investment*. If the outcomes are not evaluated municipalities will know if the projects work. There needs to be evidence that a SI has a SROI.

Hultkrantz (2015) highlights the challenges for SI evaluation to establish a causal relationship between projects and outcomes. The research design mostly used to establish casual relationships are Randomized Controlled Trials (RCT). It is the golden standard for establishing evidence of impact (Nordesjö, 2021). SI should ideally use RCTs where one group gets an intervention and the other does not and the results are compared to determine whether a SI creates intended outcomes.

Regardless of the technical requirements of SI evaluation, SI fund evaluation might have unintended effects that are not explicitly stated. Nordesjö (2021) researched how municipal SI funds and the evaluations of SI lead to unintended consequences. Nordesjö used Dahler-Larsen's (2012:2014) concept of "constitutive effects" to "capture the way which tests, measurements and indicators help define and constitute the social realities which they are a part" (Nordesjö, 2021, p.26). Nordesjö found the following constitutive effects of SI evaluation:

**Frames and worldviews:** SI evaluation ensures that outcomes are met by stating the evidence of outcomes (Nordesjö, 2021). The monitoring of evaluation creates accountability and supports instrumental decision-making through a cost-benefit analysis. The rationality is that

reducing costs could be understood in the same way as creating profit. Thus, good projects might get re-funded. Outcomes and cost benefits become recognized tools to legitimize a project or an intervention and a tool of rationality to defend or argue for the quality of projects and interventions (Fred, 2018).

**Content and what to strive for:** SI fund evaluation put quantitative measures in focus to compare to cost, and highlight EBPP as standard. Professionals should do *what works* and leads to the best possible outcomes. They should not improvise or go by their guts.

**Timeframes:** A short-time perspective tends to take focus instead of long-term ones, even for SI (Nordesjö, 2021). The investments are expected to pay off and show profit short term, although it is meant to function long-term. This can create tensions by e.g., making a long-term decision on interventions based on short-term outcomes.

**Social Identities and relationships:** Nordesjö (2021) states that power moves upward in the organization to the top of the municipality regarding how evaluations should be formulated and used. The involvement of professional and client participation becomes lacking. Bornemark's (2020) analysis of the manualizing class reaches a similar conclusion. The decisions about how professionals should conduct their work move upwards in the organization.

### ***2.2.2 Social Investments: Consequence of Projectification of the Public Sector***

The SI fund has become common in Swedish municipalities and started to emerge in the 2010s (Hultkrantz, 2015b). Fred studied the emergence of SI funds in Sweden focusing on the municipality of Eslöv and documented multiple findings regarding inter-municipal networks focusing on SI policy.

One driving factor for the development of SI funds in Sweden has been coalitions from certain actors outside of the municipalities, as opposed to the municipalities themselves. The employers' organization *Swedish Association of Local Authorities and Regions*, accompanied by some key consultants and professors. These key actors had been prominent figures in the field through public speaking events towards multiple municipalities advocating for the adapting to SI perspective.

Furthermore, Fred (2018) proposed that SI fund projects were a consequence of a “projectification” of the public sector. A project logic from the European Union and their funding programs for different projects had diffused and become praxis in municipal work. This logic becomes a part of normal and the discourse, or “lingo”, become the new normal. The diffusion of project logic has become a tool for civil servants, civil society, and consultants to communicate more easily, which is an important tool for cooperation. Projectification of the public sector has led to organizational benefits for cooperation between different stakeholders, but it has challenges of its own in capacity building and permanence of social interventions (Eneqvist, 2022)

### ***2.2.3 Experimentation and Social Investments***

The SI fund is an example of experimental governance (Balkfors et al, 2019; Eneqvist, 2022). Experimenting and innovating are increasingly argued to be important to legitimize public organizations (Eneqvist, 2022). In a world that is constantly changing and where new challenges emerge, new solutions to the problems need to be developed and experimented with. However, there are concerns as to whether public agencies should allocate public funds to do experiments.

In her doctoral thesis, Eneqvist (2022) found that experiments in municipalities mostly focused on creating outcomes. Although there are values such as organizational learning and development associated with experiments, it is mostly deprioritized compared to the incentives to produce measured outcomes. Eneqvist (2022) argue that municipalities often lack the institutional logic, resources, and routines to capitalize on the insights generated by an experiment and learn from them.

### ***2.2.5 Critiques of Social Investments***

Some are critical to the SI framework. Much of the critique revolves around the fact that SI is organized into different projects, the empirical problem of determining cause-effect, and the emergence of EBPP.

The projectification of SI, described by (Fred, 2018) comes with certain assumptions (Lowe, 2017). The first assumption of SI policy is that social outcomes can be measured quantitatively.

That is, social qualities can be given a monetary value. The other assumption is that projects themselves are enough to create outcomes and that it is not dependent on other factors outside of the project.

Multiple researchers are skeptical of these assumptions (Bonoli et al, 2017; Lowe, 2017). The SI projects are not implemented in laboratory settings, which questions the reliability of establishing a causal relationship between a project and outcomes. Lowe (2017) exemplifies this by looking at obesity as a health outcome. He argues that there are over a hundred different factors on different levels that lead to the outcomes of obesity. He stresses that projects can't create outcomes that address all these factors.

Lowe (2017) also points out the risk of the “gamification” of SI. “Gamification” refers to the game that emerges which creates incentives for actors to act to play a game as opposed to focus on the main objectives of the organization. The SI game would incline actors to create statistical outcomes rather than working towards creating a real positive outcome. Quantity would be prioritized before quality. Outcome-based performance management models emphasize delivered results. This creates incentives to look at measured outcomes as what to strive for, the rules of the game. The project or organization that can produce the most measured outcomes wins and becomes rewarded by getting further funding.

Nordesjö (2021) is also critical of SI. Mainly due to the reason that SI heavily relies on EBPP. He argues that EBPP limits professionals in many cases, especially social workers. And that perceived “best practice” might not always lead to the best outcomes (Lehmann, 2015).

## **2.3 Evaluation as a Social Practice**

Evaluation is a vital practice for SI. Evaluation is meant to confirm whether an intervention produced more benefit than costs, by reviewing and collecting empirical evidence (Cantillon & Van Lancker, 2013). But this begs the question: what is evaluation and how did it become an embedded social practice?

Scriven defines the practice of evaluation as “the process of determining the merit, worth, or value of something, or the product of that process” (1991, p. 139). Although some scholars emphasize the use of scientific methods or the purposeful use of evaluation as purposeful, i.e.,

an instrument to improve something, (Dahler-Larsen, 2012), Scriven's definition is generally accepted.

Dahler-Larsen (2012) writes that evaluation is a product of the progress of reflexive modernization, which is “characterized by having to turn the modern desire for constant improvement against modern institutions and organizations themselves. (Dahler-Larsen, 2012, p.124). The core idea for evaluation is to determine whether institutional and organizational practices were good or bad, or whether there is an improvement that can be done to better the practices. Evaluation can be used to (de)legitimize the organization in terms of input, throughput, or output (Eneqvist, 2022), and give the organization a chance to re-legitimize themselves.

The spread of evaluation has taken place in two major waves (Furubo et al, 2002). The first wave is a rationalist and data-based wave emerging from the US in the late 1960s. The second wave took place together with the emergence of NPM in the late 1980s.

The preconditions for the rationalistic wave of evaluation can be traced back to three main factors (Furubo, 2018). The first factor is the growth of social sciences with the methodology that lays the technological foundation to conduct evaluation. The second factor is an understanding that social science can be used to not only describe social phenomena but to solve social problems. Social science came to study policy and governmental interventions. The third factor is the relation between the social sciences and the decision-makers. Social science became more welcome in governments to make the governments more rational. These factors together created the preconditions for an evaluation wave, which changed public interventions to technical issues rather than political issues (Furubo, 2018). Overall, the wave was driven by a general ideological climate where “*social engineering, guided by social science freed from politics and popular superstition, could eliminate the ugly remnants of a less enlightened age [...] Put another way, certain activities would produce certain outcomes and solve central problems*” (House 1993, p. 138, cited in Furubo, 2018, p.9).

The second wave of evaluation emerged along with NPM (Dahler-Larsen, 2012). Although evaluation had diffused into the world, NPM increased the demand for evaluations. NPM brought ideas and practices from the private sphere to create more efficient public organizations that were not hindered by bureaucratic inflexibility. NPM was meant to create outcome-based

organizations where the results mattered as opposed, to *how* they were reached (Lowe, 2017). NPM relied on evaluation as a tool to ensure that these goals are met.

NPM was meant to steer public organizations to become more efficient and flexible, but this has generally not been the case (Forsell & Ivarsson Westerberg, 2014; Bornemark, 2018). Evaluation practices have put a focus to standardize organizations and making them comparable in quantitative terms. Evaluation has become an integral part of organizational practices to the point where everything that can be measured is measured. Support increased use of evaluation requires an increased amount of administration. Forsell and Ivarsson Westerberg (2014) argue that administration takes up more and more time for professionals in public organizations at the expense of their core function of the operation. Measuring and administrating all things has not only led to an increased proportion of (expensive) administration as well as what has been coined “functional stupidity” (Alvesson & Spicer, 2012).

Functional stupidity is when smart people abide by organizational practices without questioning experienced uncertainties to create order and stability (Alvesson & Spicer, 2012). The phenomena dumb people down as people as they accept and carry out organizational practices that might not be the smartest. The main characteristic of functional stupidity, Alvesson and Spicer (2012) argue, is the lack of reflexivity. Reflexivity involves an ability or willingness to reevaluate personal or organizational claims of knowledge, norms, and justification. Thus, the lack of reflexivity indicates the opposite.

Dahler-Larsen (2012) argues that evaluation has more and more become an unreflexive practice. Evaluation has come to a stage where it is perceived that *if a little evaluation is good, then more evaluation is better*. Principles of the rational wave of evaluation as a tool for reflexivity and learning have been replaced as a tool for control, accountability, and business-as-usual. This results in the emergence of what Dahler-Larsen calls “evaluation machines”.

Evaluation machines (EM) are an ideal type that modern evaluation practices are approaching. Dahler-Larsen follows the sociological tradition of analyzing modernity with the machine metaphor, like Marx and Weber. Dahler-Larsen (2012) states that EM has certain characteristics that describe how the practice of evaluation, just like many modern practices, has become or risk to become more machine-like. These characteristics are *permanence* (evaluation is present over time, be that every month or every four years), *organizational responsibility* (function to create control and accountability free from subjective approaches or biases), *focus on the*

*prospective use of evaluation* (the evaluation is standardized and designed to supplement decision-making), *distinctive epistemological perspective* (based on cultural-cognitive assumptions and supported by certain guidelines to evaluate in a standardized fashion), and *abstract and generalizable coverage* (the outputs of evaluation machines are generally abstract and quantified to allow for comparisons). The EM produces a limited type of knowledge and limits the practices of evaluators to produce certain knowledge. Consequently, evaluation and administration become institutionalized praxis that is taken for granted.

Dahler-Larsen (2012) claims that EM has unintended constitutive effects that change the praxis of the organizations that are evaluated. NPM which was intended to be more flexible became the opposite as public administrations made their organizations stale by making them more evaluable (Forsell & Ivarsson Westberg, 2014; Jacobson et al, 2019). As organizational evaluation functions are formalized, practices adapt to the rules of the evaluation systems. This is specifically clear when it comes to quantified data, as Kristensson Uggla (Translated by the author, 2019, p. 361) writes:

It is a fundamental condition of accounting that in reality, one does not measure first and foremost *what is important*, but *what can be measured*, and when what is important cannot be measured, *then what can be measured becomes what is important*.

Therefore, EM contributes to functional stupidity (Alvesson & Spicer, 2012), which seems to be an emerging paradox of evaluation (Anderson, 2021). The more evaluation we do and the more time professionals put into producing the evaluation data, the less time they have to learn from the evaluation. And instead of creating accountability within organizations, it seems to evaporate accountability as it unfolds in complex organizations (Dahler-Larse, 2018).

Although concerns are being raised about contemporary evaluation practices some stakeholders benefit from this development (Furubo et al, 2018).

#### ***2.4.1 The Marketization of the Evaluation Enterprise***

The increased use of evaluation has functionally differentiated the practice and formed different institutions that support the use of evaluation. Furubo et al (2018) researched how evaluation as a social practice has created an “evaluation enterprise”. The ontology focused on what

practices are carried out to support evaluation and how the management of the evaluation enterprise is affected by the interplay of power between different stakeholders and their interests (Furubo, 2018).

Sandahl (2018) argue that many public administrations seem to be stuck in unwanted systems of evaluation. Evaluations are used as there seem to be no alternatives to legitimize decisions, as decisions are to be based on knowledge. But what kind of knowledge is useful for an evaluation is unsure. The hegemonic use of evaluation focuses on what works as opposed to why it worked or why it did not work and might not always deliver the information needed. Sandahl argues those that who decide about evaluations must both have practical and theoretical knowledge about the possibility to conduct and instrumental use of evaluation, i.e., whether it is a case one should focus on outcomes or learning. Sandahl (2018, p.115) writes:

The question of whether an evaluation is advisable or not will not be raised if we have clients who have no idea of what and how to evaluate, who just follow a protocol, and a big consultant industry which has no interest in questioning the meaning or utility of the evaluations.

