An investigation into social cost-benefit analysis practice in the appraisal of public projects in Kenya

Abstract:

Social Cost Benefit Analysis (CBA) is a popular technique to evaluate public sector investments. It is theoretically and methodologically sophisticated but continues to receive heavy criticism from difficulties encountered in practice. In this study we investigate how Kenyan project analysts undertake public project evaluation and how they cope with CBA limitations. We find that CBA understanding is low while practice is hobbled by methodological difficulties and complexity. Project analysts are divided almost equally for and against CBA’s perceived utility. We conclude with a research proposal for a complexity theory and system dynamics based approach to project evaluation.