



Newsletter

Benefit-Cost Analysis: A Tool to Inform by Marvin Shaffer

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The attempt in traditional benefit-cost analysis to estimate the value of all consequences in dollar terms (the willingness to pay for the positive and compensation demanded to offset the negative) is fraught with technical, empirical and philosophical challenges.

In the benefit-cost course I teach in the MPP program, I emphasize the importance of multiple account benefit-cost evaluation frameworks. Instead of comparing alternatives on the basis of one summary measure of net benefit, alternatives are compared on the basis of a set of distinct evaluation accounts. Typically these would include: the market valuation of the benefits and costs (the net revenues or cost to the implementing agency); the net benefit or cost to taxpayers; the net benefit (consumer surplus) to users or target beneficiaries; the net benefit (economic rent) to workers and industry; the environmental externalities; and the social externalities.

Multiple account analysis covers what would be considered in traditional benefit-cost analysis, but there is no attempt to aggregate all of the different consequences into one overall measure of net benefit. This eliminates the need to estimate the value of all of the consequences in a common dollar metric (to be able aggregate them into an overall 'bottom line'). Physical indicators or descriptions of impact can be used where values cannot be meaningfully or reliably estimated. The disaggregation also provides more information on the different types of consequences a project or policy may have and their distribution among different affected parties.

Whereas the purpose of traditional benefit-cost analysis is to identify the 'best' alternative—the one that offers the greatest overall net benefit—the purpose of multiple account benefit-cost analysis is different. It tries to summarize the advantages and disadvantages of the alternatives by type of impact or impacted group. It may indicate an unequivocally preferred option (one that is preferable under all accounts), but more commonly it serves to clarify the advantages and disadvantages of different alternatives and the principal trade-offs they entail. The objective is to *inform* not *resolve* the public policy debate. As one analyst puts it, this approach provides insight, not simple answers. Multiple account benefit cost analysis, done well, can help do that in a systematic, dispassionate way.

Inside this issue:

Benefit Cost Analysis: A Tool to Inform	1
From Co-Op to Capstone	2
Career in Public Policy	2
MPP Students in the News	3
Congratulations	3
MPP Class of 2008	4



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Co-op: At British Columbia Ministry of Children and Family Development (MCFD) by Jordan Wapass (MPP 2009)

The best outcome for the children in care population is the priority for the BC Ministry of Children and Family Development (MCFD). For the children in care and especially those with special needs, the goal of the ministry and ministry staff is to provide the best short and long-term

From Co-op

To Capstone!

outcomes for the children through research and best practice.

During my co-op with the MCFD I was able to utilize the skills I gained in the MPP program as I was asked to analyze survey and ministry data on the population of children in care as well as design and administer a survey.



The purpose of that survey was to gather information on services offered at early childhood development (ecd) hubs in the Fraser Region as well as gather data on maternal mental health.

My co-op provided me with the experience and skills to continue with the MCFD and work on another project, which has become my capstone topic. My capstone involves analyzing ministry data on the youngest segment of the children in care population and assessing whether current practices in ecd are well suited for achieving the best outcome for the children once they reach the age of moving out of care.

The experience I gained during my co-op has proven invaluable and I know my work, once completed, will have a definite impact on the children in care in the Fraser Region.

Career in Public Policy by Andrew Mitchell (MPP 2008)

When presented with the opportunity to work for the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC), I was excited by the unique policy challenges associated with planning an Olympic event. After several months of employment, I continue to be amazed by the complexity of the challenges.

The delivery timeline and sheer magnitude of the Olympic Games creates policy challenges, which have potential impacts at the local, regional national and international level. This reality is particularly acute in the area of transportation

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planning and as previous Games demonstrate, transporting people to and from every Olympic venue and facility must be a central consideration. This is no different with VANOC.

As a client services manager for the VANOC transportation team, I am responsible for understanding, planning and developing transportation services

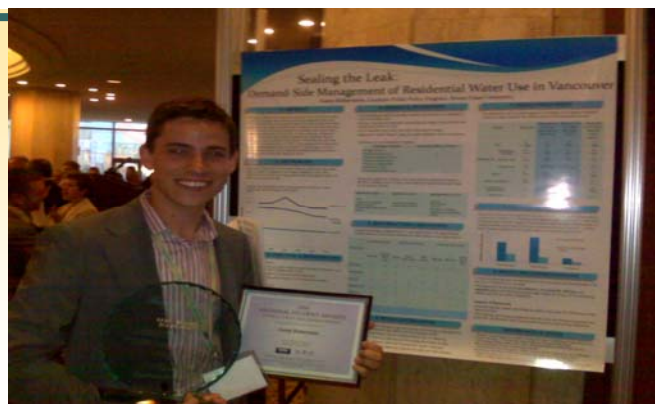
for the International Olympic Committee (IOC). I am primarily responsible for developing and negotiating service level agreements with the IOC to ensure that their transport services are safe, reliable and efficient. Needless to say, the skill set acquired through MPP has been invaluable.