The quote above highlights that unreflexive evaluation could be understood as a system of functional stupidity (Alvesson & Spicer, 2012). When there seems to be no alternative to evaluation for the public sector to legitimize itself, evaluation will be in demand. And if evaluation is in demand, there will be those that will supply the demand. Little concern is shown, at least in the public discourse, whether all these evaluations are useful. Currently, the public sector has few alternatives to legitimize policy and projects (Eneqvist, 2022). Meanwhile, consultants capitalize on this need for legitimacy.

Nielsen et al (2018) study the marketization of the evaluation practice in Denmark and the interplay of buyers and sellers. The authors state that the marketization of evaluation has led to more delicate and advanced methodologies and evaluation practices because of increased use for evaluation. Notably, the consultancies do not solely focus on evaluations. There are multiple areas consultancy firms, that work with evaluation, and focus on, such as advisory and policy design. Evaluation has become a big business for consultancy firms because of the increased demand from public administrations, as noted by Sandahl (2018).



With the marketization of evaluations where consultancy firms profit, it is logical that these actors have the interest to increase their profit. Fred and Mukhtar-Landgren (2021) highlight how consultancy firms are driving forces in the attempts of developing SIB markets in Sweden, just as they were with the creation of SI funds (Fred, 2018). Selling the idea of impact evaluation would ideally ensure that for every project or policy, an evaluation would always be needed to assess the outcomes. This begs the question of whether the increased use of evaluation truly is pursued on rational grounds to improve policy, or mostly for solidifying their position on the market and ensuring future profit and growth.

Researchers Colin et al (2021) highlight a potential clash of values between consultants, ministries, politicians, and taxpayers. The authors claim that evaluations made by consultants generally were more positive to the innovation or labor market projects. The authors questioned whether this is because they have more to win by making their customers happy compared to academic evaluations, as a happy customer might want to hire the same evaluators again instead of critical evaluators.

## **2.4 The Contribution of this Study**

The contribution of this research is to pick up where Nordesjö left off and to follow his recommendation that future researchers should study “the constitutive effects in a professional practice” (Nordesjö, 2021, p. 223). The concern is whether the constitutive effects are for the practice of the professionals, evaluands, and evaluators, or if it mainly is a phenomenon on an administrative level.

### 3. Theory

For this study, a theoretical framework constituted from multiple theoreticians will be used. The main theoretical perspectives are the theories of phronesis and power from Flyvbjerg (2001; 2004; 2008; 2012; 2021) and Hartmut Rosa's theories of the human relationship to the world (2019; 2020). These theoretical perspectives will be complemented by Dahler-Larsens (2014) concept of *constitutive effects*. The constitutive effects are the unintended practical consequences that are divided into the category's *worldview*, *content*, *timeline*, and *relationships*. These are summarized in chapter 3.4.

#### 3.1 Phronesis: Going Back to Practice

Flyvbjerg (2001) proposes that practice is the most important social phenomenon and should be the most important object of study. Thus, Flyvbjerg put Aristotle's concept of *phronesis* at the center of his theorizing and analysis.

Phronesis is described as practical wisdom (Flyvbjerg, 2004) and is one of the three main intellectual virtues that is coined by ancient Greek philosopher Aristoteles, alongside *episteme* (generalizable truths) and *techne* (goal-fulfillment, craftsmanship, know-how).

Episteme is a universal truth that exists independent of context, i.e., laws about how the world works. This is generally what is valued the most in social science and society. Generally, epistemic knowledge is constructed and accepted using RCTs to create context-independent knowledge, i.e., the "golden standard" for EBPP (Fred & Mukhtar-Landgren, 2021; Nordesjö, 2021). Pure episteme knowledge states that if one unit of X results in one unit of Y, it happens every time without exceptions (Bornemark, 2020).

Techne knowledge is an artisan know-how knowledge that allows the user to apply knowledge into practice to reach a specific goal (Bornemark, 2020). By applying methods and theoretical knowledge into practice, techne provides the right knowledge to create an outcome. Techne includes a certain amount of implicit knowledge, which makes it non-generalizable. Techne is methodological knowledge. For instance, it is the competence to design a study according to RCT guidelines. It is the knowledge about how one makes practices evaluable, how one teaches to get a point across, or how one should apply physics, logistics, and scheduling to build a bridge between two specific landmasses.

Phronesis is the “intellectual virtue that is reasoned, and capable of action concerning things that are good or bad for man” (Flyvbjerg, 2004, p. 284). Phronesis allows people to make value-rational decisions depending on the situated context. Episteme and techne can exist without phronesis, but phronesis cannot exist without other intellectual virtues. Episteme and techne are developed as a side-product when acquiring phronesis, which is the reason phronesis is described as the most important intellectual virtue (Flyvbjerg, 2022). However, phronesis has become marginalized in contemporary society because of its tacit nature (Bornemark, 2020).

Phronesis from a sociological point of view is close to Bourdieu’s (1986) sociology of practice and concepts such as habitus, taste, and “feel of the game” (Flyvbjerg, 2004; Frank, 2012). Phronesis as an intellectual virtue is developed through and accumulated through practice: “Praxis is the process by which phronesis as a concept becomes lived reality” (Flyvbjerg, 2008, p.153). It is thus to be understood in a similar way as to how habitus is constructed through practice (Bourdieu,1986).

Phronesis can be exemplified with the use of heuristics, that is, “fast and frugal rules of thumb, used to simplify complex decisions” (Flyvbjerg, 2022, p.1). Let us use the heuristic “things never go as planned”, as an example. If one only reads this without any experience in project management, one could be perceived as lazy. From an episteme point of view, it is possible to have a project go according to plan, which makes the heuristic “untrue”. However, the point is that it might not be *wise* to expect it to do so. If project managers plan vulnerable projects that require everything to go according to plan, but they rarely do, then said project will most likely be a failure. Of course, techne knowledge might be able to plan things more delicately and technically advanced to try and avoid failure, that *this time it is going to be different*. But will it ever be enough? Instead, complying with the heuristic that things will not go according to plan, might allow for more realistic project management where uncertainties are expected and accounted for, which allows for resilience for when the inevitable challenge appears.

Neither heuristics nor phronesis can be standardized in EBPP manuals for professionals to follow and create optimal outcomes (Bornemark, 2020). Flyvbjerg expresses that heuristics, pieces of knowledge to navigate the world, must be accompanied by phronesis to be useful: they must resonate with the subject.

“...by "resonate" I mean that a particular heuristic evokes or suggests memories, images, and emotions with the participant from their own personal experience.

They must feel the heuristic, like you feel music, and not just understand it. It must speak to them. I emphasize emotional over intellectual connection at this stage. This is because merely reading and repeating a heuristic means nothing. [...] They must be embodied through long experience. In short, they must be Aristotelian phronesis.”

(Flyvbjerg, 2022, p.8).

The knowledge that resonates is embodied within subjects through practice and experience (Flyvbjerg, 2022). One cannot simply read to get a deep understanding of a heuristic or any other piece of knowledge. *It must speak to them* and *resonate* with their very being (see chapter 3.2) for it to become embodied through practice. But humans do not only make decisions based on their own practical experience that has led to the creation of knowledge and wisdom that resonates with them. Humans are placed in different contexts where their ability to make judgments and act is restricted or abled as a consequence of *power*.

### ***3.1.2 Phronesis and Power***

Flyvbjerg (2004:2012) claims that the distinction of the modern use of phronesis is the focus on power. The idea that rationality guides social practice is false. Flyvbjerg opposes that true rationality exists. Instead, rationality and power are intertwined and consequently create intersubjective rationales, as opposed to objective rationality. Different pieces of knowledge of the world are hegemonic and other is marginalized, such as in the case of episteme and techne versus phronesis. This becomes clear in instances where evaluation is present.

Fred and Nordesjö (2021) conceptualize power in evaluation into three categories. (1) Evaluation as *instrumental power* is to base decision-making on evaluation and to improve the evaluands. (2) Evaluation is affected by *contextual power* that sets boundaries of evaluation use and practice. It can either be used as autonomous surveillance or the power to discover and uncover inconvenient truths. It can give evaluands the possibility to invite different perspectives and share their experience. On the other hand, it can be restricted by contextual power relations and ideas about what is useful information and correct methods. This creates the prerequisites for the use of evaluation. (3) Evaluation also has a *performative power* where the practices of evaluations shape institutions, incentivize behaviors, and produce norms in the evaluated field.

Evaluation and systems of evaluation change the praxis of people and organizations. They create different functions in society where certain actors support evaluation systems.

Flyvbjerg (2004) argues that contextual power and performative power are the most important dimensions of power to study praxis and social practices. This is because instrumental power views evaluation as a rational practice. Flyvbjerg is critical to how rationality truly is.

Acting on truths or rationality is dangerous in a world where truths are created by people (Frank, 2012). This is not in the sense that these “truths” are not pragmatic. Indeed, “truths” might be very efficient, as Foucault (1987, p.208) writes:

Power's intensity most specifically names its increasing efficiency within a system, coupled with increasing saturation. As power becomes more intense, it becomes "more economic and more effective.

A system might be effective independently of truth. Truth is not produced by agents free from the constraint of power themselves. Or as Flyvbjerg (2001, p.124) states: "Power produces rationality and truth; rationality and truth produce power".

Humans cannot be completely sure to what degree rationality or “truths” are true or not. What anyone can do is to try and handle the situations we are in to minimize the danger their actions might have in a reality where no action is danger-free (Frank, 2012). Judgments of action are thus mostly influenced by praxis, power relations, and the context they are embedded in. Still, the idea of true rationality (episteme) exists and is used by those in power to support their judgments and decision-making.

For project management, Flyvbjerg (2021) writes that the funding of projects comes with a power bias or *strategic misrepresentation*. Flyvbjerg (2021, p.534) states that power bias is “*a rationalization where the ends justify the means. The strategy (e.g., achieve funding) dictates the bias (e.g., make projects look good on paper)*”. Those in power do not necessarily want to be limited by rationality, but whenever rationality supports the people in power, the powerful will support rationality. The rationality that is not aligned with the agenda of the powerful might instead be suppressed and marginalized. Thus, Flyvbjerg (2021) argues that rationality might just be rationalization.

Social systems that are forced upon people might either strengthen or restrict subjects to resonate with the world and find meaning (Rosa, 2020). When politicians demand measurable results from a project, it creates a context where public administrators need to maneuver “the game” (Frank, 2012). They need to try and create the results demanded by the politicians and higher management, but they also need to handle real contextual situations that politicians do not know of, as they have no phronesis of the praxis.

### **3.2 Sociology of Human Relationship to the World: The World as a Point of Aggression**

Resonance is a complex and fuzzy concept in sociology. Resonance is a central concept in Hartmut Rosa’s (2019; 2020) sociology of human relationship to the world, and a lot of insights will be drawn from the influence of his work. It will be integrated with the previous theoretical concepts of phronesis and power as described by Flyvbjerg. To understand what makes something resonate, we need to understand Rosa’s sociology of human relationship to the world.

Rosa (2019) argues that all subjects relate to the surrounding world, the social and objective, in different ways. People are socialized to form a practical relationship with the world that indicates how we approach the world, what we believe the world can offer us, or how we can control the world and use strategies to get more out of life with the help of technology. Phronesis should be understood as the intellectual virtue in which the subject forms a meaningful and resonant relationship with the world (Flyvbjerg, 2022).

Rosa’s sociological concern is that the world has become a point of aggression (Rosa, 2020). The project of modernity has been one of rationalization, optimization, and making the world controllable. Rosa’s main argument is that the project of modernity to control the world has left it disenchanted, lifeless, and without meaning. Although significant economic and material developments have been made during modernity, there seem to be more cases of burnout and depression than ever before (Rosa, 2020; Paulsen, 2020).

The controllability of the world requires the world to be accessible for us to control, it must become *reachable*. The controllability of the world can thus be divided into four dimensions (Rosa, 2020). Firstly, to make the world *visible* is to acquire or develop knowledge of the world.

Secondly, to make the world *accessible*, to make it reachable and physically acquirable. Thirdly, is to *manage* the world. Such as managing the air with airplanes, the oceans with boats, and darkness with lightbulbs and doing it on an institutionalized level. Fourthly, is to use the knowledge and mastery to control the world and put it into *instrumental* use for a specific goal. When all the dimensions are mastered, the object is completely *controllable*.

### ***3.2.1 The Controllable World: A Dead World?***

Making the world controllable is impossible according to Rosa (2020). The world is too complex and the idea of making the world controllable most often displaces current risks and uncontrollable elements to a later stage (Beck, 1992). Furthermore, it might not be desirable. This would imply a one-way relationship where the world's uniqueness is silenced and consequently the humans become deaf to it, and it becomes disenchanting. When people believe they control the world, they do not need to listen to it and let it affect them. This, Rosa argues, leads to alienation, a “relation of relationlessness” (Rosa 2015, p.184).

The antithesis to alienation is instead *resonance*. Resonance is a state or relationship to the world that is formed when the subject and world interact leading to an emotional response of “*intrinsic interest, and perceived self-efficacy, in which subject and world are mutually affected and transformed*” (Rosa, 201, p.174). It is a responsive relationship that is both characterized with responsiveness where both world and the subject *speak with their own voice*. When the world calls out to you, you must be open to its influence, and allow it to change you and transform you. The resonant relationship will change how the subject interacts with the world and give it new meaning (Rosa, 2020).

The paradox is that resonance cannot be accumulated, enhanced, or standardized (Rosa, 2020). One major problem with modernity is that it mistakes reachability for controllability. At least one of the dimensions of controllability must be met to form a resonant relationship. They must be “semi-controllable”; a world that we can reach. Alienation emerges when we feel that we cannot reach the world or that the world has nothing to say to us. A resonant relationship requires us to feel that there is more for us to get from the relationship. A controllable world is a dead, meaningless, world.

