

## New Zealand Institute of Economic Research (Inc) Media release 13/9/16

### **NZIER Economics Award for 2016 given to Professor John Creedy**

The NZIER Economics Award for 2016 was presented to Professor John Creedy at NZIER's AGM & dinner.

**The citation for Professor Creedy is attached, along with his acceptance speech.**



Professor John Creedy with the NZIER Economics Award

#### **About the NZIER Economics Award:**

The recipient of the NZIER Economics Award is selected by an independent panel and sponsored by NZIER.

The NZIER Economic Award's Operating Guidelines instruct the Awarding Panel to "look for outstanding contributions to the advancement of economics and its applications in New Zealand". To qualify for the Award a contribution "must advance economic matters of direct relevance to New Zealand", and must be "likely to be of long-term lasting importance to New Zealand".

For further information on the NZIER Economics Award and past recipients see <https://nzier.org.nz/about/economists-award/>

For further information or to arrange to speak to Professor Creedy please contact:

#### **Michael Walls**

NZIER Chairman

Phone: (04) 479 4194

Email: [mw@michaelwalls.co.nz](mailto:mw@michaelwalls.co.nz)

#### **Jessica Matthewson**

NZIER Secretary to the Awarding Panel

Phone: (04) 470 1809 or 021 510 114

Email: [jessica.matthewson@nzier.org.nz](mailto:jessica.matthewson@nzier.org.nz)

## NZIER ECONOMICS AWARD FOR 2016

### Citation

Professor John Creedy is half time with Victoria University of Wellington (School of Accounting and Commercial Law) and half time with the New Zealand Treasury as Principal Advisor in the Tax Strategy team. He has had a distinguished academic career with interests in public economics, labour economics, income distribution and the history of economic analysis.

John is undoubtedly one of the most prolific academic economists in New Zealand. The respected bibliographical website for Economics, RePEc, enumerates John's publications as 220 articles and 38 books. In terms of the worldwide RePEc author rankings, John ranks 144 out of 47,731 registered authors based on his career work (i.e. comfortably inside the top 1%).

Despite spending the vast bulk of his career overseas, John will have written more papers specifically addressing New Zealand economic policy problems than many New Zealand economists who have spent their whole careers in the country. In this context, it is worth mentioning specifically John's contributions to the New Zealand Economic Papers (NZEP) as another example of his commitment to New Zealand Economics and policy. He is one of the top three contributors to NZEP.

It is particularly significant, for the purposes of this Award, that throughout a long and distinguished academic career, John has consistently addressed substantive and topical issues relevant to current policy. The coverage of these topics is extremely broad, including ageing, retirement incomes, savings, welfare, social rates of discount, tax policy (e.g. GST, excise taxes). His recent work on long term fiscal policy has addressed major conceptual issues in the Treasury's approach and made significant contributions towards enhancing policy advice in this area.

In all his work John builds on a solid theoretical base enriched by his knowledge of the history of economic thought. A defining characteristic of his work is to identify and emphasise the implicit value judgements that many economists make but fail to acknowledge.

John has been influential in the development and implementation of tax policy in New Zealand through his work on the Treasury's tax models and his contributions to the Tax Working Group. He also did some important work on the distributional effects of indirect taxes in New Zealand in the early 2000s (with Cath Sleeman). More recently John's work on measuring inequality in New Zealand has been hugely significant.

As John's long term colleague and collaborator over a period of fifteen years, Dr Grant Scobie, observes, "John has an outstanding record of collaboration and in particular mentoring younger scholars and publishing with them."

Professor Norman Gemmell at VUW adds, "I have witnessed him bring out the talents of many younger economists, especially in the Treasury."

The direct impact of John's work on Treasury's policy advice has also been acknowledged and appreciated by the Minister of Finance and his Office staff. As one of the Office staff (Matt Burgess) commented with regard to John's policy analysis and advice around the issue of the appropriate threshold for GST on internet sales (co-authored with Eina Wong), "This is perhaps the best piece of analysis supporting policy advice from Treasury that we (MoF *et al*) have seen."

For these reasons, the NZIER Economics Award for 2016 is given to John Creedy.

## Acceptance speech NZIER Economics Award 2016

John Creedy

"I'd like to thank NZIER and the Award Panel very much for this honour. I'm very pleased indeed to be recognised in this way, and when I look at the list of previous awardees – some of whom are here tonight - it certainly is an honour to be included among them. Most of us are well aware that, as a profession, economists are a very negative lot (those of us here are of course the exceptions). Anyone who wants to publish in journals has quickly to develop a 'thick skin' and, if anything, it gets harder with age – you just learn to deal with it a bit better. So it's especially pleasing to get this kind of positive recognition.

It is also particularly pleasing by coming completely 'out of the blue', and at an age when most – thankfully not all - of my age cohort have long-since retired. This is a strange year for me. Earlier in the year, after being a professor on three continents and four countries for 38 years, I had the unusual experience of giving an Inaugural Lecture for the first time. For most of the intervening years my Mother has repeatedly asked, 'are you still a professor?' with an implied 'only' in there and the suggestion that I probably haven't done anything worthwhile since 1978. So at last I have something else that might impress her.

Another very pleasing aspect of the award is the fact that it is explicitly not for a general contribution to economics, but relates specifically to contributions to New Zealand and indeed comes from a non-academic institution. I've always taken the view that, since I'm paid by taxpayers, it is appropriate to devote a large proportion of my research to local practical issues – although this is increasingly a minority view in universities.

I first started working on New Zealand – on income mobility – in the mid-1990s, using a special dataset compiled for me by the IRD. Then I spent two years here in the Treasury in 2002/03. But of course since returning in 2011 my work has concentrated almost exclusively on NZ issues. Importantly, I have benefited from my unusual situation of working both in the Treasury and in the Business School at Victoria University. I'm not going to read a list a names, but I would like to mention two people who, I'm pleased to say, are here tonight. My present position arose through the initiative and energy of Bob Buckle. Added to this is his contribution in setting up the Chair in Public Finance, filled by Norman Gemmell. This has helped me enormously by making collaboration with Norman so much easier. We have worked on many joint projects over many years, while separated by thousands of miles, and this is the first time we have been located in the same building.

I'd also like to pay a big tribute to my Treasury colleagues. I've had the privilege of working closely with people from a variety of sections and on many research projects. These collaborations continue to be very stimulating and rewarding. But also I believe there are great synergies from being a researcher in a predominantly policy environment. I've gained much from my colleagues at the 'sharp end' of policy, who have very tight deadlines and must compress a lot of thinking into short reports. I appreciate both the stimulus from discussions with them and also the patience they show towards me – since research takes time, and I often spend a lot of time pointing out qualifications which I think need to be made to policy statements.

It is quite possible that they also find rather tiresome my endless reminders that policy recommendations cannot be value-free. But I won't promise not to repeat the argument that we need to separate analytical and empirical questions from value judgements. The ultimate aim is to conduct what I have long referred to as 'rational policy analyses'. This means investigating the implications of adopting particular value judgements, and then allowing people to make their own policy choices.

Policy issues generate a wide range of challenges, involving empirical measurement (always more complex than theorists assume), estimating the likely responses of individuals and firms to tax incentives, and the construction of economic models. These have to simplify the real world to something tractable while keeping focus on what is important or, as I like to say, 'avoiding throwing the baby out with bathwater'.

This award gives me a strong impetus to continue the endeavour to produce 'rational policy analyses' in New Zealand, while avoiding assuming away what we need to know. So, again, thank you very much! "