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## About Impact

*Impact* is an ongoing series of knowledge briefs published by HAI.

These briefs draw on the many and diverse experiences and learning of our people and programs across the Asia-Pacific region.

Through *Impact*, we strive to seek out, learn from, and share knowledge on a range of issues with our fellow development practitioners, policy makers and partners.

By sharing knowledge and engaging in broader dialogue, we aim to improve the understanding and practice of development, in order to achieve better development impact.



## Theories of change: a 'Tipping Point' for development impact?

### ABSTRACT

In his 2000 book *The Tipping Point*, author Malcolm Gladwell identified a few small causes that were responsible for rapid, widespread changes. What if we could uncover and harness similar 'drivers of change' to tackle the major challenges of development and poverty before us? How might this be done? This article looks at the growing role of *Theories of Change* in development practice, their relationship to M&E, and how together they might contribute to greater development impact.

### The Tipping Point: Large impacts from small causes

In 2000, a book called *The Tipping Point*<sup>i</sup> written by Malcolm Gladwell was published. The book is a fascinating investigation of rapid, large scale changes in society, and the hidden factors behind how and why these changes occur.

Through his research and analysis of a range of case studies, Gladwell finds that rapid, large scale changes are in fact disproportionately caused by relatively few and small factors.<sup>ii</sup> In other words - a few small and select causes contribute significantly to large, widespread effects.

In his book, Gladwell explores in depth a number of case studies to demonstrate these hidden drivers of change at work. Just a few of these case studies include:

- A 64% drop in murders and 50% drop in total crime in New York City between 1992-1997
- Sales of 'Hush Puppies' shoes in the US, which shot from 30,000 to over 2 million in two years

- A sudden 500% increase in the number of children born with syphilis between 1995-1996 in Baltimore

This challenge of producing large scale change through small but targeted interventions is fundamentally the same one faced by the international development community in its pursuit of development effectiveness.

Questions have long been asked about the impact of small amounts of aid in tackling the immense challenges of poverty reduction and sustainable development, vis-a-vis other much larger drivers of growth and change.

Anderson<sup>iii</sup>, for example, poses this question in looking at the relationship between aid and trade, and arrives at a similar conclusion to Gladwell. That is, it is not the financial volume of aid relative to trade that matters so much as the catalytic role it plays in helping developing countries to "engage productively in globalisation and trade opportunities"<sup>iv</sup>.

Between the *outputs* and *impact* levels of development programs, the process by

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which change occurs and what affects its likelihood of occurring remains largely a mystery – for convenience, we will adopt in this article the same term used by some World Bank economists to describe this knowledge gap: the “black box of causality”<sup>v</sup>.

*The Tipping Point* is a thought-provoking attempt to uncover some of the few, small causes leading to large, widespread effects, and why they work. Without similar efforts amongst the international development community to crack the “black box” and systematically understand how substantial change occurs, development assistance will always struggle to achieve impact at the scale and speed necessary to effectively tackle the myriad of challenges before us today.

At a practical level, how do we begin to do this? We suggest that the following two aspects are critical to systematically understanding change better, but largely missing from current mainstream development practice:

- The “Theory of Change” of development programs needs to be made more explicit
- M&E must be directed to learning against the Theory of Change of development programs

These points are described further below.

### Theory of Change: Hidden assumptions beneath the surface

Development boils down to change. Development programs are, in a nutshell, interventions designed to stimulate the desired change via a chain of cause-effect relationships. The ultimate ‘effect’ at the end of the chain is of course the intended development impact. Readers familiar with M&E concepts will recognise this cause-effect chain as typically forming the **program logic** of a development program.<sup>vi</sup>

A program’s cause-effect relationships are based on an underlying **theory of change**. A Theory of Change is basically a set of assumptions about the most effective ways of creating a desired change, based on a perceived understanding of what is causing the development problem being addressed.

