

OLLSCOIL na hÉIREANN NATIONAL UNIVERSITY OF IRELAND

TEXT OF THE INTRODUCTORY ADDRESS DELIVERED BY: PROFESSOR CORMAC Ó GRÁDA on 16 June 2021 on the occasion of the conferring of the Degree of Doctor of Economic Science honoris causa, on JAMES PETER NEARY

A Sheansailéir, a mhuintir na hOllscoile agus a dhaoine uaisle,

Few would question that Peter Neary, whose achievements we honour here this afternoon, is Ireland's greatest living economist or, indeed, one of the very small number of Irish-born economists who have achieved a world-wide reputation in the lifetimes of even the oldest of us.

Peter was born in Drogheda in 1950. Economics was his choice discipline from undergraduate days in UCD but he would have excelled in whatever field he chose. His flair for mathematics at an early age would later stand him in good stead as an economic theorist. But those of us who are old enough remember Peter as a budding econometrician who at the age of 21 or 22 wrote the econometrics package that would dominate the academic scene here in Dublin for several years. And two of his most famous early papers were in the field of macroeconomics. Both were concerned with constraints on factor mobility, and that focus also informed some of Peter's early trade theoretic publications. And it is in international trade theory is where Peter has made his mark.

In 1978, the same year he completed his PhD in Oxford, Peter published two elegant and famous papers. They would be followed by nearly a hundred more in top international journals, not to mention another forty or so as chapters in research-related books.

Peter's supervisor in Oxford, Professor Nicholas Stern (now Lord Stern), described his student's skills set very well a few years ago: Peter, he said, "*brought very serious tough theory to the problems that matter*". That sounds exactly right.

This may be seen in one of Peter's truly classic papers 'Booming sector and deindustrialisation in a small open economy', published in 1982 but still widely cited, which was inspired by controversy following the discovery of North Sea oil, and which contains several insights that would continue to influence policy until the present. The elegant measures of trade restrictiveness that Peter developed with Jim Anderson of Boston College had strong theoretical underpinnings, but were also designed to be useful—as they have been. They have been employed by economic historians, but they also provide valuable perspectives on current issues such as trade negotiations and the impact of trade policies on economic wellbeing. Again, Peter did a lot of theoretical work on how and when governments should help firms: should they help likely winners or save firms in obvious trouble? The answer is not straightforward and assumptions and context matter. Peter also made important contributions to the imperfect competition revolution in international trade. In particular he has added to our understanding of trade and industrial policy under oligopoly, where the market is dominated by a few large firms. Outside of international trade Peter has also worked on industrial organization, especially the economics of research and development. Another theoretical area in which Peter made important contributions is index number theory, which attempts to come up with accurate measures of output, prices, and changes in them over time. Here too the work has important empirical implications. Most strikingly, perhaps, he and

colleagues showed in a paper published in 2008 that true Chinese GDP was really about one-third higher than estimated by the World Bank; a finding with obvious important implications (and perhaps more so in the current political climate than a decade ago). And most recently Peter ended his very elegant analysis of the continuing importance of gravity or distance in international trade to support the futile, as it would turn out, case against a hard Brexit.

Peter was elected a fellow of the Econometric Society in 1987, one of the very few Irish economists to achieve that honour. He was elected a member of the British Academy in 2007; he was the only Irish president so far of the European Economics Association (in 2002); and one of only two Irish presidents of the Royal Economic Society (just recently). He was founding director of the Trade Programme of Centre for Economic Policy Research, which he ran with aplomb for several years. He was also instrumental in founding the *Journal of the European Economics Association*. Closer to home, he has been a member of the Royal Irish Academy since 1997, he was president of the Irish Economic Association between 1990 and 1992, and he received the RIA's Gold Medal in 2006.

Peter was appointed a full professor in UCD before he was 30, something almost unprecedented in Irish academia. Not long out of Oxford with his PhD, he was already a star. Peter was also a superb and inspirational teacher and a conscientious and supportive research supervisor. Together with his colleague and friend, the late Brendan Walsh, Peter made UCD the powerhouse of economics that it is today: a centre not just of teaching but of cutting-edge research in many different aspects of the subject. No wonder his colleagues in UCD were sorry to lose him to Oxford in 2006 after an innings of 26 years in Belfield. Between

2006 and last year he was Professor of Economics in Oxford and Professorial Fellow at Merton College. During this period, Peter was the eminent guest of universities all over the globe but he never missed an opportunity to visit Ireland, which was always really home.

In light of the above, we believe that it is right that the National University of Ireland should recognise the outstanding achievement of Peter Neary, one of the most talented Irish economists in the whole history of the discipline, by conferring an honorary doctorate in economics on him.

And so I commend Peter Neary to the university, and to this distinguished, if necessarily virtual, gathering.

PRAEHONORABILIS CANCELLARIE, TOTAQUE UNIVERSITAS:
Praesento vobis hanc meum filium, quam scio tam moribus quam doctrina habilem et idoneam esse quae admittatur, honoris causa, ad gradum Doctoratus in Scientia Oeconomica, idque tibi fide mea testor ac spondeo, totique Academiae.