

# 2 Theory

## Learning objectives

- Understand the Outcomes System model and its relevance to impact assessment, including the use of indicators.
- Be able to employ both Logic and Theory of Change models in evaluation and impact assessment, and know how to integrate them in strategic planning.
- Learn the nature of evidence and the types applicable to IA for events and tourism.
- Understand the Forces-Stressors-State-Impact-Response (FPSIR) Model and its importance in impact assessment.
- Know the meaning and nature of impact interactions and cumulative impacts, with reference to synergies, cascade effects, feedback, risk and uncertainty, and tipping points.
- Be able to adapt theory on Limits of Acceptable Change (LAC) to impact assessment, including the related concepts of thresholds, standards, capacity, and the precautionary principle.

## 2.1 Introduction

Outcomes theory incorporates a systems approach to planning, and builds evaluation and impact assessment into the management process. It corresponds with the approach taken in the companion book *Event Evaluation* and particularly with the Event Compass as a comprehensive approach to planning and evaluation. To put it into IA practice, a logic model or theory of change model is required.

The nature of evidence is then considered. It is of critical importance when it comes to measurement and the use of indicators, as the question of “what constitutes acceptable evidence?” will frequently arise in the undertaking and interpretation of impact assessments.

The forces-pressures-state-impacts-response model (FPSIR) is then presented. It provides a cyclical framework in which specific types of impact can be addressed by examining general forces and more specific trends that lead to

pressures on the environment, economy or society. Specific impacts can then be viewed within a context that examines causes, followed by consideration of how people and systems respond to impacts.

The chapter ends with another planning model, Limits of Acceptable Change, which introduces several interrelated concepts that impact assessors need to be familiar with: capacity; tipping points; cumulative impacts; risk and uncertainty; precautionary principle.

Why planning models? Evaluation and impact assessment are seldom if ever conducted without reference to plans, strategies or policies. The results have to be used in practice, plus some contribution to theory is always possible. When goals are specified and indicators determined in advance, evaluators and impact assessors know what they are looking for.

## 2.2 Outcomes theory

According to Wikipedia: “Outcomes theory provides the conceptual basis for thinking about, and working with outcomes systems of any type. An outcomes system is any system that: identifies; prioritizes; measures; attributes; or hold parties to account for outcomes of any type in any area.” In other words, events are an outcome system and their organisers and supporters are accountable for those outcomes. In the business world, outcomes theory is more about strategic planning and managing change for improved productivity and profit, whereas in the realm of events and event tourism it is usually about creating and demonstrating public good. All organisations employ some methods of accountability and evaluation, with impact assessment being part of the process.

Duignan’s (2009) Outcomes System Diagram has been adapted for our context (see Figure 2.1). It identifies seven different building blocks of outcomes systems. Some comments have been added for relevance to our discussion of IA for event and tourism impacts. The ‘outcomes model’ specifies the desired outcomes or impacts and the steps that lead to them, and this requires a logic or theory of change model. Outcomes models, as discussed in this book, are based either on theory that enables prediction of impacts, or logic models that employ previous evidence (if any) to suggest the process to follow. Priorities for action are specified, and these follow from goals.

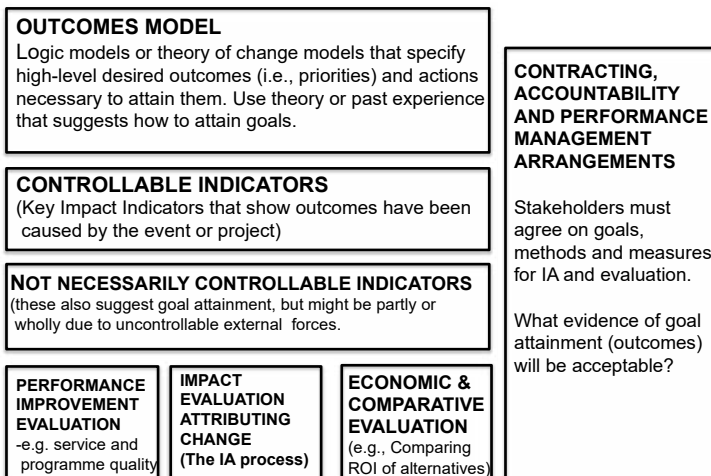
Indicators are essential to operationalise such a system. Duignan’s ‘control-able indicators’ are those that provide proof that outcomes have been caused by the event, project or tourism. Of course, what constitutes ‘proof’ is a big question in evaluation and IA, and the acceptable evidence and related methods have to be agreed upon in advance. Specification of these indicators will depend on some prior theory or understanding based on experience, for example to answer the question: “How will we know that the event/project/tourism created social

capital?” A simpler question to answer would be: “what are the event’s economic impacts?”, as indicators can be readily identified (e.g., use visitor surveys to measure new money brought into the in-scope area, attributable to the event).

‘Not necessarily controllable indicators’ can also be important for evaluation and IA, but there are believed to be confounding variables such as outside forces. These indicators can also be used as evidence of success or goal attainment or impacts caused by the event or project, but there also can be additional causal factors, known or unknown.

Evaluation can be of two basic types: the first is ‘performance improvement’ and can be called technical evaluation related to decision making and problem solving – the focus of the companion book *Event Evaluation*. The second is ‘impact evaluation attributing change’, which has the purpose of making claims about whether or not goals have been attained and what cause the outcomes. Duignan identified a third type called ‘economic and comparative evaluation’, in which financial measures such as profit/loss or return on investment for different plans, strategies or interventions are directly compared. This is typical of economic impact assessment that puts monetary values on benefits and costs of alternative actions.

Finally, the model incorporates ‘contracting, accountability and performance management arrangements’. These can be contracts, such as between events and their grant givers and sponsors that specify goals, evaluation and impact assessment methods and measures. Agreement will also almost always be needed among key stakeholders on what constitutes sufficient evidence of outcomes.



Adapted from: Duignan, P. "Using outcomes theory to solve important conceptual and practical problems in evaluation, monitoring and performance management systems." *American Evaluation Association Conference*, Orlando, Florida, 11–14 November 2009.

**Figure 2.1:** Outcomes System Model Adapted From Duignan