



Newsletter

Well-Being and Affluence in the Presence of a Veblen Good by Curtis Eaton

In the past few years a couple of puzzling relationships between perceived well-being and income have come to light. The first concerns the relationship between per capita income and average perceived well-being within countries over time. In rich countries like Canada, average well-being and average income are uncorrelated -- over the past half century, as per capita income grew in the rich economies of the world, the average well-being of the people living in them did not increase significantly. In contrast, in the poor countries of the world, there is significant, positive correlation between per capita income and average well-being. In all countries, rich or poor, cross sectional data reveal that the income of individuals and their perceived well-being are positively correlated. So in rich countries, there is a disturbing well-being puzzle: at a point in time as we move up the distribution of income across persons, their average well-being tends to increase, but over time as the entire distribution of income shifts up, average well-being does not change.

In *Well-Being and Affluence in the Presence of a Veblen Good*, a paper that is forthcoming in the *Economic Journal* and available on the web at *IDEAS*, Mukesh Eswaran and I explain this puzzle using a simple general equilibrium model that is standard in all respects save one, the presence of a pure Veblen good. The value to an individual of the pure Veblen good is driven not by absolute consumption of the good, but instead by relative consumption of it. If the explanation that we offer is taken seriously it raises some very serious questions. Here I mention just a couple of them. Our work suggests that the focus in rich economies on growth as a policy objective is badly misplaced -- if we get no happier as we get richer, what is the point of getting richer? It suggests that the real cost of dealing with various global externalities such as climate change is much lower than is commonly thought and may in fact be zero.

We are, of course, not the first to talk about these issues, nor by any means do we have the final word on them. If you are interested in these issues, the extensive bibliography in our paper will get you into this important literature.

Curtis Eaton is University Professor and Professor of Economics at the University of Calgary. He was educated at the University of Colorado where he received his BA (1965) and PhD (1969) degrees, and has held the rank of Full Professor at UBC, Toronto, SFU and Calgary. Professor Eaton visited the department this Spring.

Spring 2009

Volume 4, Issue 1

Inside this issue:

Well-Being and Affluence	1
Temporary Foreign Worker Policy	2
From Co-op to Capstone	2
Career in Public Policy	3
Congratulations	3
Sabbatical Under-Takings: Establishing a Canada-US Gender and Health Research and Policy Group	4



Editor: Dominique M. Gross
Assistant Editor: Dawn Geil

Temporary foreign worker policy by Dominique M. Gross

The 11th Metropolis Conference on *Frontiers of Canadian Migration* took place in Calgary from March 19th to 22nd. Metropolis is an international network of comparative research and public policy development on migration, diversity, and immigrant integration in cities in Canada and around the world. In Canada there are 5 Centres of Excellence for research (British Columbia, Prairies, Ontario, Quebec and Atlantic).

One of the topics of focus for workshops and roundtable discussions was temporary foreign workers. Canada has had a temporary foreign worker programme for decades and until 2002 only skilled workers, seasonal agricultural workers and live-in caregivers were allowed to come to Canada under that programme. In 2002, the federal government decided to open the programme to all types of workers, including low-skill workers. Since then it has made it increasingly easier for employers in

industries under pressure to hire temporary foreign workers. The consequences of this policy have been wide-ranging and researchers across Canada have studied them. Among the topics considered at the conference there were: the impact of the growing inflows of temporary foreign workers on job prospects for resident workers; the justifications for restricting rights and freedoms for low-skill workers; the working conditions of temporary foreign workers; the transition from temporary to permanent status. Interestingly these issues are also the ones that plagued similar programmes in Europe in the 1970s and 1980s. As the financial crisis hit, it is unlikely that the questions surrounding temporary foreign workers, particularly the low-skilled, will fade away. As history has taught us, new problems develop when the economy slows down and these programmes have generated

concerns about the willingness of temporary foreign workers to return to their home countries as well as employers' incentives to keep them at less than optimal working conditions in difficult times.

Two MPP students, Ahna Kim and Charlene Yousefi wrote their capstone on issues surrounding temporary foreign workers; they presented their results at the conference. See the congratulation section of this newsletter for details.



Co-op by Jayme Lee (MPP 2009)

Although Metropolitan Vancouver leads other Canadian cities when it comes to cycling as a commuting mode, the region is far behind other international cities such as Copenhagen or Amsterdam.

From Co-op

To Capstone!

When I began my position as a research assistant for SFU, I had little knowledge about cycling issues. During the course of my co-op, I created and conducted a survey of individuals using cycling facilities at the SFU downtown campus. I was able to make many connections with



various stakeholders in the transportation sector. I then made recommendations to SFU on how to increase cycling to the downtown location.

When the time came to choose a capstone topic, I knew I wanted to continue on with cycling research. My co-op at SFU helped me to develop my capstone topic and gave me the opportunity to use the research methods and policy analysis tools I learned in my first year in the MPP program.

The experience I gained in my co-op greatly shaped my capstone work and I am confident the skills I have learned will serve me well in my future endeavors.

