ČESKÉ
PRIORITY

Final Report: Executive Summary

Analýza nákladů a přínosů u vybraných sociálně inovačních projektů –
Společně na svobodu

České priority

Executive Summary

This final report summarizes the outputs of the project from the public procurement entitled "Cost Benefit Analysis of Selected Social Innovation Projects - Together to Freedom." As part of the procurement, the feasibility of a comprehensive CBA was analyzed and a new CBA for the project "Together to Freedom" was calculated. The outputs of this analysis are part of this final report. In addition, a separate document "Preparation and Use of CBA – A Practical Guide in the Context of Social Innovation Projects" was created and as such serves as a guide that summarizes recommendations for the development of CBA practice in the field of social innovation projects.

The project Together to Freedom aims to support the successful reintegration of convicted individuals into society. In the first part of the analysis, an ideal CBA structure was developed based on a literature review and expert interviews to identify the main impacts of intervention that should be reflected in the following calculation of CBA. These impacts include, for instance, reduced recidivism rate, increased economic activity, reduced burden on social workers, increased financial stability (including repayment), housing for ex-convicts, etc. In the next step, the CBA of the evaluation report (Kváča & Gottwaldová, 2021) of the project was analyzed in terms of the identified impacts and the methodology of calculations.

The results of the first part of the analysis (literature review and expert interviews) showed that a comprehensive CBA cannot be implemented, although many aspects of a comprehensive CBA were met. In the case of the project Together to Freedom, the baseline scenario and the intervention itself are both clearly defined", the aim of the intervention is obvious and the impacts of project implementation can be identified and some monetized. However, the experimental design is viewed as a major weakness due to the non-random allocation of the target group (into control and intervention groups) and the small sample size. This (or possible error in data manipulation) results in limited validity of the input obtained from the conducted experiment. A key aspect of the evaluation of the experiment was to compare the intervention group with a control group that was not treated as part of the intervention. This comparison, however, is not reliable and feasible as it has been questioned whether the two groups were distinct, and thus comparable from the very start of the intervention.

The analysis also showed that the availability of the necessary data to calculate the CBA (both from the experiment and other sources) is partially limited. Data are available for the main impacts (employment and recidivism) but survey data are only available for the duration of the target group's stay during prison time. After prison release, data availability deteriorated significantly.

In the second part of the analysis (review of the CBA from the evaluation report), the calculations of the costs of crime and recidivism were refined. In particular, by including additional items such as intangible damages. Specifically, two shadow prices were quantified, the total social cost of an offense for which no additional information is available and an offense followed by imprisonment. The aforementioned shadow prices may be used in future analyses evaluating the social benefits generated by crime reduction. The utility of these shadow prizes was demonstrated by calculating the potential social savings generated by averting one client's recidivism according to data available in a follow-up evaluation study.

The final calculation and comparison of benefits and costs (and thus determination of intervention effectiveness) were not exercised due to the unreliability of the measured difference in recidivism rates between the control and intervention groups. At the same time, the result is not consistent with other empirical or theoretical evidence—this is likely due to the shortcomings of the experiment[1], which suffers from less than ideal randomization, or an error in data handling before they were transmitted to the evaluator. This result is strongly contrary to general expectations (e.g., Dowe (2017) reports the strong potential of cognitive behavioral therapy to reduce recidivism rates).

Based on the data available one year after the end of the project, it is not possible to assess the success of Together to Freedom and therefore to recommend or not recommend its dissemination.

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[1] An experiment in this analysis is a method of collecting data and then estimating a counterfactual to calculate the effects of an intervention. The counterfactual is collecting the results of an intervention without controls and randomization. The experiment is not by any means an intervention, which may also be experimental in nature.