www.cdhowe.org

C.D. Howe Institute
Institut C.D. Howe

COMMUNIQUÉ

For Release at 2:00 p.m. EDT Thursday, June 3, 2010

C.D. Howe Institute Scholar Wins Prestigious Purvis Memorial Prize

Toronto, June 3 – C.D. Howe Institute Fellow-in-Residence Bev Dahlby has won the 2010 Doug Purvis Memorial Prize for his study "Once on the Lips, Forever on the Hips: A Benefit-Cost Analysis of Fiscal Stimulus in OECD Countries."

The award was announced last weekend at the 2010 annual meeting of the Canadian Economics Association. The $10,000 prize, one of the most prestigious in economic policy, is awarded by the Purvis Foundation to the author/authors of "a highly significant, written contribution to Canadian economic policy." The award was established in 1994 in memory of noted Canadian economist Doug Purvis, and the winner is selected by an independent committee nominated by the Canadian Economics Association and the Canadian Association for Business Economics.

This marks the fourth time that a C.D. Howe Institute publication has won the Purvis Prize - fully one-quarter of the awards bestowed to date.

The prize-winning study, published in December 2009, analyzes the large fiscal stimulus measures adopted by Canada and most OECD member countries in the wake of the global financial downturn and recommends that they be evaluated on a benefit-cost basis. The paper also calculates the minimum economic benefit per dollar of additional spending that a fiscal stimulus project must provide in order to improve welfare.

In Canada's case, Professor Dahlby calculated that to be justifiable on a benefit-cost basis, a fiscal stimulus project that improves consumptive public services must provide at least 73 cents in benefits for every dollar of fiscal stimulus. For a productivity-enhancing infrastructure project, the present value of the increase in labour productivity must be at least 61 cents for each dollar spent on infrastructure.

Bev Dahlby is a Professor in the Department of Economics at the University of Alberta. His main area of teaching and research is public sector economics, especially tax policy and fiscal federalism. He has published many articles in these areas, and his book The Marginal Cost of Public Funds: Theory and Applications was published by MIT Press in 2008.

He has served as a policy advisor for a number of national and international organizations. He has advised the Canadian federal government on the reform of business taxation and the fiscal equalization program, the evaluation of tax credits for the television and film industry, and the taxation of inbound foreign direct investment. His international experience includes advisory work on tax reform in Malawi for the IMF and in Thailand for the Thailand Development Research Institute in Bangkok. In 2007, he served as the research director of the Alberta government's Financial Investment and Planning Advisory Commission and in 2008 he was an advisor to the World Bank on the reform of the fiscal transfer system in Brazil.

To download the winning paper, click here.

For more information contact:
Finn Poschmann
Vice-President Research
C.D. Howe Institute, 416-865-1904

ABOUT THE C.D. HOWE INSTITUTE: The C.D. Howe Institute is a national, nonpartisan, nonprofit organization that aims to improve Canadians' standard of living by fostering sound economic and social policy. The Institute promotes the application of independent research and analysis to major economic and social issues affecting the quality of life of Canadians in all regions of the country. It takes a global perspective by considering the impact of international factors on Canada and bringing insights from other jurisdictions to the discussion of Canadian public policy. Policy recommendations in the Institute's publications are founded on quality research conducted by leading experts and subject to rigorous peer review. The Institute communicates clearly the analysis and recommendations arising from its work to the general public, the media, academia, experts, and policymakers.