Career in Public Policy by Michelle Molnar (MPP 2008)

A few months after graduating from the Public Policy Program, I interviewed for the position of Marine Conservation Researcher and Policy Analyst with the David Suzuki Foundation. The training I received in the MPP program set me apart from other candidates and was a motivating factor in their decision to offer me the position. The ability to understand the economic rationale behind decision making, to work effectively with members of a multi-disciplinary team, and to apply the policy framework have become valuable skills upon which I rely heavily in my daily work. My current projects aim to facilitate the implementation of integrated management

Name: Michelle Molnar
Title: Marine Conservation Researcher and Policy Analyst, David Suzuki Foundation
Location: Vancouver, BC
BA: (Hons). Phil, Econ, University of Western Ontario, 1999
MA: Philosophy, University of Western Ontario, 2001

on the Pacific North Coast. More specifically, my work aspires to satisfy the goal of securing the ecological integrity of the region without sacrificing economic development. In addition to writing reports on the value of ecosystem goods and services and the pollution impacts of industry, I work closely with a coalition of environmental NGOs on a portfolio of projects, and travel throughout the central and northern coast of B.C. to engage stakeholders, and participate in related forums and workshops. I am delighted to have a career that I find stimulating, challenging and meaningful.

This year the incoming MPP cohort had the opportunity to mix classroom learnings with practical advice to the Provincial Government within the class in Policy Analysis, under the guidance of Professors Nancy Olewiler and Kennedy Stewart. The BC Government, through the active involvement of Cecile Lacombe and Peter Erikson, Office of the Chief Information Officer, Ministry of Labour and Citizens' Services, provided to the class six public policy topics of concern to the government. Working in groups, the MPP students diagnosed policy issues and formulated as well as assessed relevant policy options. Their research results were presented in a one-day colloquium in Victoria on April 3rd with the participation of more than 30 government experts. Active and lively discussions followed each presentation. The students' presentation slides, posters, and research reports are available from the Ministry's website at <http://www.gov.bc.ca/lcs/>



Congratulations

- ◆ Prof. Doug McArthur whose responsibility has been to develop and write the **laws book, including a constitution**, following the coming into effect of the **Tsawwassen First Nation Treaty**. It is a first and important new development in First Nations policy and governance in that it establishes an original, comprehensive rule based system. The laws book has been adopted by the National Centre for First Nations Governance as representing 'best practice' for First Nations in the future both in terms of its development and its content. Congratulations also to Kim Fleming the project management coordinator, and MPP alumni Karma Call and Tom McCarthy, and students, Mary Nemeth and Colin Ward.
- ◆ Dany Doiron, MPP cohort 2007, whose excellent capstone, **Destinations Matter: Increasing Walking Rates in a Richmond, BC Neighbourhood**, was accepted without revisions by the Defence Committee.
- ◆ Ahna Kim, MPP cohort 2007, participated in a roundtable on **The Effects of Temporary Foreign Migrants on the Regions in Canada** at the 11th National Metropolis Conference, in Calgary, March 19-22, 2009.
- ◆ Charlene Yousefi, MPP cohort 2007, presented her capstone results in a workshop on **Temporary Foreign Worker Programs and Citizenship in Canada** at the 11th National Metropolis Conference, in Calgary, March 19-22, 2009.

Graduate Public Policy Program

Simon Fraser University
Harbour Centre
515 West Hastings St.
Vancouver, BC V6B 5K3
Canada

Phone: 778-782-5289
Fax: 778-782-5288
E-mail: mpp@sfu.ca

www.sfu.ca/MPP

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.

Sabbatical Undertakings: Establishing a Canada-US Gender and Health Research and Policy Group by Olena Hankivsky

Research in gender and health has made much progress over the last 20 years and in particular, there has been an increased recognition of the importance of the multifaceted effects of sex and gender, and other social factors (i.e., age, race, geography, ability, etc.) on all aspects of health. Nevertheless, complex questions and debates, in relation to concepts and methodologies have arisen which, to date, have not been adequately addressed or resolved, significantly hampering research and policy progress. While Canada and the United States have often been presented as models for advances in gender and health, there has been little exchange of knowledge and ideas.

During my sabbatical year at the Center for the Study of Social Inequalities in Health, Mailman School of Public Health at Columbia University, I have taken the leadership in establishing a Canada-U.S. Gender and Health Research Group that consists of leading researchers in both countries. The group meets on a monthly basis to explore current issues in gender and health research and policy, discussing possible solutions to conceptual and methodological problems and identifying areas of future investigation. It is anticipated that the activities of this group will allow for a range of unique training opportunities for students (e.g. student exchanges between Simon Fraser University and Columbia University). Additionally, the group is planning a joint Canada-U.S. conference in 2011 that will be held at Simon Fraser University resulting in the publication of a special journal issue and the establishment of a five year Canada-U.S. collaborative research agenda on priority areas of mutual interest.

Canada-U.S. dialogue and explorations of the factors that cause health inequalities can be seen as an essential next step in the evolution of gender and health research, one that can address common challenges, open the door for collaborative work, and fundamentally improve empirical and explanatory knowledge. This is essential to inform interventions, programs and policy designed to improve the health and well being of men, women, girls, and boys in both Canada and the United States.