Rosa's sociology of human relationship to the world provides conceptual tools to understand EBPP, outcome-based governance, and evaluation, and why SI is appealing but also dangerous. It promises the ability to control the social, by knowing of it and its cause and effect, managing it in an organization and everyday practice, and using it to solve social problems through instrumental use. However, these technologies, policies, and practices risk leading to alienation as it views the world as a point of aggression where it must be altered, consequently undermining the dynamics of resonance. It incites people to not listen to the world but to follow the socially engineered methods and interventions developed by experts. The lack of resonance is managed by imposing power on the professionals to make them conduct certain praxis.

### **3.3 The Context of Evaluation: Resonant or Mute Relationship to the World**

Studying professionals' everyday praxis in a context where evaluation is central creates a specific relationship to their work. Dahler-Larsen (2012) uses the ideal type of "evaluation machine" (EM) to describe the trend of modern evaluation practices in organizations:

"Evaluation machines are mandatory procedures for automated and detailed surveillance that give an overview of organizational activities by means of documentation and intense data concentration"

(Dahler-Larsen, 2012, p. 176).

EM requires people to carry out the right practices for them to function (Lindgren et al, 2019). This shift has led to different relationships of power institutionalized into organizations, determined by their relation to the EM (Fred & Nordesjö, 2021). Either you are in the driving seat of the EM, or you are the input data that is to be audited and judged (Dahler-Larsen, 2012).

Phronesis is generally neglected in EM. The very function of evaluation systems is to replace subjective understanding with objective, rational, understanding (Dahler-Larsen, 2012). This does not neglect that subjects *are* involved and the ones that operate the EM. Meaning that all subjects that have a relationship to an EM find meaning in relation to it (Rosa, 2020). Whether people believe it is good and important or alienating or counterproductive to operate or administrate the evaluation machine. Dahler-Larsen (2012, p.192) describe how professionals



might develop negative relationships with evaluation machines due to the fact it tries to negate their phronesis.

“Some professionals feel that evaluation machines are not only producing fictions but in fact undermining their professional discretion. This is the ability to exercise judgment and apply complex theoretical or practical knowledge to various situations on the basis of careful analysis of a situation. Evaluation machines may restrict this discretion by imposing narrowly defined criteria.”

Operating an evaluation machine day-to-day while not believing that the practices or outputs are good or meaningful can lead to discontent, resistance, or even alienation (Rosa, 2019). EM has the implications of numbing the axis of resonance, such as other procedures that try to produce specific results. Rosa (Translated by me, 2020. p. 77) writes:

The attempt to control interaction processes in a goal-related way (e.g. in health care and schools, but also in research and politics) also leads here to the axis of resonance being muted.

The dominant nature of power and its ability to force itself upon people, even though they find it meaningless or alienating, is a risk that compromises the subject’s ability to stand in a resonant relationship to the world based on their “true voice” (Rosa, 2019).

Practices and processes of evaluations are performed by people. If they find no meaning in their interaction, it might instead result in alienation. If the outcomes narrowly defined indicators that are the only important things in organizations, Rosa (2020) argues it will mute the diagonal and horizontal axis of resonance. Not only does it alienate professionals in their everyday work, but it also alienates the relationship between people.

### **3.4 Constitutive Effects as an Analytical Tool**

To summarize the theoretical discussion into the analytical tools, I will use Dahler-Larsen’s (2012; 2014) concept of “constitutive effects” as a catalyst of previous theoretical discussion. The framing of constitutive effects will be used to determine the practical consequences that evaluation creates.

### ***3.5.1 Interpretive frames and world views***

Interpretive frames and world view certain logics and outlook on the world that affects how practice is rationalized (Dahler-Larsen, 2014). The SI framework is an attempt to practice social engineering. It attempts to make the world accessible, controllable, and constructible by using EBPP and impact evaluation (Rosa, 2019; 2020).

To understand how the different professionals rationalize the use of the SI and their relation to it, the different dimensions of controllability will be examined (Rosa, 2020). That is, whether professionals highlight the rationale of SI to make the world controllable.

- **Visible:** how SI contributes to people seeing the relationship between cause and effect. Specifically, how social interventions and outcomes can be visible from an economic perspective.
- **Accessible:** how SI contributes to making the world reachable in the terms. It allows people to develop or apply new methods in their organizations.
- **Manageable:** how the SI framework makes it possible to practically manage local resources and get things done.
- **Instrumental:** how the SI framework becomes a useful tool that can be used to reach specific goals. Such goals are to efficiently use taxpayers' money to solve social problems and be able to legitimize it through economic terms.

### ***3.5.2 Content and What to Strive For***

The “content” in question and “what to strive for” refers to what is perceived as valuable and important (Dahler-Larsen, 2014). This puts into question how the professionals perceive what is the most important to strive for when implementing SI into practice. This creates a context where professionals need to use their phronesis to navigate the power relations and make value-rational judgments to create the most value (Flyvbjerg, 2004).

### ***3.5.3 Timeframes***

The timeframes focus on how time is viewed concerning evaluation (Dahler-Larsen, 2014) and SI. The timeframe is relevant to how and when outcomes of SI are supposed to be created, how

long the effects should last, and when they should be measurable. There is generally pressure for SI to create measurable outcomes *fast* (Nordesjö, 2021).

When analyzing the practice of SI concerning evaluation, the explicit focus is put on two dimensions of time: *time* and *timing*. *Time* refers to the quantity of time. Whether how long a SI project operates before measurable outcomes are expected. The *timing* refers to when different practices are taken place with other groups of function. That is, when did the project group design the intervention, when were the evaluators involved, and when should the evaluation itself provide value?

### **3.5.4 Relationships**

Relationships refer to how SI and evaluation form different social groups with different functions and interactions with the evaluation system or *evaluation machine* (Dahler-Larsen, 2014). The theoretical perspective in this study has a different perspective on the importance of relationships than Dahler-Larsen originally proposed. To analyze relations, the different *axis of resonance* will act as an analytical tool (Rosa, 2019).

The *horizontal* axis refers to the human-to-human relationships that people have with each other. The horizontal axis of resonance does not refer to the absence of hierarchy. But hierarchy and power differences might mute resonance if too many dimensions of controllability i.e., power, defines the relationship (Rosa, 2020). In the case of SI funds, it refers to who interacts with who, how are the relationships for SI in the municipality organized, and are these relationships mutually beneficial or one-way.

The *diagonal* axis refers to the relation to work and the material world. The focus of analysis is here put on the professionals' relationship to their work with SI: does it resonate with them, or does it alienate them?

The *vertical* axis refers to how professionals relate to grand ideas such as religion, nature, history, or art, but focuses in this study on the idea of a good society. That is, how SI might promise a future of an optimally socially engineered society.

## 4. Methodology: Phronetic Social Science Research

This dissertation will follow Bent Flyvbjerg's (2004;2012) methodological approach for phronetic social science (PSS). It is a set of theoretical and methodological guidelines which hopes to guide the researcher to conduct social research that matters (Flyvbjerg, 2001).

Flyvbjerg (2004) is critical to the natural science ideal social science. The natural sciences are interested in creating *episteme* knowledge, whereas this has had success in natural sciences, it is not ideal for social science. The social is always situated in contextual settings that affect people differently. Flyvbjerg proposes that the departure of PSS is to focus on values, interests, and power relations concerned and how they affect practice.

The PSS questions are as follows (Flyvbjerg et al, 2012): (i) "Where are we going?", an open question that wants to understand the case being studied and the context, values involved, and rationality. (ii) "Who gains and who loses by this development and by which mechanism of power?" emphasizes power relations, emphasizing that every context or social phenomenon is affected by power, which in turn affects people and their praxis. (iii) "Is this development desirable?" is a clear normative question, which tries to judge, based on what has been learned by answering the questions (i) and (ii). This puts the author's phronesis to the test, answering this value-rational question. (iv) "What, if anything, should we do about it?" opens up for alternative developments, proposing alternative interventions to change the trajectory to be more desirable.

The first value-rational question "where are we going?" has been modified for this study. Instead, it becomes replaced with the question "What are the unintended effects professionals must manage when working with social investments?". The original question is too broad to answer for this study and was therefore replaced.

PSS researchers are aware that there is no neutral research question without biases, values, and relations of power attached to them (Flyvbjerg et al, 2012). The researchers are, just as any other professions, entwined in power- relations. There are systems of funding, status connected to the number of publications and publications in specific journals, and struggles internally to either get time for research or teaching/supervision to name a few (Kristensson Uggla, 2019). Social scientists' quest for excellence should perhaps not be to establish truths about the social world, but instead to continue to ask questions about the world and continue trying to answer them. Even though they might never truly do. If there are cases and contexts where people act,

the PSS questions presented above can always be asked to try to understand why such practices take place and if they contribute to the good.

PSS research accepts that every study is thus one voice among many, leaning into the postmodern approach of not trying to claim ultimate truths. (Flyvbjerg, 2004). This should not be viewed as an acceptance that there is multiple objective “truths” or “realities”. It is, however, a clear statement that any attempt to claim a complete truth about society is impossible and therefore naïve. Instead, the author acknowledges that there are political, normative, and information biases, and instead produces this study to invite the reader to practice reflexive reflexivity (Flyvbjerg, 2004), in the way that Bourdieu advocated for his texts to be interpreted.

There are eight theoretical and embedded methodological guidelines that Flyvbjerg (2004) has proposed for PSS. The guidelines are as follows: (1) focusing on values, (2) power should be placed at the core of analysis, (3) getting close to reality, (4) emphasizing the “little things, (5) asking how and doing narrative, (6) move beyond agency and structure, (7) dialoguing with a polyphony of voices, and (8) studying cases and contexts. These guidelines have been a guide and incorporated into the design of the study to the largest degree possible.

#### **4.1. Case: The City of Stockholm and the Social Investment Project Tech Tensta**

In 2015, the City of Stockholm decided (Stadsledningskontoret tjänsteutlåtande, 2015) to establish an SI fund as a part of its long-term commitment to reducing the growing social inequalities in the city. This was a policy framework for funding that was meant to combat the rising social inequalities in the city (Bremberg et al, 2015). In 2015, the SI fund had 300 million SEK that was distributed towards sixteen projects (Balkfors et al, 2019). Since then, an additional 250 million SEK has been allocated to the fund.

The city administration office in the city of Stockholm has procured external evaluators to evaluate the SI fund projects in the city of Stockholm. These have been commissioned at different times with a few batches of projects to be evaluated at a time. One consultancy firm has won the public procurement for most of the projects. Of the 18 projects that have been commissioned for evaluation, 14 have been won by the same consultancy firm. The evaluations have mainly been for the first batch of projects that started in 2017. The consultancy firm has

been working with SI evaluation for the city of Stockholm since the end of 2020 when they won their first public procurements.

Tech Tensta is a SI project in the city. Tech Tensta is an open-leisure activity center<sup>1</sup> with a specific focus on developing youths' interests and competencies in technology and is called Tech Tensta. The idea was proposed by the local youths in dialogues with the district administration on how to promote an interest in technology in the local youths. Tech Tensta has planned activities such as coding courses, mentorship programs, and a general learning-by-doing approach. The innovative part of Tech Tensta is to combine the idea of open-leisure activity centers with educational activities in cooperation with academia and businesses to spark an interest in youths to pursue studies and a career in tech industries.

The application of Tech Tensta from the SI fund was accepted in 2016. The project received 10.4 million SEK for the duration of 2017-2020. The district committee has since decided to continue funding Tech Tensta to continue the operations after the end of 2020. The evaluation of Tech Tensta evaluation took place in late summer of 2021 and evaluated the period 2017-2020 when Tech Tensta was financed by the SI fund.

Thus, the case study is not a study about the evaluation of the social investment fund in the city of Stockholm or the implementation of the project of Tech Tensta. Instead, it is a case study of professionals that work with SI (implementation and evaluation), which happens to be situated in the city of Stockholm and abides by the same framework of the city's SI fund (Farthing, 2016).

## **4.2 Data Collection**

The study has collected empirical material through semi-structural interviews. An interview guide was prepared for the interviews with three main themes: (i) profession and background; (ii) knowledge and attitude towards SI (perceived rationality of SI); (iii) practical experience on working with SI fund projects. The questions vary marginally between the different interviewees depending on their positions (see Appendix 1).

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<sup>1</sup> Open-leisure activity centres is a specific form organizing leisure activities on municipal level in Sweden. It is "open" in the sense that everyone in the age demographic targeted is welcomed. It is a place where children and adolescence can go whenever they like, socialize with friends, play games, or join planned activities.

The method of the interview inspired Kvale and Brinkmann’s (2014) idea of doing *inter* views. The authors argue that doing is a process where both parties co-create the knowledge with questions and answers. The interview guide was used as a point of departure, but it was not restricted to it.

The interviewees were selected based on previous knowledge of their involvement in the SI fund of the city of Stockholm. This knowledge has been acquired by the author by previously or currently working beside or alongside said interviewees in different organizations. To attempt to negate this effect all interviewees were asked at the end of their interview if they could name anyone who should be interviewed for the study. Three potential interviewees were recommended. However, they were not available to participate in the study.

The interviewees were contacted through e-mail with an invitation for an interview and described the purpose of the study. They were given the option to participate through Zoom or in person. Five of the interviews were held online through Zoom and three interviews were done in public cafés or the interviewees' workplaces. Overall, 7 people were interviewed for 60 to 75 minutes.