An important point to note here is the difference between **theory of change** and **program logic**. They are often confused as being the same thing, but program logic is actually derived from a theory of change, which itself is derived from a perceived understanding of a development problem in real life. A simple way to differentiate between the two is: program logic explains how a program will achieve change, whereas the theory of change explains why the change will occur.

To illustrate this point, consider the following simple example of a water supply program that desires to improve health in a village:

**Program Logic:** The program will help build a village water supply system, providing villagers with access to clean drinking water, which will therefore improve their health.

**Theory of Change:** Villagers acquire diseases from drinking contaminated water.

Historically, program logic has been the visible tip of the iceberg where the efforts of program activity and improvements have naturally been directed. For various reasons, the theory of change has remained largely hidden and implicit beneath the surface. There are several reasons why theories of change should be treated more explicitly and prominently in mainstream practice:

- As stated above, program logic is derived from a theory of change. It follows logically that if a theory of change is incorrect, then the program logic will also be incorrect. If villagers

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in fact acquire diseases primarily through poor hygiene practices and not contaminated water, then endless efforts to improve access to clean water will still fail to improve health. Clearly, both program logic and theories of change are critical parts of the development effectiveness equation.

- Partly because theories of change have existed largely ‘below the radar’, the development community has traditionally been slow to identify and adapt to the deeper root causes of development problems. Often, we are only forced to face the underlying assumptions behind program designs after repeated failure to achieve substantial change over a period of time. In water and sanitation sector, for example, health-related behaviour as a key determinant of health outcomes only began to feature in mainstream thinking and practice in the late-80s / early 90s after decades of practice and experience.
- In much the same way that theories have enabled Western science to progress over the last half-millennia<sup>vii</sup>, so too do theories of change provide a basis for progressing knowledge and understanding of change in development contexts. Progress is due to the learning that occurs from the variance between what we expect to happen, and what actually happens. The value of being explicit about theories of change is in allowing knowledge about the nature of change to progress in a much more systematic fashion.

To crack the “black box”, efforts to improve understanding and practice must take place against both the theory of change and the program logic. This will require discussion and actions on theory of change to become much more explicit and prominent in mainstream practice than they currently are.

To do this, ways for programs to learn

and improve against program logic and theories of change also need to enter mainstream practice. The most practical and readily available means of doing this is through program monitoring and evaluation (M&E) systems.

### **M&E for learning: The path to understanding change**

Program-related learning typically takes place via program M&E systems, which are the traditional formal vehicle for monitoring and improving program performance. It is increasingly being recognised that M&E serves not just traditional accountability needs of the donor and beneficiary, but increasingly learning for a wide range of program stakeholders.

It follows that if theories of change need to be made more explicit, then program M&E should also explicitly enable learning against a program’s theory of change (as well as program logic) in order for knowledge about how the “black box” works to be advanced.

Learning generated by program M&E systems naturally reflects the different status of program logic and theories of change in mainstream awareness and practice. Learning in relation to program logic is by far more common. This type of learning assumes that both the program logic and theory of change are valid. Lessons learned may be derived from any level of the program logic chain<sup>viii</sup>, and may include:

- Lessons used to monitor and improve program implementation and performance.
- Lessons that demonstrate that the program is leading to the expected outcomes/impacts. *Contribution Analysis* is an example of an M&E approach seeking lessons of this type.
- Lessons relating to additional effects or changes that were not expected or sought in the design of the program logic. *Most Significant Change* is an

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example of an M&E methodology that produces lessons of this type.

In contrast, learning in relation to theories of change is largely absent from mainstream practice (although there are signs this is changing with the rapid proliferation of interest and practice in M&E). This type of learning is interested in comparing what is learned from practice to what is expected according to the theory of change, in order to deepen understanding about the root causes of development problems, how change occurs, and what influences its likelihood of occurrence.

