



# Newsletter

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## The Multiple Account Approach to Benefit-Cost by Marvin Shaffer

There is an unfortunate, though widespread tendency in public policy debates to focus on single objectives or attributes without regard to the full range of consequences a project or policy may have.

Industrial project proponents and their political supporters, for example, commonly cite the number of jobs a project will generate, as if the employment impact itself could justify the project going ahead. The proposed Prosperity copper-gold mine project near Williams Lake is a good example. The provincial government approved that mine going ahead and continues to promote it based solely on the jobs and other economic impacts it may create. There was no recognition of the trade-offs or values. One must assume to conclude that the positive consequences of this project would outweigh the negative.

The federal government took the exact opposite approach. Based on the findings of a Canadian Environmental Assessment (CEAA) panel report, the federal government rejected the project because of the adverse environmental effects it would have. The CEAA panel recognized there could be economic benefits from the employment generated by the mine but felt it was beyond its mandate to assess the relative magnitude of the benefits in relation to the environmental and other costs.

There can be instances where an environmental or social impact is so severe, or an economic benefit so compelling, that the single issue in itself could govern what should be done. Most often, however, there are both positive and negative effects that need to be recognized and assessed. In such circumstances, focusing on single objectives or attributes will not serve the interests of a well-informed public debate nor lead to well-considered decisions.

The multiple account approach to benefit-cost analysis that I have had the opportunity to teach in the MPP program is intended to provide a framework for the assessment of the full range of consequences that a proposed project or policy may have, consistent with basic economic principles governing the identification and valuation of benefits and costs. The purpose is not so much to estimate the magnitude of all of the benefits and costs in dollar terms in order to calculate 'the bottom line', but rather to clarify the key trade-offs that need to be considered, and to bring some perspective to the critical values – the values one would have to assume – to favour one decision over another.

In the case of the Prosperity mine project, a multiple account benefit-cost approach calls for an assessment of not just the number of jobs that may be directly and indirectly generated, but more importantly their economic value or significance. That depends on who would be hired as a result of the project and on the wages they would otherwise earn, or value of what they would otherwise be doing. The analysis also requires careful consideration of the incremental effects on government and the economy more generally. While much of that can be positive, there would be a major negative impact for BC Hydro, which would incur costs more than double the revenues it would receive from the mine to supply the very large amount of power the mine would use. (See <http://www.sfu.ca/mpp/marvinshaffer/trim/s/uploadFile/Prosperity.PDF> for a discussion of these issues)

The economic effects, carefully assessed, must then be considered in relation to the environmental and social concerns to the First Nation and others who would be adversely affected. Multiple account benefit-cost analysis does not necessarily answer the question of what should be done. But, unlike the impact analyses typically undertaken in project reviews, it does serve to force advocates and decision-makers to be more explicit and hopefully consistent in the values they must assume in the positions they take.

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## An International Research Co-op by Afifa Shahrin (MPP 2012)

During my co-op term I worked as a researcher in a project examining the nutritional status of women from low-income households in Bangladesh. The first part of my work was to administer a survey of roughly 800 women in different urban and rural areas in Bangladesh. For that I had to work in Dhaka,

### From Co-op

### To Capstone

the capital of Bangladesh from May-July, 2011.

It was interesting and challenging to complete such a large survey, which included a long questionnaire. The most difficult part was maintaining the quality of the data by reducing bias. I



had to put a lot of effort into making sure that the field surveyors were properly communicating the questions with women. My survey methods courses during the first two terms in the MPP program were applicable to these issues. It was enlightening to learn about the lives of the disadvantaged women who were facing challenges every day to fulfill the basic

necessities for themselves, for their children, and for their families.

I did not always have to work in a formal official setting. This actually gave me the opportunity to walk around the slums where the women live and to conduct focus group discussions with women in Dhaka city and in a village named *Satkura*. I am grateful to my supervisor, John Richards, and other researchers in Bangladesh and Canada for their invaluable suggestions during my work.