**Table 1 – Empirical Material**

<b>Interviewees</b>	<b>Interview setting</b>	<b>Role</b>	<b>Title</b>
Gregory	Zoom	Evaluator	Consultant
Evelyn	In-person	Evaluator	Consultant
Richard	Zoom	Evaluator	Consultant
Nathaniel	Zoom	Evaluator	Consultant
Diana	Zoom	Steering group	Senior Civil servant
Hannah	In-person	Steering group	Manager
Oliver	In-person	Project worker	Youth leader
<b>Documents</b>		<b>Source</b>	
<i>Implementation guidelines for social investments in the City of Stockholm.</i>		Appendix 2	
Evaluation guidelines for the consultants		Hultkrantz (2015a; 2015b) <sup>2</sup>	

<sup>2</sup> Hultkrantz partner with the consultancy firm to ensure high quality of the impact evaluation.

The evaluators were a quite homogenous group with similar education age, and experience working with SI evaluation. All interviewed evaluators had an educational background in economics, they were around 30 years old and had been involved in evaluating between three to eight SI projects, only for the City of Stockholm. The evaluands were a more mixed group with various positions and functions, educational backgrounds, ages, and experience working with SI projects. See Table 1 for an overview of the interviewees (the names have been altered).

### **4.3 Validity and Reliability**

All research needs to be concerned about validity and reliability. Qualitative studies are often argued for their strength regarding validity and their ability to truly study the thing that was intended (Kvale & Brinkmann, 2014).

Reliability is especially important in attempts to gain episteme knowledge. The generalizable nature of episteme knowledge requires the knowledge to be reliable in any context (Flyvbjerg, 2004). Quantitative research focusing on establishing lawlike claims thus needs to be able to replicate claims. Someone other than the original researcher of a study should be able to apply the same methodological approach and reach a similar result. Since PSS does not set out to study episteme knowledge, the use of reliability as a concept becomes limited.

When answering research questions 3 and four (Is this development desirable; what, if anything, should we do about it?), the author will take a normative stance on the researched case based on the experiences of the interviewees and the author himself (Flyvbjerg, 2012). A PSS researcher acknowledges that the answers to the questions are biased, but so is all research, as all people are biased.

The validity of the study is instead a more relevant concept to discuss. The validity of qualitative research is often to offer a deep understanding of a subject and whether the study answers the research questions. This is the strength of qualitative research, as it can reflexively adapt throughout its execution. However, the claim of truthfulness will not be possible, due to the previous review of PSS research. I will instead invite the reader to reflexively interpret the analysis and results of this study and take a stance on their own.



### ***4.3.1 Alternative Methods Considered***

Other methods could have been used to study SI. Using interviews is an effective way of acquiring the perspective of the interviewee. Interviewees can reflect and create knowledge from a good discussion. However, as PSS researcher wishes to get as close to practice as possible (Flyvbjerg, 2004), this becomes a limiting factor when only relying on interviews.

Participatory research such as field observations would bring the researcher much closer to practice. Observing from the field, in a combination with interviews, would allow for a deep interview regarding concrete episodes. If the author sees something of interest, they can ask the interviewee about it concretely and directly. Alas, the difficulty with field research is regarding access to the field of study, which is often difficult to gain for researchers. Such was the case for this study.

## **4.4 Data Management and Analysis**

The interviews were audio recorded and transcribed to compensate for the notes that were taken during the interview. The text was then categorized into themes based on the categories of the concept of constitutive effects (interpretive frames and worldviews; content; timeframes; relationships). After the initial analysis, the transcripts were coded into the themes focusing on the other research questions, following the chronological order of the research questions to construct a narrative (Flyvbjerg, 2004).

## **4.4 Ethical Considerations**

Different ethical considerations have been applied to this study. Firstly, this study has applied the ethical guidelines presented by the Swedish Research Council (2017). These guidelines give a bare minimum of ethical considerations that all social scientists should abide too. The guidelines are:

- *Information requirement*: the interviewees were informed about the purpose of the study and how their participation would be used as data for the study.

- *Informed consent:* The interviewees were informed that their participation in the study was based on their consent. They informed us that they might withdraw their participation from the study in any phase before the publication of the study.
- *Confidentiality:* All interviews were handled with the greatest degree of confidentiality. The selection of interview citations has to the biggest degree possible been made to make it impossible for any readers to link the statement to the person. Interviewees regarding audio recording and transcripts were depersonalized to not involve any names. The data was stored on a local hard drive of the author where no other person had access to the computer or the hard drive.
- *Utilization requirement:* The interviewees were informed that the interviews would only be used in this study. After this study is submitted, all of the collected data from interviewees will be deleted.

#### ***4.4.1 Personal Relationships and Ethical Consideration***

In addition to the previous guideline, the author has considered extra ethical considerations because the author has been working within both organizations. This means that current and previous colleagues have been interviewed for this study. This has contributed to the selection of cases, access to the field of study, and contextual knowledge of the professionals, but it also puts a lot of responsibility on the author to present them fairly while keeping the scientific integrity. Interviewing people with previously established relationships might lead to interview situations that the interviewer is unfamiliar with. The traditional interviewer-interviewee relation changes when there are other relational dimensions integrated into the interview situation.

The author has been careful of including information that could lead to negative consequences relationship between the City of Stockholm and the consultancy firm. There is information that the author has acquired from the inside of the organization, as well because of a prior relationship, that would potentially lead to trouble for the involved interviewees if they would be identified. Thus, such sensitive information has been excluded. Even if Flyvbjerg (2004) states that bad science is unethical science, the excluded information has not been detrimental to the quality or findings of the study.

## 5. Analysis

In this chapter, the analysis of the interviews will be presented to the research question. It follows the research question chronologically as they have been presented in chapter 1.3.

### 5.1 How Problems and Solutions are Framed in Social Investment Work

The interpretive frame and worldview define what problems are identified, the perceived solution to the problems, and a normative rationale for what is a good solution to solve the problem. All professionals see SI as a possibility to work preventively with social issues for long-term effects. But there were different interpretations from the interviewees of what identified as a problem and what the solutions are. Whereas the logic of SI to do social intervention early are dominant among all professionals working with SI, there is a discrepancy of whether the SI intervention should be handled as an *innovation* or an *investment*. This has consequences in how rationality is legitimized from the professional's point of view in how it can control and change the world.

#### 5.1.1 Social Investments as Innovations

For the project group, Tech Tensta was an innovative project. When the project idea was formulated, it was a part of the experimental project Demo Digital Stockholm (Eneqvist, 2022). The project was to design and implement an intervention that bridged the gap between the local youth and the ICT (information and communication technology) cluster in the nearby area of Kista. Innovation was the focus of the project group.

Of the consultants, some of them explicitly stated support for experiments when implementing SI. They argue that experiments are vital because what is done now is not working. The current praxis is what creates inequality, marginalization, and struggles. To figure out what the current praxis should be replaced with requires us to experiment and measure those experiments. When asking regarding the legitimacy of public actors doing experiments for taxpayers' money, one Gregory answered the following way:

I continue to be amazed at how many interventions we have, policies, that are not well supported. It's either continuing to gamble on a big level, or gambling on a

smaller level and scaling it up. I understand the question, but the counter-question is: how does it work today? It's a shame. In what contexts do you do RCTs? The gold standard to create evidence. The development sector. You do it in poorer countries because there is less chance of people thinking it's unethical. Why don't we do such experiments here and scale them up in other countries? [...] We need to do social innovation and have a huge value in doing so. [...] I'm all for doing more experiments.

Gregory

The support for working with SI as innovation is generally accepted and meaningful for both groups of professions. For the project group, it is an ability to try new things that they previously have not been able to. For the consultants, it is a possibility to test which policy initiatives are effective and whether it is possible to diffuse the SI intervention in other contexts.

### ***5.1.2 Social Investment as “Investments”***

The evaluators are fully aware that it is the intervening SI project that is what creates social values, but they all observe a lack of focus on the investment perspective of SI. From the evaluators' point of view, they have mostly experienced the SI fund to be an instrument to finance projects. The logic is that by intervening early with a specific service or intervention future costs could be avoided, this equals an investment. Although this is technically true, the consultants stressed that the effects of the investments must be measured to see whether the investments have a SROI. As educated economists, this was a central aspect of their understanding of the SI framework. When asked about the encounters with different project groups, Richard said the following:

For it to be an investment, you must be able to show at some point that you're getting money back. [...] And I think that many of the investments that the City of Stockholm has made certainly have or will get the money back. [...] But there is this thing about measuring the effects [...] they haven't really thought it through from the start, is my feeling anyway. Impact evaluation is something that came afterward. And in my world [...] from an economics background, you start thinking about how to measure the impact. You don't start with: "this is fun, let's

do this," and then hope it works out. You think, what is the long-term impact? I think that everything that has been done and that I have seen has been done with the best of intentions and it has certainly produced great value, but it is a shortcoming that you don't have good enough systems to measure these projects. We'll probably never know, at least the investments that have been made so far, we'll never know if they're profitable.

Richard

From evaluating different SI projects, the evaluators state that there is a lack of understanding of how the investment is measured from project workers. The project group of TechT ensta put little thought into the project as an investment. At least not in the sense economists view investments. The project group instead look at relationships between the staff at the youth center and the youth they encounter. Their view of successful investments revolves around whether they experience that the children that come to Tech Tensta succeed, get part-time jobs in IT or coding, or get into secondary education focusing on tech. They do not focus on putting a monetary value on that investment.

There is a clear discrepancy in the understanding of the SI perspective and how it is useful compared to a “normally” funded project. Furthermore, there is a big emphasis put on the evaluation for the policy framework to function as intended.

### ***5.1.3 Controlling the World Through Social Investments***

The different professions highlight different aspects of SI. There is a clear difference between how they view SI projects to make to world controllable (Rosa, 2020).

The evaluators' perspective of SI is the need to make the social interventions *visible* (can we see the outcomes?) and thus *useful* (how it could be applied across society) in the organizational and political context. A context where social interventions need to be prioritized between many different initiatives as capital is finite. To do this, municipalities need to see what method is the best. The rationale is that this could contribute to a smarter public sector that can maximize the use of taxpayers' money to create social value.

The project group mainly focuses on how it makes the world accessible (funding to conduct the project) and manageable (a new method of working with tech and leisure for children) for them to do their best possible work. Their focus is to empower the youths, developing and applying methods that reach the children they work with. Their rationale revolves around being a positive force on a micro level, helping individuals, and providing meaningful leisure activities for children in need.

## **5.2 The Rules of the Social Investment Game**

Earlier research has described the administrations and measurements to be a burden for the core operations in organizations (Forsell & Ivarsson Westerberg, 2014) but this has not been observed in this study. They have, however, referred to colleagues that have resisted measuring and taking part in the evaluation process. No interviewee was critical to the fact that measurement was needed. For some, it was described as an instrumental tool that one could refer to when arguing with the manager about the need for extra staff on certain days of the week as the workload varies (Fred & Nordesjö, 2021).

The consultant Evelyn mentioned that public organization generally does not have a problem with the idea that measurements are needed, but rather what they should be measured and how. The SI framework requires the project to be set up measure causality, according to the following formula. These are research-level practices that require advanced social science competencies, that might be lacking. Another consultant, Nathaniel, said that he has experienced variance between projects and how measuring was approached.

In some projects, it hasn't been a problem at all. In some projects, you have collected lots of data and tried to measure things, in others you have given up a bit earlier and accepted that "this can't be measured". Even though it certainly could have been done. Generally, I would not say that there is any resistance to measure. I have not experienced that.

Nathaniel

Nathaniel's comment that civil servants might believe that "this cannot be measured" indicated that there probably is a lacking understanding of how to measure SI in project groups or that it is not thought of as something vital that must be addressed before continuing. When it comes

to *what to strive for* in SI it sets up rules and objectives that actors are incentivized to pursue. This could lead to conflict if not everyone accepts the “rules of the game”. Diana, with long experience in project management, describes how incorporating a measuring system for Tech Tensta was met with resistance.

I wished I could have influenced the work early. I had to come in and repair it. That made the project manager work against me because she took it as personal criticism. She wanted to do what she had been doing all along. And I wasn't her boss, I was a support function to her managers, and she had a hard time accepting that I would come in and have suggestions for changes[...]. It wasn't my fault; it was because she couldn't do it. But she saw it as me restricting her.

Diana

The lack of early project design and preparations to measure the impact of the SI projects in the city of Stockholm has led to difficulties to evaluate the projects. The evaluators have been left in a situation where they cannot analyze the outcomes of the projects which they are being hired to do. Although they have a model for how they are supposed to evaluate and analyze the projects, this model often needs to be adapted for the different projects.

When asked about how the evaluators would like to improve the SI framework in the city, multiple consultants said that the SI framework would benefit by applying more strict requirements for the projects. It would make their job as evaluators easier, which consequently would result in better impact evaluations. They were very much aware of how this might not lead to better implementation of social innovations and interventions, but that it still has central social value. The consultant Nathaniel puts it like this:

Again, I'm speaking from an evaluation perspective, but if there were more requirements for interventions to be rigged to be evaluated, I think that would be good. It would not only be good for us as consultants that sell the service. I think there is a societal value in knowing what works and what doesn't work. Because then you can test it in one municipality and then the next municipality can make an informed decision about what to invest in. And precisely because it is an investment framework, it should be logical and reasonable to rig for evaluation as well. So it shouldn't be that difficult to convince people.