Driven largely by the 2006 *White Paper on Australian Aid*<sup>ix</sup>, the Australian development community is seeing a growing and significant amount of attention and effort is being invested into learning about how development assistance can be made more effective. Much of this welcome investment is being directed at M&E frameworks, tools and capacities, to better understand, as well as demonstrate progress towards, development effectiveness.

However much of this work appears to be directed at learning in relation to program logic, particularly where the lessons can also serve accountability purposes to donors (both government and non government) of development programs. While this learning makes an important contribution to development effectiveness, as pointed out above, it represents only part of the equation and by itself is not enough.

Learning directed at improving and refining the theories of change behind development policy and programs is also critical in helping us understand how the “black box” works. It deserves and should be afforded a greater level of prominence within mainstream discourse and practice.

## Conclusion: A tipping point for development impact?

As *The Tipping Point* illustrates, the dynamics of remarkable change processes are visibly all around us, in both positive and negative forms. They drive the spread of HIV/AIDS in Papua New Guinea, and fan the conflict that currently besets Timor-Leste. They also responsible for the dramatic global rise in awareness and attitude on climate change issues, and fuelling the rapid economic growth in China and Vietnam.

The insights into the nature of change provided by *The Tipping Point* raise irresistible questions and implications for we practitioners in the development community. That is: if we can develop an understanding of what small, few causes lead to large, widespread effects, and why, can this knowledge be harnessed to make a real impact on the major development challenges of our generation?

What is certain is that such an opportunity cannot begin to be grasped without a greater and more deliberate effort to learn about how the “black box” of change works. Theories of change are critical to this effort, as are M&E tools that assist the ongoing improvement of knowledge and practice against these theories of change. Now is the time to bring explicit thinking and practice in relation to understanding change into the mainstream.

## About the Author

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Since joining HAI, he has worked on a range of proposal and program management activities. His roles have included Program Coordinator for the China Australia Governance Program, and HAI Manager for the Australian Development Gateway Project.

Warin currently works with HAI's Development Impact Group, initiating and supporting a range of organisational learning and change initiatives aimed at improving HAI's development impact.



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## NOTES & REFERENCES

<sup>i</sup> The Tipping Point, Gladwell, M., Abacus Publishing, 2000

<sup>ii</sup> Gladwell proposes that a few critical factors combine to allow change to take on "epidemic" features, thereby enabling it to spread quickly and on a large scale. These factors include: (i) particular types of people who play a disproportionately large role in driving change, eg: "connectors" (people who connect different groups of people), "mavens" (people who play a knowledge-brokering role by collecting and dispersing large amounts of information), and "salesmen" (people who are effective at persuading others to change their behaviour); (ii) the "stickiness" of messages, ideas or behaviours being spread; (iii) the influence of context – how the smallest differences in the environment of human beings can influence their behaviour.

<sup>iii</sup> Globalisation, Trade and Development – What is left for aid to do?, Anderson, I., AusAID, December 2003

<sup>iv</sup> p.43, Globalisation, Trade and Development – What is left for aid to do?, Anderson, I., AusAID, December 2003

<sup>v</sup> Aid Effectiveness – Opening the Black Box, Bourguignon, F., Sundberg, M., World Bank, 2007

<sup>vi</sup> Program Logic defines the cause-effect relationships up the program hierarchy of "inputs-activities-outputs-outcomes-impact", and in doing so, the "logic" of how a program expects to achieve an intended change.

<sup>vii</sup> The "scientific method" is a key feature of Western science. The basic concepts are familiar to us all and taught to us in high school. In this method, scientific hypotheses or theories are put forward. Experimentation is carried out to test them, and the variances – or lessons – learned are used to improve scientific knowledge and continually improve the theory. The value of the theories is as much in enabling knowledge to progress as whether they themselves are right or wrong.

<sup>viii</sup> Generally speaking, the program logic chain is as follows: inputs-activities-outputs-outcomes-impact

<sup>ix</sup> White Paper on Australia's Aid Program – Australian Aid: Promoting Growth and Stability, AusAID, 2006