

Selection of Social and Sustainability Criteria for Public Investment Project Evaluation in Developing Countries

Authors : Pintip Vajarothai, Saad Al-Jibouri, Johannes I. M. Halman

Abstract : Public investment projects are primarily aimed at achieving development strategies to increase national economies of scale and overall improvement in a country. However, experience shows that public projects, particularly in developing countries, struggle or fail to fulfill the immediate needs of local communities. In many cases, the reason for that is that projects are selected in a subjective manner and that a major part of the problem is related to the evaluation criteria and techniques used. The evaluation process is often based on a broad strategic economic effects rather than real benefits of projects to society or on the various needs from different levels (e.g. national, regional, local) and conditions (e.g. long-term and short-term requirements). In this paper, an extensive literature review of the types of criteria used in the past by various researchers in project evaluation and selection process is carried out and the effectiveness of such criteria and techniques is discussed. The paper proposes substitute social and project sustainability criteria to improve the conditions of local people and in particular the disadvantaged groups of the communities. Furthermore, it puts forward a way for modelling the interaction between the selected criteria and the achievement of the social goals of the affected community groups. The described work is part of developing a broader decision model for public investment project selection by integrating various aspects and techniques into a practical methodology. The paper uses Thailand as a case to review what and how the various evaluation techniques are currently used and how to improve the project evaluation and selection process related to social and sustainability issues in the country. The paper also uses an example to demonstrate how to test the feasibility of various criteria and how to model the interaction between projects and communities. The proposed model could be applied to other developing and developed countries in the project evaluation and selection process to improve its effectiveness in the long run.

Keywords : evaluation criteria, developing countries, public investment, project selection methodology

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