Nathaniel

Putting further pressure on the applicants to show how they can measure their outcomes might lead to more evaluable interventions and projects. By strengthening the focus of *investments*, these projects and evaluations might have an instrumental use in future policy and practice in the municipality.

On the other hand, the stricter demands for the project to fit into an evaluable design limits what projects can apply for funding. Since, April 2022, the city administration office has updated the internal documents for the application process of the SI fund. It states what is required by the intervention in terms of making it evaluable. Consequently, it makes SI projects less accessible to civil servants. The process of applying for funding becomes too resource-consuming and complex. One of the interviewees from Tech Tensta said the following about applying to the SI fund:

I think that the most difficult thing is to send an application that meets the many requirements of the managers and decision-makers. But also, the part of demonstrating results. How can I show that the social investment project leads to an improvement, and how to measure [it]? That's a challenge.

Hannah

If the rules of the game are too complex, they might become overwhelming resulting in players staying out of the game. Arguably, this creates a dilemma. If the rules are too complex people will not play. But on the contrary, a lack of rules might lead to frustration for those involved. A project worker described the interaction with the consultants that evaluated Tech Tensta.

They worked based on a template: 'This is what we will report'. That template was used to evaluate several different projects. That template was set when the projects had been going on for several years. You had to fit the project into an external evaluation template. If you had known that "this is what they are going to evaluate" when you started, you could have adjusted for it.

Diana

The rules of SIs are becoming more and more explicit. Although it creates difficulties for applicants to apply money for the fund, perhaps it sets up a SI framework that functions as the



central city office intended. Additionally, project workers seem to welcome transparency in how projects will be evaluated towards the end because it would allow them to steer and adapt their administration and measuring procedures to fit into the evaluation template.

### ***5.2.1 Perfect Being the Enemy of Good***

The creative processes of designing and creating the intervention have generally been the priority of the project group. But the goal of creating outcomes leads to a concern for the project group. Before opening their operation, the project group researched evidence for how technology, leisure activities, and teaching could be combined and optimized. The first project leader put a lot of focus on basing the project on EBPP. One project worker from Tech Tensta said the following:

We were very careful to base our approaches on reference find studies and get it as academic as possible. Precisely because we did not want to make a mistake, and that something was done without reason. [...]. But we noticed that this became very extensive for a leisure center, [...] they wanted to see results.

Oliver

The project group was aware that people both up hierarchically and citizens examined what they did. The open character of the intervention made it available for people from the outside to review their activities. One of the interviewed project managers mentioned that there was a letter to the editor of the local newspaper in 2020 about Tech Tensta. The idea of creating outcomes using EBPP paralyzed them to doing nothing. When asked if there was any pressure to create outcomes in SI, the project worker Oliver answered the following:

There is a lot of money that is brought in, and then it feels like you are very careful in what you do so that you do not waste money. It also gives the feeling that you have to create results. [...]. And that was felt a lot among our project managers and those above. That you must get to the result for it not to be seen as a failure.

Oliver

There seemed to be a lack of knowledge of how the SI logic and framework should have been implemented in practice for the project group. The project group worked closely looking at the

fund application when designing the tech center because they did not want to do wrong. As a result, they did little to nothing in terms of actually implementing a SI during this time. For the first two years 2017-2019, the project was mostly in a planning phase. Exactly what happened is unsure. The project leader was fired, and multiple attempts were made to replace the project leader that would open the operation. This led to multiple soft relaunches of the project, where every project leader had a different rationale for which direction the project should take.

To avoid doing wrong and to do right are two different things. One is where actors refer to manuals, documents, and hierarchy for what they should do, the other one is where their intuition, sense of meaning, and phronesis formulate what is right, good, and wise to do in situations (Bornemark, 2020). In an innovation project, is it not wise to innovative and trust in the process of experimentation? Or is it wiser to focus outcomes to legitimize the project for stakeholders with and outside of the organizations? These are questions that cannot be answered in this text, as it would require too much information on the internal struggles and challenges of the project. The civil servant Diana stressed that you must be courageous in innovation projects for them to work:

I can imagine that there are social innovation projects that are considered bad because they have not succeeded. But you also have to be aware that if you don't dare to fail with projects, you will never succeed. If there was one thing I learned from the EU projects, was to learn something in one project you take it to the next project [...]. You can learn a lot about what didn't work in the first project, [...] and learn from it. [...] Commonly, projects are canceled because they didn't succeed and then the project managers and managers become the "losers", instead of saying "great, now we know" [...]. It takes courage and being able to explain it to politicians because they only look at numbers.

Diana

Practical wisdom develops through practice, not planning (Flyvbjerg, 2004). The long planning phase and staff turnover resulted in missed out development of the phronesis of the professionals. Phronesis is the quality of navigating between previous practice, values, and rationality to determine what should be done in a situation and act upon it. It is what allows the subjects to take an idea or methodological tool and apply it in the right situation. It was not until

the project became stable that the project could truly evolve in dialogue with the youths. By building a relationship with the youths, listening to how they experience a workshop, and adapt

The assumption that one could control the world by acquiring enough knowledge and preparing rigorously has created difficulties for the project (Rosa, 2020). It has stopped the momentum and created questioning of legitimacy, staff turnover, and uncertainties about whether one truly does anything optimal. It has not been until the project group opened the tech center and developed it that it has been able to evolve through interaction with the target group by listening and connecting with the children and creating actual outcomes.

### **5.3 Time frames in Social Investment Practices**

Central to SI is that they are *projects* that stretch over a certain time. Previous research has pointed out that projectification (Fred, 2018) generally is diffused across public administrations and is particularly exemplified by the SI fund projects. The timeframes for the projects are between two to four years, with an application process beforehand and an evaluation towards the end or after the completion of the project. What more is the importance of *timing* when the evaluators and evaluands interact with each other and with their work in relation to the other.

#### **5.3.1 Timeline**

The idea of Tech Tensta was formulated in 2016 and was a part of the experimental governance project Digital Demo Stockholm (Eneqvist, 2022). To make the idea possible, they applied for the SI fund and were approved for the project, which was initiated in 2017. A project manager worked with the project for two years, focusing on researching methods and planning before being replaced due to the exaggerated planning process that led to inaction. They found a project manager that was able to start up the operations in 2018. They continued to develop their operations until the end of the project in December 2020. However, the district administration decided to continue with the operations, taking from their budget, as Tech Tensta reached another target audience, specifically girls. In 2021, they changed into new facilities. In late summer and early fall, they were approached by the consultants that were to evaluate the project.

**Figure 2 – Timeline of Tech Tensta and the Social Investment Fund**

2015	2016	2017	2018	2019	2020	2021
<p>The decision to create a SI fund was made.</p> <p>The idea of Tech Tensta emerged</p>	<p>Application for project funding.</p> <p>The first batch of SI projects was accepted.</p>	<p>The project period for SI projects starts</p> <p>Tech Tensta was planning.</p>	<p>The project manager of 2 years gets fired and is replaced with another project manager</p> <p>Tech Tensta opens for the first time.</p>	<p>Tech Tensta offers their services as a youth leisure center with tech focus</p>	<p>Public procurement for SI evaluation.</p> <p>One consultancy firm won most of the projects</p> <p>Last year Tech Tensta was funded by the SI fund.</p>	<p>Tech Tensta continues operating.</p> <p>Project evaluations continue.</p> <p>Tech Tensta was evaluated in late summer/early fall.</p> <p>Consultancy firm won more tasks of evaluating SI fund projects</p>

The evaluators were introduced late into the project phase of the first batch of SI fund-financed projects. They won the procurement to evaluate most of the projects in late 2020 and have since worked to evaluate the projects. They were tasked to evaluate the projects with a deadline in 2024 when all the project evaluations are to be presented to the central city administration. Thus, the evaluators have in most cases started to evaluate the projects after they were finished. Tech Tensta was an exception because although the Tech Tensta had ceased to be a project, it was still a running operation. Still, they were supposed to evaluate what outcomes Tech Tensta had created during the time it was financed by the SI fund 2017-2020 (see Figure 2).

The evaluation must take place toward the end of the to look at what outcomes the project produced. But involving experts in outcome evaluation towards the end of the project led to difficulties. In hindsight, this has been a mistake. The next section will focus on the *timing*.

**5.3.2 Timing**

What has become clear from the interviews is that time itself is important for their work. Whether it is the time required to do an evaluation or how a long start-up phase and staff turnover can affect the project. But it has become clear that many challenges of SI refer to the *timing* of the projects, when different actors became involved, and when certain activities, e.g., evaluation, took place.

All interviewees mention that evaluating the project toward the end was problematic. For Tech Tensta, the problem raised from the fact that the project was quite different in the early phase and towards the end. They experience that when an evaluator comes towards the end of the project, they will look at the project and see that there were difficulties to get the project started, but they will not focus on what the project had become toward the end. They have a hindsight bias when they attempt to make sense of the project, compared to those that evolved alongside the project (Flyvbjerg, 2021).

The evaluators have all been critical of the fact that they have been involved in the project as late as they have. They have mainly stated two reasons. One, almost no project has been designed in a way that makes outcomes evaluable. The evaluators stress that if they would have been involved in the beginning, they could have communicated this and allowed the project group to do the necessary alterations. Two, when the projects end, the project groups many times disband. People get new jobs and get appointed new tasks. Consequently, a lot of time and effort revolves around getting in contact with the right people involved in the project. And even after finding the right persons, it is logistically challenging to interview them, as they might not have the time, or they might not be motivated to do so, because the decision to re-fund the project has already been made.

The SI fund was not designed as an optimal EM (Dahler-Larsen, 2012). Such EM follows a standardized structure, that makes all SI comparable for the decision makers as to *what* policy they should finance, and what is *rational* to do. The SI projects are very different from each other, both in terms of intervention and how it is measured. The lack of standard design in an EM has created an inefficient evaluation procedure, where the metrics (what should be measured), responsibilities (whether implementation, innovation, or measuring is the most important), normative rationales (what makes SI different from other project financings), and permanence (when measurements should be provided and when the final evaluation takes place) has been unsure. It is far from a perfect EM. When asked about whether there is enough time to conduct evaluations for the SI projects, Evelyn gave the following answer:

Had we been involved at the beginning, then we could use the time more efficiently. You never have enough time. But with the time we've used now, we could have done twice as much. But there's also a point to having limited time. [...] You could say that it's a prerequisite for working efficiently. It helps to be

efficient by thinking in time. Maybe not a good answer. But no, not enough time, but it is not good with infinite.

Evelyn

The challenges associated with evaluators being involved in the projects might be at an end. In the latest projects that the consultancy firm won, a few consultants mentioned that they will have the possibility to meet the project groups early to ensure they set the project up with the best possibilities and routines that will allow for an impact evaluation. In one project particularly, the project group will use a control group that might or might not even be randomized.

An EM that creates outcomes requires people to do certain tasks (Dahler-Larsen, 2012). But they also need them to do the tasks in different sequences in relation to the other. A cog in a machine is only effective in relation to other cogs. The practices need to be in sync. Likewise, the evaluation process of Tech Tensta, and other projects when they have been introduced to the projects late, has been out of sync with the other. Still, they are put into different positions of power relations where they need to produce a finished product to satisfy management or customers (Flyvbjerg, 2004). The quality of an evaluation is not solely dependent on how much time (quantity) is invested, but the quality of time (timing).

The economic incentive of time puts pressure on evaluands and evaluators to produce output within a limited time. Whereas the project workers need to show outcomes, the evaluators need to produce an evaluation. For the evaluator, it puts pressure to produce an evaluation that is to act as the basis of rational decision-making. The pressure of time and money creates a context where the “truth” is compromised by delivering on time. The SI evaluations are not set up as an efficient EM, but the promise of impact evaluation puts the expectation on them to deliver an evaluation describing economic gains. However, this becomes impossible because the expert knowledge of impact evaluation (consultants) was separated from those that implement the intervention (project group).

## **5.4 Relationships in Social Investment Practices**

In this section, the relationships in the SI project will be addressed. Following Rosa’s ontology of relationships to the world, this will divide between the axis of relationships: What

relationships are established between different individuals and groups (horizontal axis); what is the relationship to the work in SI for the professionals (vertical axis); and how professionals relate the SI to the greater good (vertical axis) (see chapter, 3.5.4).