With the close of the Beijing Olympic Summer Games, the world has shifted its attention to Vancouver. As a VANOC employee, I hope that my work positively contributes to the success of the Games and to the delivery of an extraordinary Games experience.

MPP Students in the News: Vancouver Sun Op-Eds

- ◆ Jessej Basi: “Transit Pass a Ticket out of Welfare” <http://www.canada.com/vancouvernews/news/editorial/story.html?id=ec9aa33d-25c3-4e8f-952a-c0a2ecf06f85>
- ◆ Carey Doberstein: “Drip, Drip: The Sound of Water and Money Down the Drain” <http://www.canada.com/vancouvernews/news/editorial/story.html?id=42a4c874-fae6-492f-98fa-44ec2bda7afe&p=2>
- ◆ William Kendall: “Retired Workers Need Greater Access to Their Pension Money” <http://www.canada.com/vancouvernews/news/editorial/story.html?id=a05baeb4-fe5a-4f25-9821-ad420a937484>
- ◆ Lynn Perrin: “The Peaceful Revolution in Farmers’ Markets” <http://www.canada.com/vancouvernews/news/editorial/story.html?id=f9ef53b0-5d7f-4fe8-8f47-60d4d5abbc03>
- ◆ Peter Wightman: “From Freeway to Feeway: Road Congestion and Tolls” <http://www.canada.com/vancouvernews/news/editorial/story.html?id=cd353eb4-9e99-4a8f-b7bd-d552ac308f12>

Carey Doberstein MPP Graduating Class of 2008, receiving his 2008 CAPP National Student Thought Leadership Gold Award. (CAPP = Canadian Association of Programs in Public Administration).



Congratulations

- ◆ Prof. Dominique M. Gross has a forthcoming article with Michael Ryan, Western Michigan University: “FDI Location and Size. Does Employment Protection Legislation Matter?” *Regional Science and Urban Economics*.
- ◆ Prof. Olena Hankivsky has received the prestigious Michael Smith Foundation for Health Research Career Investigator Award as Senior Scholar in Population Health for her research project “New Perspectives on Gender, Diversity and Health Policy, Planning and Services”. This is the only award given in this category in British Columbia. She was also awarded one of only four Mid-Career Research Chair in New Perspectives in Gender and Health by the Canadian Institute of Health Research.
- ◆ Prof. Doug McArthur has been invited to join a new weekly national public affairs panel sponsored by the Globe and Mail newspaper. Listen as John Manley, Jodi White and Doug McArthur join the Globe and Mail Editor in Chief Edward Greenspon in a new political podcasting venture.
- ◆ **2008 MPP Cappa prize and 2008 CAPP National Student Thought Leadership Gold Award Recipient** Carey Doberstein: Demand-Side Management and Residential Water Use in Vancouver. <http://www.ipac.ca/cappawinners08>
- ◆ **2008 MPP Cappa Prize and 2008 Cappa National Thought Leadership Silver Award Recipient** William Kendall: You Can’t Take it With You: Analyzing Exemptions to the Locking-in of Private Pension Benefits in British Columbia. <http://www.ipac.ca/cappawinners08>
- ◆ **2008 MPP Capstone Prize** Andrew Mitchell: Quality Through Policy: Canadian Strategic Environmental Assessment
- ◆ **2008 MPP Capstone Prize for Topic of Ethical Significance** Aman Sanghera: Designing a Truth Commission for Post-Conflict Darfur: Lessons Learned From El Salvador and Sierra Leone.

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The Master's in Public Policy is a two-year innovative graduate program that emphasizes the development of techniques to **undertake** and **manage** public **policy analysis** and planning.

The mandate of the program is to provide a professional graduate education that yields public policy analysts and managers who can **scrutinize** a problem, **interpret** and **analyze** relevant data, then **evaluate** alternative paths of action.

Graduates find employment in federal, provincial, and municipal governments, non-governmental organizations, crown corporations, and private-sector firms. The program offers expertise in labour markets, environment, social policy, trade policy, immigration, Canadian and international policy, First Nations research, land use, communications, and more.

MPP Class of 2008