I feel fortunate to be able to use a part of this survey data in my capstone project. Being involved in the research from the very beginning and working in the data collection process was very beneficial for me. My capstone will be helpful for policy makers in developing countries to improve the standard of living of marginalized populations.

## Career in Public Policy by Peter Wightman (MPP 2008)

The old adage that “the only constant is change” creates exciting challenges and opportunities in Canadian public policy. My work at Human Resources and Skills Development Canada (HRSDC) is about understanding Canadian and global economic and social change, and putting forward potential policy directions in response.

Dubbed medium-term policy planning (MTP), my work is about moving beyond the current policy agenda to help the department build analysis and evidence for new policy advice over the coming three to five years.

In this position I get to collaborate across the department’s main mandate

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areas of learning, labour market, and social policy to integrate thinking, identify common problems and solutions, and bring forward cohesive strategies. Week by week, the topics I assess can range from employment outcomes for immigrants, to the influence of social factors on labour productivity, to the

opportunities that Canada’s aging population presents.

Creativity is at a premium in MTP, which makes my work interesting and exciting. Reflecting the Clerk of the Privy Council’s focus on innovation and renewal, there is a desire to challenge existing assumptions, develop new ideas, and bring in thinking from “the outside”.

The past three years in the federal public service have shown me that the SFU MPP prepares graduates well for the practicalities of public policy work. As policy challenges continue to change and evolve, the skills and knowledge I developed through the MPP program have provided a versatile and effective foundation for the work I’m involved in.

# MPP Students Headed to Saskatoon for National Case Competition



MPP students from the School of Public Policy at Simon Fraser University will be participating in the first ever national student case competition hosted by the Johnson-Shoyama School of Public Policy at the University of Saskatchewan in January 2012. A team of three students and a faculty coach will be practicing in the lead-up to the competition and flying to Saskatoon to compete with public policy students from six other universities across the country. The event will last for two days and will include excellent opportunities for networking with senior public policy officials and other future policymakers, a keynote address, and a gala dinner. Join us in wishing our students the best of luck in representing the School of Public Policy at this illustrious national competition. Bring home the gold!

## Congratulations

- ◆ Prof. Dominique M. Gross has published an article in **Economic Papers** entitled: “Who Feels Economically Threatened by Temporary Foreign Workers? Evidence From the Construction Industry.”
- ◆ Prof. J. Rhys Kesselman’s has co-authored a study on “Income Splitting for Two-Parent Families: Who Gains, Who Doesn’t, and at What Cost,” published by the **C.D. Howe Institute** (see link: [http://cdhowe.org/pdf/Commentary\\_335.pdf](http://cdhowe.org/pdf/Commentary_335.pdf)).
- ◆ Prof. Royce Koop has an article forthcoming in **Canadian Journal of Political Science** entitled, “Party Constituency Associations and the Policy, Service, and Symbolic Responsiveness of Canadian Members of Parliament.”
- ◆ MPP 2011 alumnus Ian Anderson, and MPP 2012 candidates Scott Ireson and Joey Chopra presented at the inaugural Think Again! Graduate Student conference October 22nd, 2011 at the Halpern Centre on SFU’s Burnaby Campus.
- ◆ **2011 MPP Cappa prize and 2011 CAPP National Student Thought Leadership Silver Award Recipient**  
Christine Robbins: Policy Options for Overcoming Systemic Barriers to Employment for People with Vision Loss
- ◆ **2011 MPP Capstone Prize**  
Trixie Ling: Acquiring Language Proficiency Among Chinese Immigrant Women in Metro Vancouver
- ◆ **2011 MPP Capstone Prize for Best Topic of Ethical Significance**  
Caitlin O’Reilly: Weighing in on the Health and Ethical Implications of British Columbia’s Weight-Centred Health Paradigm

## MPP Students in the News: Op-Ed

- ◆ Conrad Malilay, Michelle Bailey, Meredith Haaf, Jennifer Blattler and Kaleigh Johnston “**The Growing Erosion of Urban Voting Power in B.C.**” Vancouver Sun, October 1st, 2011.

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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, public participation, local government and more.

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## MPP Class of 2011

Masters of Public Policy 2011