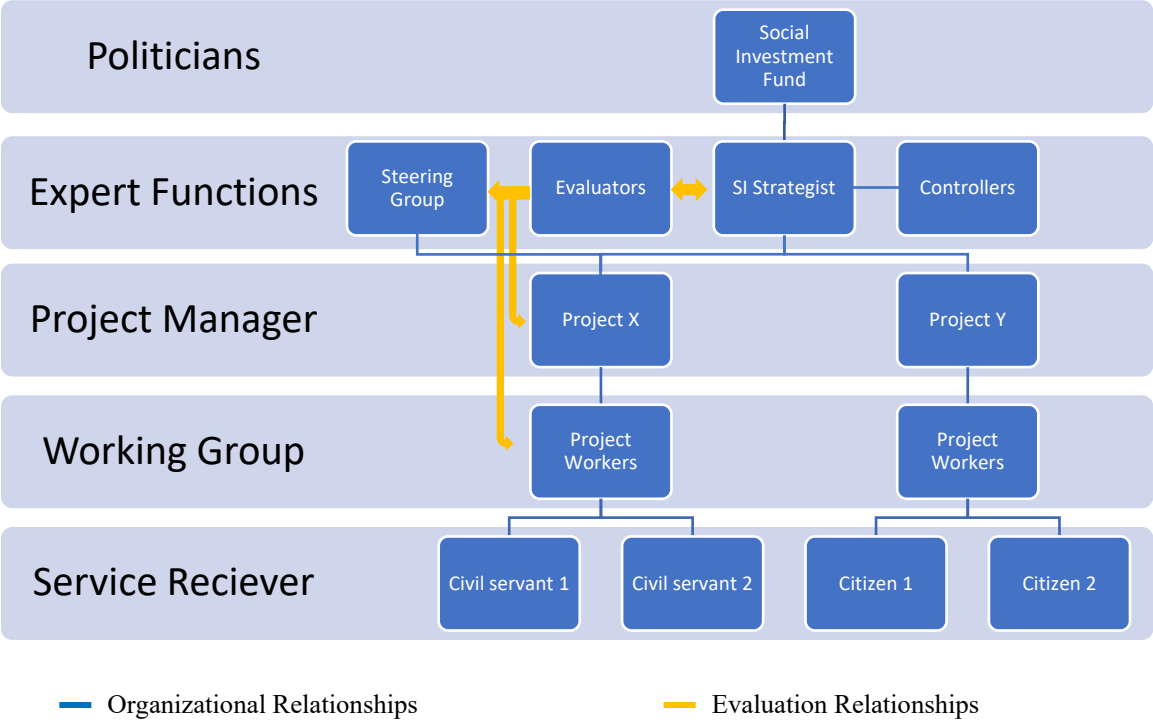
#### ***5.4.1 Relationships With Each Other***

The horizontal axis of resonance refers to the relationships between people. The main groups involved in the SI are the city administration office with SI strategists and controllers, the project group, the steering group, and the consultants (see Figure 3). These are supplemented by other relationships that exist in the different organizational settings that will not be addressed here. The city administration office was not interviewed for this study; therefore, their involvement is analyzed from document descriptions (Appendix 2) and the interviews of evaluators and civil servants. An overview of how the different actors interacted with each other can be seen in Figure 3.

The city administration office has the main responsibility of managing the SI fund. Their main goal is to set the criteria for the SI projects and judge whether the project applications meet the criteria. Such as how the problem area could benefit from new innovative or evidence-based methods, and how they should be measuring the impact of the project.

The city administration office then has contact with the different project managers. Exactly how the project managers and the city administration office communicate is unclear. This study was unable to interview the project leader of Tech Tensta during the four-year SI period or the city administration office. But was discovered that the project group was disconnected from this communication, at least in the case of Tech Tensta. The communication took place between the city administration office and the project manager which would act as a bridge between them and the project group. For Tech Tensta, this arguably resulted in a challenge in establishing meaningful relationships, due to the project management turnover.

**Figure 3 – Social Investment Fund Relationships**



The evaluators have close contact with the city administration office due to their buyer-supplier relationship. This is a two-way relationship where the city administration office wants check-ups with the progress of the evaluation and the consultants ask for specific statistics or information about the projects. The evaluators have one-way relationships with the project group, where they interview them for the process evaluation of the implementation. A one-way relationship means that the project workers get little to no information about what insights the evaluators present in the evaluation. The evaluators might be tasked by the same municipality as the project group works for, but their customer is the central administration office, not the district administration. Thus, their work should not be presented to outsiders until the evaluations are finalized and delivered.

Not everyone welcomed the evaluators and their work. Nathaniel has experienced that evaluands involved in SI projects might be more defensive, compared to what he normally has encountered:

There has been some suspicion of us as evaluators. I can imagine that this suspicion is greater precisely because we are dealing with investments. And that's why it might feel that we should come in and either seal their fate or give the



thumbs up [...]. I would say it is more so [with social investments] than with other projects that we evaluate. But it can certainly vary. [...] I think it's more so in those projects where [evaluands] know it's going to be difficult for us to evaluate. They know it's not going to be possible for us consultants who come from the outside to say anything about whether it has worked well or not, so they get worried.

Nathaniel

Being an external evaluator leaves them with low “trust capital” in the beginning, but the evaluators' position as independent evaluators has perceived benefits. The consultants themselves feel they have the integrity to be critical and highlight eventual shortcomings of projects. A consultant describes how some project workers that have cooperated in an SI project with the City of Stockholm, have been able to provide critical remarks about the project without being forced to critique the municipality directly. This can be especially difficult if e.g., a civil organization is dependent on funding and cooperation from the municipality in the future. As “strangers” to the project group, the consultants might reap the benefits of letting people vent and speak truthfully without the fear of repercussions for future cooperation.

#### ***5.4.2 The Relationships to Work***

The diagonal axis of relationship to the world mostly focuses on practices of the different professions. The evaluators and project members might work with the same projects, but their tasks, interaction, and relationship to the projects differ. Arguably, the different praxis in their everyday work defines how they relate to the SI framework.

The project group gets very close to the project. Their work *is* the project. Their experience is qualitative and intense. They develop alongside the project and need to handle the uncertainties. They have through tests and practice evolved and developed a praxis of how they conduct their work. Still, as they only work on one SI project, their view of what constitutes a SI becomes limited. They have little to no understanding of how the SI framework has been adopted and used in different contexts. They resonate with the fact that they see children growing and fulfilling their potential and being a role model.

The evaluators of the SI project are the opposite. Most of the projects they have evaluated have been when they had ended, and they have not experienced any project in action. Their relationship to the practices of the project becomes dependent on administration, documentation, and interviews. This has led to difficulties to understand what has been done, by whom, to whom, and what effect. On the other hand, the evaluators have encountered more cases of SI projects. The evaluators interact with many projects that have had unique and reoccurring challenges. Their view and relationship to SI are characterized by projects with inconsistent planning and execution, poor documentation and measurements, and a lack of understanding of the precondition of measuring outcomes. This has formed a *phronesis* that shapes their relationship to SI projects (Flyvbjerg, 2022).

To maneuver the shortcoming of the design and measurement of SI projects sometimes lead to frustration. Their main goal of measuring outcomes becomes replaced by a quest to describe what is needed to make it evaluable, as well as how one could improve the process of the project. This takes impact evaluation out of the picture. However, this also makes them open to discovering new things (Rosa, 2020). The imperfect EM allows for unexpected encounters and potential resonance when they are stumbling upon solutions to problems or improvements. Through these encounters, they can theorize and analyze the SI projects on a higher level regarding potential improvements of SI in the city, and perhaps in other contexts.

The possibility to explore the projects in detail is restricted by budget and timeframes of the evaluation as well as the agreed upon evaluation model that they presented in the public procurement. The time they can work on a project is finite and the information that buyers want is limited. The model procured resembles an EM, which could force discoveries and unique experiences becoming forced into categories or left out because there is no pre-defined headline where that piece of information belongs.

This could potentially lead to alienation when insights from a project are left out (Rosa, 2020). Resonance is reliant on the world reaching the subject, but it must also transform the subject so they view and interact with the world in a new way (Rosa, 2019). If the subject is disallowed to express their *true voice* their insights might be felt as insignificant – that it does not matter what they have discovered about a phenomenon. If this becomes praxis, it might lead to alienation, where the content of the evaluated project is unimportant, but only that they produce

an evaluation within the budget that the buyer is contempt with. Diana speaks of her experience with the evaluators when they interviewed her for the evaluations.

You had to squeeze the project together to make it fit into their template. But the project was it's own. I tried to make them understand it, but they didn't want to because they had their mission, which looked one way. They weren't interested in listening to the uniqueness of this project.

Diana

The project workers create something unique according to her, something she resonates with (Flyvbjerg, 2022; Rosa, 2020). In the “objectification” of the evaluation process, this uniqueness becomes broken down into different components of machinery for the evaluators to understand (Dahler-Larsen, 2012). Because evaluators are not involved in the creation process of the projects, and they have not experienced how it has developed over time. This might mute resonance (Rosam 2020).

#### ***5.4.3 The Relationship to the Divine and the Greater Good***

The vertical axis is our relationship to the out worldly, the divine, and mystical (Rosa, 2019). E.g., the relationship between religion and our history forms our identity based on faith or nation, which might be a source of resonance. It is a relationship of deep meaning, whether it answers the question “where am I coming from?” or “where am I going?”.

Most of the evaluators describe SI and EBPP to be such an idea of where we might be going, compared to where we are coming from. Their relationship with SI is one of the possibilities of the future. The cultural promise of technological development forms a strong relation to this idea, as opposed to current praxis (Rosa, 2014).

The project workers did not explicitly express anything that could be mistaken as resonance to the SI framework. It is seen as an instrument to fund social interventions and innovations, which are what inspire the project workers – to do the work. They did not express any specific potential of SI as a promise of the future.

## **5.5 Who gains and who loses by this development?**

The constitutive effects described show different consequences of SI and how it has affected praxis for professionals. SI as a policy tool emphasizes early interventions to prevent social issues from emerging. Such a mindset has generally been advocated for by professionals. The PSS approach always focuses on the dimensions and mechanisms of power (Flyvbjerg, 2012). In any development, some win and some lose to some degree. In the following section, I will review how the different actors involved stand to benefit or lose from this development.

### ***5.5.1 Managers and Decisionmaker in the Municipality***

The SI framework assumes the possibility to socially engineer the world by applying EBPP (Rosa, 2020). This benefits those in the top of the hierarchical, as it creates an idea of control in the organization.

Instead of forcing grass-root civil servants to abide to EBPP, which might be more likely to lead to conflict (Bornemark, 2020), they instead create an incitement for civil servant to integrate EBPP in their own work. If civil servants voluntarily abide to the manuals of EBPP, then the decisionmakers and higher management get more control of their work and can put pressure for workers to produce results, as they are expected to do so based on episteme knowledge that is EBPP. This displaces some of the risk for politicians and top managers to force a specific method/manual upon their professional workers or to pursue the wrong policies and waste public spending. Thus, they can both be seen as rational actors that do not practice “symbolic politics” as well as trusting actors that put faith in their civil servants.

Those at the top of the organization gets an extra dimension of control and accountability in SI fund projects. If there is evidence that something works, that would imply that it is the civil servants’ fault if they are unable to replicate the effects, as episteme knowledge does not account for phronesis (Flyvbjerg, 2001; Bornemark, 2020). By making civil servants apply to the fund with project description of how they are going to work beforehand, it reduces unexpected risks of them acting on their own. Furthermore, the focus on interventions that can be directly linked to economic gains impose that the priority of top-level managers and politicians becomes the top priority of grass-root civil servants as well.

### ***5.5.2 Consultants and Impact Evaluation Specialists***

Management consultants specializing in impact evaluation gain from this development. When decisionmakers and politicians view EBPP and impact evaluation as the mechanism to reduce risks of social policy and ensure compliance within the organization, they need experts in this field (Sandahl, 2018). Additionally, they need this help from experts that do not have any loyalty to the organization based on interpersonal relationships. Impact evaluation becomes an ally in this development offering its services to meet the demand from the municipalities.

Consultants have been involved in creating demand for impact evaluation by continuously trying to sell the idea (Fred, 2018; Fred & Mukhtar-Landgren, 2021). Whether it is effective or not, is difficult to say. But the interviewed consultancy firm has made attempts to do so. Whether EBPP and impact evaluation are the solution to social problems is unknown. But what is clear is that consultants with expertise in the area capitalize on it.

### ***5.5.3 Grass-Root Professionals and Civil Servants***

The managers and politicians gain from the development of SI funds policy at the cost of civil servants and grass-root professionals. Long-term, the SI framework undermines the phronesis of civil servants, by developing and testing a social innovation, and ideally (for SI advocates) create a manual for professionals to follow in the future (Bronemark, 2020). Their professional integrity and the trust in their competence are challenged. Professional concern about the reality they encounter with all its complexity is simplified and undermined. Their tacit phronesis is disregarded compared to the explicit *rational* knowledge of EBPP (Bornemark, 2020). EBPP is *visible* knowledge, therefore satisfying a dimension of controllability for those in power (Rosa, 2020).

However, the same civil servants also gain from this. Short-term it provides *accessibility* (Rosa, 2020) to solve problems that professionals encounter in their everyday work. Gregory explains how he experiences the customers that are in need of consultancy services:

The impression I get is that those who order from us are often civil servants who know it [policy] is good. And they need help from us to produce materials that help them communicate policy. I would say, that it's driven people who are in the know who is driving it.

Without the funding of SI projects, many new innovation projects would be impossible to due to the lack of funding systems in the public sector. If those in power would not believe that there is a possibility socially engineer and create outcomes from projects, there would be no funding. The very idea that it is possible to control the world through social engineering incentives public organizations to partake in action as opposed to inaction (Rosa, 2020).

Additionally, it might also bypass some of the traditional power relations of professionals (Flyvbjerg, 2004). Although the municipality works with a SI perspective centrally in the city administration office, these ideas are not diffused equally within the organization. The incentive to get bottom-up engagement from professionals might be hindered by middle-level management. One of the interviewees from Tech Tensta mention how they had to bring their boss to the city administration office to get them to confirm to the boss that city district administrations *should* work with social innovations.

SI might therefore be seen as a double-edged sword for civil servants. Short-term, SI allows for bottom-up initiatives from civil servants based on their phronesis. In but long-term, it might mechanize the professionals that practice manualized methods (Bornemark, 2020) and alienate them from their work (Rosa, 2020).

#### ***5.5.4 What Mechanisms of Power are in Play?***

Whether there is a clear winner from the development of SI, there is no clear loser. But the mechanisms of power that are involved are more so. The main mechanisms of power that are involved are the SI fund application process, EBPP, evaluation, middle management, media, and time.

The mechanism of the application process for funding SI projects creates a “contract” that by those applying and those that grant funding. Top-level civil servants in the city administration office review applications from civil servants within the organization and gatekeep what projects meet the criteria: being measurable, having expected impact, and clear link to economic gains. If a project meets the criteria, it is then up to the politicians in the city council to decide what SI projects are funded (see Appendix 2). The “contract” creates the framework for how

the project groups should work and what results should be expected. It limits what kind of praxis is possible and legitimized for the SI project workers.

The perceived low risk of EBPP forces professionals to make a stance regarding if they should focus on innovation or doing “what works”. EBPPs are not the only methods that are allowed in SI projects. The city administration office (see Appendix 2) states that innovative methods also are encouraged. This gives certain trust to civil servants that they can develop social innovation (Balkfors et al, 2019). This freedom comes with risks: if EBPP exists that presumably guarantees outcomes, then choosing to deviate from such practices will lead to sanctions if it does not create outcomes. Why reinvent the wheel if it already exists? Freedom to deviate leads to a risk of being held accountable for not using EBPP (Fred & Mukhtar-Landgren, 2021).

The impact evaluation intersects multiple dimensions of power (Fred & Nordesjö, 2021). Evaluation is a process of creating knowledge, by defining what a project *is* and what it *is not*. It determines if projects succeed or fail to create the intended benefits and outcomes. The evaluation creates an incentive for project groups to have their backs free. That is, by not doing anything risky without truly thinking them through, that in retrospect could be questioned. Also, it creates an incentive to truly create measurable outcomes. These are expectations that the project workers constantly need to manage (Lowe, 2017).

The steering group and middle management in the city district administration were displeased with the delay in opening up Tech Tensta. Top-level managers and politicians want to know whether the project is doing as planned and whether the intended activities meant to create measurable outcomes are being done correctly. It is not only the project manager that has responsibility but the organizational management as well. The delay of Tech Tensta eventually led middle management to act by firing the project manager and employing new project managers as a replacement. It created a chain of accountability from grass-root civil servants and top management and decision-makers to create quantified results that can be communicated and showcased.

Media also has been a mechanism of power. The writer in the newspaper criticized Tech Tensta when it opened and questioned the use of tax money. This created urgency in the organization and put further pressure on management to produce results to legitimize the use of tax money.

And at last, time is also a mechanism of power, perhaps it always is. If *time is money* (Rosa, 2014) and the social and monetary value is linked in the SI framework, then time is always a factor. It restricts what can be done in a day and creates expectations for results (Dahler-Larsen, 2014). The evaluation must be finalized within a certain timeframe to be profitable, and of course, the planning phase cannot continue indefinitely.



## 6. Discussion

The following discussion will focus on answering research questions 3 and 4. They are moved to this chapter because the questions are more of a normative character (Flyvbjerg, 2004). Whether something is *good* or *desirable* is always up for discussion.

### 6.1 Is this Development Desirable?

Determining if this is desirable requires an understanding of what happens in the absence of the SI framework. The SI framework attempts to intervene early, for the municipality to be active in handling social problems, compared to the *wait-and-repair* approach. It creates some urgency to do something about the current social problems, which arguably is desirable. The SI framework advocates for policies that have been tested and where we know that they are effective, this is also desirable. Much money is wasted on ineffective social policy. The most of base assumptions and approaches of the SI framework are desirable. But looking at the constitutive effects observed so far, there might be some things that are not desirable.

#### 6.1.1 Is Tech Tensta a Case of “Smart” or “Stupid” Evaluation?

No person that works with Tech Tensta today has taken part in the evaluation as of the summer of 2022. Much knowledge and insights that the evaluators might have discovered in their work have not been communicated to Tech Tensta. Still, the tech center continues to operate, learn, and evolve in its operations. For every month Tech Tensta is not informed, potential improvements to their operations based on the insights become more and more irrelevant. The instrumental use of evaluation is thus relatively small for those that work there. Has the evaluation process of Tech Tensta been functionally stupid (Alvesson & Spicer, 2012)?

What we know about SI and evaluation is the following. Firstly, evaluation is meant to improve the evaluated operations by focusing on learning (Scriven, 1991). Secondly, SI use impact evaluation focusing on outcomes to determine how intervention that costs X, leads to fewer cases of Z and fewer costs of Y (Hultkrantz, 2015a). How could SI evaluation, in this case, be stupid? The answer is if evaluation neither helps the professionals to learn nor determine the outcomes of the project, then what is the point? As many of the SI projects from the City’s SI fund have been incorrectly designed and managed in a way that allows for outcomes evaluation,

this would imply that the only real value that one can take from the evaluation is the ability to learn.

The evaluation seems to be mostly directed toward the top of the organization, the city office administration (Nordesjö, 2021). The city office administration is the one that learns from the evaluation and what kind of projects fit into their SI framework. They are the ones that appointed the external evaluators. Nevertheless, it does not matter how much the city office administration learns of SI if they are unable to pass this knowledge and logic down to all actors that are involved in working with SI across the municipality. The SI logic needs to be cultivated from a bottom-up perspective instead. If civil servants are unable to learn from their time as project managers/workers, how will they, and the organization, become better at designing and managing innovative SI projects?

One must ask what *value* is given from every evaluation. The evaluation of SI projects is set to be a maximum of 3% of the project budget (see Appendix 2). The budget for the evaluation of Tech Tensta would be a maximum of 312 000 SEK. If the main insight of the evaluation is that “open” operations have difficulties measuring outcomes, then that would have been quickly learned by asking an economist trained in impact evaluation, and they would probably provide a similar answer. Is this worth 208 000 – 312 000 SEK? Naturally, it should not be forgotten that the two-year planning process was more much more expensive than the evaluation. Nevertheless, there are hidden costs that are not involved in the allocated money. All the hours project managers and project groups have discussed, prepared, and worried about the final evaluation, only to deliver un-evaluable projects.

This study argues that it matters what relationship people have to ideas and knowledge. It matters how often ideas are brought up and discussed, which people advocate for the ideas or resist them, and how they resonate with people based on previous experience and education (and by chance). Creating a municipality that thrives with SI and innovations requires them to cultivate an organization of learning, where people learn and get practical wisdom. In contrast to organizational “learning” which results in evaluation reports that just a handful of people learn from.

It requires phronesis from the professionals to adopt any method or manual, no matter how detailed every step is described in a method manual (Kristensson Uggla, 2019). Caring for the phronesis of professionals needs to be recognized as a priority, from the grass-root bureaucrat

at the bottom to the top managers of the organizational charts. The practice and roles of grass-root professionals must also be involved in the organizational learning process. It is stupid to think otherwise.

### **6.1.2 Evidence and Evaluation – A Lack of Trust?**

Citizens are affected by SI policy, both in terms of financing the SI by paying taxes and taking part in the service. In terms of monetary value, there might be clear advantages of demanding outcomes from politicians. But if this becomes too dominant, it might have serious consequences.

Something might happen with the public perception of the public sphere if we disregard *phronesis* and only look at outcomes. The so-called “social contract” (citizen pays taxes so that the welfare institutions provide services to handle social problems) between the public sphere and citizen has generally relied on *trust*. But this trust is replaced with distrust when EBPP and impact evaluation becomes the norm and demanded to monitor the professionals of the welfare state. Trust is acknowledging that you cannot know or control everything (Bornemark, 2020). To increasingly rely on evaluation, audits, and forcing professionals to follow manuals is the opposite of trust.

Lack of trust leads to more mechanisms of control that try to make things visible, accessible, manageable, and instrumental (Rosa, 2020). These extra mechanisms result in extra administration for the professionals in the organizations that need to offload time that would normally be to provide services to citizens. This creates less efficient organizations that focus less and less on their primary function. This might lead to fewer services to the citizen and *even more* distrust.

Whether it is controlling others or being controlled, control restricts resonant relationships with the world (Rosa, 2020). It begs the question: what kind of society do we want to live in? The more we attempt to control, the less we *trust* that the other person can use their *phronesis* in their everyday life. Trust is the acceptance of that which we cannot control, but that there is a common understanding of the problem, and that we are doing our best to solve it. Control limits experience and relationships to the world, whereas trust is the conviction that others can make judgments about how to act in different situations based on their *phronesis* (Bornemark, 2020).

Modern society continues to chase the idea of social engineering to control the world – will it be worth it? If EBPP becomes the norm, we might have a society where the right welfare services are given to the right people with great economic efficiency. But although people might have a job, stable family relations, and good education, will they be happy, or will they be alienated in a relationship of relationlessness (Rosa, 2020)?

## **6.2 What, if anything, should we do about it?**

Many things can be improved in the SI fund framework and praxis in the City of Stockholm. This is not to say that there is no change in how the SI fund framework is organized – changes are already taking place. The internal tool that guides public officials for the SI fund application process has been updated as of April 2021 (See Appendix 2). The guidelines emphasize early steps to design interventions to be more evaluable. One evaluator said in an interview that one project from the second batch will have a control group, something they find very promising (whether it is a *randomized* control group is unclear). They will also become involved earlier in the projects. The city administration office seems to be able to adapt and change the SI guidelines to meet the requirements for impact evaluations. Based on the analysis in this dissertation, the following recommendations will be presented for the future use of SI.

### ***6.2.1 Do Not Create an Evaluation Machine***

The more the projects in the SI fund become standardized, the more they will resemble an EM. The ideal type of evaluation that this thesis argues leads to functional stupidity (Alvesson & Spicer, 2012), alienation of professionals and their work (Dahler-Larsen, 2012; Rosa, 2020), and a lack of qualitative learning. Thus, decision-makers must resist the temptation to create an EM.

The interviewee Diana, that was concerned by the evaluators not being interested in the uniqueness of Tech Tensta, highlighted something important. It is the uniqueness, the relationship between the project group and their work, that inspires them and drives the innovative process of trying something new and different (Rosa, 2020). Trying new and different things is punished by being restricted by demand for extensive requirements of measurement design of projects. It instead might lead to gamification where the main purpose

of preventing social issues is substituted by games that focus on “turning red numbers into black ones” (Lowe, 2017).

Whereas EM creates an efficient process where the input of information results in certain outputs that are sought after by the city administration office, it might do more harm than good if it alienates civil servants and their relationship to their work. On the contrary, the inefficiency of the evaluation process might lead to more unique insights and possibilities to learn. There must be time set aside to think although you cannot guarantee that the right thoughts will manifest. Furthermore, more moments of resonance might occur if every evaluation is approached with some degree of uncertainty about what to expect. It will keep the evaluators on their toes, and it might contribute to making evaluation smarter and more meaningful.

### ***6.2.2 Strengthen the Bottom-Up Approach: Knowledge and Meaning of Impact Evaluation***

The SI framework is an attempt to combine the world views of social workers and economists (Nilsson et al, 2014), but there is still a clear difference in what is emphasized by professionals. Arguably, the diffusion of a SI perspective in public organizations has had mixed results in terms of creating a common language and understanding of how the world work

The tasks of measuring might not be a problem itself, rather it is what and how things are measured. Measurement procedures that are inconsistent or designed wrongfully are just as useless as not measuring at all. The fact is that evaluators will state something similar to: “the outcomes cannot be evaluated in terms of causality” if the measuring is poorly designed or executed. If so, it would arguably be wiser to ignore the measurements altogether and solely focus on the intervention part of the project instead, as opposed to struggling with the different measurements. Of course, measurements can be useful for a project group to gain knowledge and learn how their operations might improve over time. But if only the outcomes established from the evaluation is of value, the project workers have little to gain. It becomes *meaningless* to them (Rosa, 2020). Increasing the emphasis on *learning evaluations* might instead be the way to go.

### ***6.2.3 Establish a Network for Social Investment Project Managers***

The SI projects have similar challenges as the rest of municipal organizations in terms of silo thinking. The social relationships between people involved in the SI work are mostly hierarchical. Arguably, establishing a horizontal relationship between different project managers would be beneficial. Project managers would gain from having social relations with other project managers through discussions about interpersonal experiences and dilemmas. The project managers are currently missing the opportunity to learn from a large *n* of cases of SI projects (how evaluators have experienced them) when they only work on their own. If the project managers are supposed to put focus on the *investment* part of SI, then they should have a forum that strengthens their competencies and relationship to SI. How have others experienced working with SI and how have they overcome the challenges?

Such a network would allow project managers to be reflexive and put their phronesis into perspective with others. The perceived impossible task for a project to produce measurable outcomes might change into a *reachable* task (Rosa, 2020). Or it might lessen unrealistic expectation that leads to stress, over-planning, and internal conflict in the project group.

## 7. Conclusion

In this chapter, I summarize the findings of this study and answer the research question. A critique of the study is then laid out regarding the empirical and methodological limitations. The chapter concludes by suggesting future research. The summarized answers to the research questions for this study are presented below:

**Research question 1:** *What are the unintended effects professionals must manage when working with social investments?*

In the city of Stockholm, there have been many unintended consequences of SI fund policy that have affected the praxis of the professionals in their everyday work.

*Framework & worldview:* The project workers and evaluators emphasize different aspects of social investments, where the evaluands group focus on social interventions and innovations, and the evaluators focus on the *investment* aspect. This creates challenges as the evaluators rely on the right decisions and praxis done in the project, that ensure that they can evaluate the project towards the end.

*Content & What to Strive for:* The content that professionals are inclined to pursue is to produce measurable outcomes that are accounted for through impact evaluation. To ensure that the outcomes are created, project workers try to base their methods on evidence. Furthermore, if the outcomes are not created, they are still able to free themselves of some accountability, as they did according to what the evidence stated was the correct way of doing things.

*Timeline:* In the first period of the SI fund in the city of Stockholm a lot of emphasis has been put on the end of the project period with the impact evaluation. This has let the project managers have relatively free reigns to carry out their work. In the case of Tech Tensta, this resulted in a two-year planning period without anything opening up the leisure center to the public. The evaluators started to evaluate the SI projects towards their end, and most of them after they were finalized. This has created a *timing* problem, where the right expertise was involved at the wrong place and time in the timeline.

*Relationships:* The human relationships to social investments as a framework are different depending on the groups. The project group is relatively isolated in their work with the framework of social investments. The only person that is in contact with other people that work

with SI, is the project managers that contact the SI fund manager in the municipality. Their work with SI differently, where the project group works with them creatively, qualitatively, and for a long time. The evaluators work with social investments through an analytical lens, with multiple social investment projects, for a relatively short time for each project (compared to the project group). The evaluators have also needed to be creative and focus on the qualitative. Much of their work has focused on researching the projects, to better understand where the faults have been in the project design and preparing measurements. Whereas the consultants see the great potential of evidence-based policy and practice and effective social policy, the project workers express little interest in this on a societal level.

**Research question 2:** *Who gains and who loses by this development and by which mechanism of power?*

There is a lot to gain with SI fund policy, especially at the top of the organization (politicians and top management) and impact evaluation experts (consultants). The top managers want to create control in the organization and create accountability for civil servants that conduct their work. The consultant provides them with the function to ensure this and check if they were able to deliver on their promises.

Ambiguously, the professionals that work with SI are both winners and losers. They are winners because they are being enabled to try new things to solve problems they encounter in their everyday work. This creates a bottom-up framework where policy develops based on the practical experience of the professional group. On the other hand, with the increased use of evidence-based policy and practice and impact evaluation, the professionals might become more prone to be evaluated. Did they follow their manual correctly and did it lead to the outcomes? This puts a lot of pressure on every project, although it might be based on false assumptions that projects create social outcomes (Lowe, 2017), and might risk more strict mechanisms of control all from higher management, middle management, media, and the general public.

**Research question 3:** *Is this development desirable?*

A lot of underlying ideas of the social investment framework are desirable, but the constitutive effects that have been identified in the city of Stockholm are not desirable. The late addition of impact evaluation specialists towards the end of the projects, as opposed to the beginning of the



project period, has led to a somewhat *stupid evaluation*. Evaluation that has little instrumental value for those that operate Tech Tensta. The social investment framework seems to also overestimate the effectiveness of EBPP and adds to a development where the public sector replaces trust and phronesis with impact evaluation and control of professionals by manuals.

**Research question 4:** *What, if anything, should be done about it?*

The work with the social investment fund framework is a major project with a lot of potential and pitfalls. I would recommend the following actions to improve the implementation and evaluation of social investment projects:

First, as the city of Stockholm learns from the different projects, decision-makers must resist the temptation to create an *evaluation machine*. An evaluation machine would make it more difficult for civil servants to apply for SI projects. It might deter enthusiastic professionals in the organization that would be able to create much value. Furthermore, to unreflexively assume that evidence-based policy and practice ensure outcomes risk alienating professionals in social investment projects, as their work will be boiled down to following manuals and administration.

Second, if the impact evaluation shall continue to be the main mechanism of the social investment framework, it must be complemented by an evaluation that focuses on organizational learning. The current process evaluation is not enough. An evaluation that focuses on the professionals and their capacity building. This will over time strengthen future bottom-up initiatives in the municipality over time.

Third, the social investment framework must be cultivated in the project managers. There must be a place where project managers and project workers can meet, discuss, and share insights, hardships, and solutions to problems they encounter. Many individual projects are relatively isolated and restricted in how they view the social investment framework, as they only work with one SI project. Broadening their horizon will help them get valuable tools, meaning, and potential resonance to the framework.

This study showcase to the reader that there are great practical and technical difficulties associated with creating a common framework for the social and economic dimension of sustainability. It is complex enough to create a common language (Nilsson et al, 2014; Campbell, 2016), but to control how different professionals resonate with the new language and perceive it as meaningful, is completely other.

## 7.1 Limitations of the Study and Future Research

The previous finding described above should provide some meaningful insights to anyone interested in social investment fund policy. Still, this study has several limitations that need to be addressed.

The study has mainly focused on the practical experience of project workers that has been part of one SI project. Ideally, it would have been good to observe the professionals in practice. This is, however, a challenge of accessibility. Retroactive interviews as a method make it possible to bypass the problem of gaining accessibility during the projects, as it allows the researcher to take part in the experiences of the interviewees afterward. But it limits how *close* the researcher can get to practice (Flyvbjerg, 2004).

The case selection could have been more diverse. Tech Tensta is only one of many social investment projects in the city of Stockholm. The other projects might have experienced vastly different challenges compared to those from Tech Tensta. Furthermore, none of the controllers or fund manager at the city administration office were interviewed for this study. They work in with the social investment framework just as those that have been interviewed in this study. They also have the important role of gatekeeping what types of projects pass the first step. They are perhaps the most important actors to include in the study in determining where we are going with the SI framework.

Finally, the phronetic social science approach is transparently normative. Any research advocating for desirability risks the scientific integrity of the study. This is but an interpretation of the empirical material of the study and might have given different results from another author with different prepositions, and practical experience would have researched social investments focusing on the practical implementation of social investments. Still, the phronetic social science approach does not see this as a failure of social inquiry, but as a necessary truth that needs to be accepted, regardless of the scientific approach. The reader will hopefully have learned something and now view social policy, meaning, and praxis differently.

### ***7.1.1 Future Research***

Finally, there are multiple direction future research could pursue. Both to explore SI through different theoretical perspectives or to use other methods to study them. I will followingly present some suggestions.

Future research should follow social investment projects by doing field research. Field research would allow further insights how everyday praxis and evaluation. Being present at all stages of the project would help to provide an understanding of how the social investment framework is done in practice, and how it might create conflict, alienation, or resonance. Such studies should focus on municipalities that have experienced difficulties with their work with the SI fund as well as municipalities that have been more successful with their social investment fund.

Lowe (2017) has been referenced throughout the study as a critique of social investment policy. Instead, Lowe and colleagues (2021) developed an alternative approach they call Human Learnings Systems, which puts learning in focus, instead of outcomes. We cannot control outcomes, but we can always learn from what we do. Future research should study how the Human Learning Systems approach might differ in social policy innovation compared to the social investment framework.

Indeed, if a learning-based approach would have been used in the case of the social investment fund in the City of Stockholm and Tech Tensta, maybe they would all be seen as successful. Because if there is anything we can be certain about, it is that everyone involved has a lot to learn about social investments from theory to practice. From the central work in the city administration office to the project managers, and the evaluators.

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# Appendix 1 – Interview Guide

## Background

- How old are you?
- What is your educational background?
- How did you come to work here?
- What are your motivations?
  - What are you passionate about?
  - What inspires you in your work?
- What are your everyday tasks?
- Do you enjoy your work?
  - What would you like to do if you could choose?

## Social investment: Values and Rationality

- How were you introduced to social investments?
- What do you think about social investment as a policy?
- How do you perceive social investment being talked about or worked on among industry colleagues, academia, civil society, business or local government?
  - Does it differ between different sectors?
- What advantages and disadvantages do you see in working through social investment
- Who do you think is asking for social investment?
  - *For evaluators:* How do you "sell" the idea of social investments / impact evaluation?

## Praxis

- What is your experience of working with social investment?
  - The City of Stockholm as a client
- What makes a good or bad social investment project?
- How do you see your role as an evaluator/project worker in the evaluation of social investments?
  - Have you observed any interventions in practice? / Have you been involved in any evaluation process of social investments?
  - Are there any ethical difficulties in doing so? (Dilemmas, paradoxes)

- What are your preconditions for working with / evaluating social investments?
  - Skills/training
  - Statistics
  - Project design
- How would you describe your approach to project staff when contacting them in the evaluation process of a social investment project?
  - Are people helpful and supportive of SI measurements, or defensive and skeptical?
- Do you think that social investment as a policy tool creates the outcomes it is designed for?
  - If yes, please give examples.
  - If no, why not?

### **Future**

- How do you think social investment implementation / evaluations could be improved?
- What do you want to get out of social investments evaluation?

## **Appendix 2 – Internal Social Investment Fund Guidelines – Translated to English**

This document is a translation of the internal guidelines that the City Administration Office has developed to of social investments within the municipality. The document is dated to April 24 2021. The document is not published and is therefore added in the appendix.

### **Implementation guidelines for social investments in the City of Stockholm**

#### ***Background and purpose***

The City of Stockholm has decided on funds for social investments in connection with the annual accounts for 2021. The aim is to combat exclusion and social vulnerability. Through social investments, financial resources are to be shifted from costly interventions when problems arise to cost-effective preventive measures. Social investment funds will develop and support the city's regular work to prevent social exclusion.

The City of Stockholm has the ambition to be a leader in the work of Agenda 2030. When designing social investments, the agenda can be used as a tool for developing work on social sustainability.

#### ***Definition***

A social investment means in the city:

- Testing concrete working methods that have a clear link between intervention, expected social impact and economic returns
- projects lasting two to four years
- Projects are characterized by innovation and new thinking in order to develop knowledge-based and cost-effective approaches. An application may involve previously tried and tested approaches, but must represent something new
- Projects are monitored and evaluated on an ongoing basis, focusing on their social impact and economic merits

## ***Boundaries***

Funding for social investment can only be applied for by city councils.

Social investment funds do not replace deficits in the existing budget in order to finance regular activities. Thus, it must be clear that the project is different from regular work.

Social investment funds should not go to pure feasibility studies or projects that only aim to develop new ways of working without implementation.

## ***Applications and decisions***

Applications for social investment funds are invited three times a year and must be submitted on the appropriate form to the City Management Office for processing. Applications received will be assessed on the basis of the following criteria:

- The target group is defined in scope and size and is delimited
- there is a clear link between the intervention, the expected social impact and the economic benefits
- projects are innovative
- there is the possibility of monitoring results and evaluating impact

Decisions are taken by the municipal council in connection with the reconciliation process, interim report 1 and interim report 2 respectively.

## ***Budget and financial reporting***

In the application, the budget for the project must be reported by type of cost and year. Approved projects must then report annually to the city management office on the costs incurred, which will be invoiced at the time of the financial statements. Supporting documents and invoices received are monitored against the project budget.

## ***Economic concepts***

The social investment budget includes all costs borne by the project in all years. This includes costs such as premises, staff, training, licences, etc. (excluding evaluation costs). In addition to the total budget, the annual costs must be specified in the application, which is then the basis for the financial follow-up.

The financial follow-up must include accrued costs. Accrued costs refer to the costs incurred by the project in the current year.

Total budget and financial monitoring are used to calculate financial merits. Economic benefits are calculated by relating the project costs to the cost reductions generated by the project.

### ***Roles***

The local project organisation consists of a project manager, a working group and a steering group. The project manager is responsible for implementation, monitoring and reporting to the City Management Office. The working group is responsible for the operational implementation of the social investment. The steering group has strategic responsibility for ensuring that the objectives of the social investment are met within the financial and time constraints of the project. If the project involves several administrations, the project organisation should be joint.

The City Management Office has a city-wide responsibility to support the application process and assist the local project organization in implementation, monitoring and evaluation.

### ***Monitoring and evaluation***

Monitoring and evaluation are key elements in assessing the social impact and economic merits of projects.

Monitoring is carried out on an ongoing basis from the start of the project with a focus on implementation linked to the target group. The practical follow-up is carried out under the responsibility of the project organisation, with the City Management Office assisting with the structure and model. The monitoring includes questions such as:

- What has been implemented?
- How has it been implemented?
- By whom has it been carried out?
- To which target group?
- How has the intervention been received?

The evaluation differs from monitoring in that it focuses more clearly on the impact of the intervention on the target group over time - the difference in development between the group that received the intervention and a group that did not (control group).

The evaluation is carried out with the aim of describing and evaluating the work carried out (process evaluation), the impact of the project (impact evaluation) and the calculation of financial merits.

The City Management Office is responsible for ensuring that each project is evaluated with the above objectives in mind. This includes the appointment of a contractor, requirements, coordination with the project organization and funding. The cost of the evaluation will not exceed 3% of the funds allocated for social investment.

In addition, the City Management Office is responsible, together with the project organization, for disseminating knowledge and lessons learned from the projects as well as results and experiences from completed evaluations.

### ***Project phases***

Social investments are implemented in the following stages: development of working methods, application process, decision, implementation, monitoring and evaluation with assessment of financial merits.

Applicant administrations are encouraged to involve relevant professional services and/or academia already in the development phase. The aim is to ensure that methodologies are developed in accordance with evidence and proven experience. Dialogue and support from professional bodies and academia should also be maintained throughout the project, during evaluation. In the case of evaluation, professional services and academia can assist in the planning and design of the evaluation to ensure good conditions. In addition, academia can assist in the implementation of the evaluation.

The evaluation, including process evaluation, impact evaluation and assessment of financial merits, constitutes the final report of the project to the City Management Office. In addition, one year before the end of the project, the project steering group, together with the City Management Office, will assess the possibilities for implementation in regular activities.