

Peter Kenyon 1952-2012: a memoir and tribute

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Professor Peter Kenyon was a fine economist: a lifetime optimist, a curious and unpretentious researcher, an extraordinary teacher, the ‘cooking professor’, and a compassionate yet forthright friend. Peter died on 15th February 2012.

Peter Kenyon was not only one of Australia’s best-known labour economists but had the great sense to believe there was much more to life than economics, throwing himself into many disparate activities including travel, jazz, cooking and voluntary work for the underprivileged. Whatever his chosen activity at any one time (and these could be multiple) he tackled them with huge enthusiasm and passion. He loved life and wanted to experience many of its offerings, always with fun and full engagement.

Peter was born in Melbourne in 1952 and graduated in Economics from Monash University in 1974 where his fellow students included Ken Clements and Mike White. Richard Snape and Keith Frearson were significant mentors from Peter’s undergraduate days at Monash. He went on to become a tutor in Economics at the University of Adelaide.

At that time Peter was also researching his Masters of Economics thesis under Geoff Harcourt. In a fine and thoughtful tribute, Geoff Harcourt (Harcourt, 2013) records that a Chapter from Peter’s thesis (written jointly with Geoff), was published in *Kyklos* (Harcourt and Kenyon, 1976). Because of this work Peter became a discussant at the only session at the American Economic Association ever held on post-Keynesian economics, in 1979.

He also spent some time at the National Institute of Labour Studies at the Flinders University of South Australia, where he teamed up, and worked closely, with a wide range of colleagues with quite a divergent range of ideologies and approaches to economics and policy: Dick Blandy, Judy Sloan, Peter Dawkins, Meredith Baker and Mark Wooden. It is of interest that even with such a diverse group there remains a consensus of respect for Peter’s work and significant affection for him as a friend and colleague.

In a perhaps mistaken choice of university he studied for his PhD at Virginia in the USA (1977-1981) where his social democratic instincts contrasted sharply with his libertarian professors. It was this clash of ideologies which may have contributed to him not completing his doctorate.

On his return from the USA he came to Perth, where he was to have a long association for the rest of his life, first as a tutor at the University of Western Australia

(1982), as a lecturer at the Western Australian Institute of Technology (which became Curtin University) between 1983 and 1986.

He perhaps had his most fruitful period as a researcher at Murdoch University between 1987 and 1996 where he published with colleagues Peter Dawkins, Phil Lewis and Paul Flatau. His collaboration with Lewis and Flatau resulted in a body of work which stands as a major contribution to debate on a policy issue which dominated discussion in the 1980s and early 1990s, namely the impact of the Prices and Incomes Accord (the Accord). They produced many papers on the role of the Accord in reducing real wages, unemployment, industrial disputes and union membership.

Central to their view of the explanation of these results was the notion that a highly centralised system of wage fixing, powerful unions and employers had created a labour market in which large numbers of potential workers had become 'outsiders', particularly the long term unemployed. The role of the Accord had been to reduce the power of the 'insiders' in negotiating wages and conditions in order to incorporate the interests of the outsiders. The authors' view was that where monopoly power was held by employers and unions, government intervention to reduce the importance of a centralised system would lead to better labour market outcomes and, perhaps more contentiously, could achieve better outcomes than a completely market based system of wage determination.

The work received much criticism from several quarters both on the left and on the right. Perhaps most memorable was from Des Moore, now with the HR Nicholls Society, who coined the phrase 'The Accordians' to describe them. Other doubters included Treasury officials and David Peetz, a public servant expert and later industrial relations academic.

The Accord papers were typical of Peter's work, using theory and empirical evidence to assess and influence policy. This research gave considerable weight to the role of political and other institutions and is a fine example Peter as a thinker and analyst.

There was other influential research of this type. Notably, Peter Dawkins and Kenyon undertook a time-series analysis of non-attendance at work which added a measure of absenteeism based on reasons persons who usually worked full-time hours did not so in the survey reference week from the Labour Force Survey. This paper was a major influence on Mark Wooden's work and was published in one of the very best US applied economics journals.

His association with Dick Blandy was renewed for a time at the Institute of Applied Economic and Social Research at the University of Melbourne where he was Senior Research Fellow (1993-95) and Acting Deputy Director (1993-1994). There he had a major input into the editing of the *Australian Economic Review*, the type of job he excelled at.

By the time of his death he had spent 15 years as a Professor at Curtin University. He replaced Peter Dawkins as Director of the Institute for Research into International Competitiveness and later became Professor of Economic Policy in the Curtin Graduate Business School.

Peter produced over 70 publications including 44 refereed articles in journals, including the *Economic Record*, *Australian Journal of Labour Economics*, *Australian Economic Review*, and the highly prestigious *Review of Economics and Statistics* and

American Economic Review. Although best known for his contributions to Labour Economics, he also published in areas as sweeping as post-Keynesian economics, economics of the arts, macroeconomic growth and public policy generally.

Those who worked with Peter in universities highlight his commitment to students and his expertise and interest in instruction related to economics. We are told that this was a skill evident in his recent forays as ‘the cooking professor’ in a capacity in which he set up a business devoted to the teaching of the culinary arts. He loved great food, good wine, cricket and, as was the case with respect to economic policy, talking with his friends about all four areas (and more, of course) with gusto and fervour.

His other professional commitments during his career as an economist included Managing Editor, *Public Policy*, Co-Editor, *Australian Journal of Labour Economics*, Survey Editor, *Economic Record* and, Joint Editor, *Australian Economic Review*. He had been an active member of the Economic Society of Australia since 1973, including a hard-working period as the Western Australian branch President, and a very active Research Associate of the *Centre for Labour Market Research*. In 1998 he was a founding member of the *Australian Society of Labour Economists* and was its inaugural Secretary.

Besides his academic economics work, he was a frequent commentator on economics and economic policy to a variety of audiences through television, radio, newspapers and magazines. There is a massive output of Peter’s intellectual contributions across a very broad range of topics, including: the Resource Super Profits Tax (RSPT) and its replacement; emissions trading systems and carbon taxes; the determinants of fertility; the role of the budget deficit, the WA mining boom; how to get children to save their pocket money; and the state of the economy. His contributions were always characterised by extraordinary clarity and accessibility, and imaginative use of personal examples and rhetorical polish.

We recommend that readers follow up these offerings to sample his lucidity. An excellent example is Peter’s exposition of the original RSPT, rejected by the Senate in 2010, delivered at a CEDA public event held on the issue, in Perth in June 2010. In it he explains why such a tax won’t affect mining investments, why it is fair, and why it is good economics.

He starts this journey with some highly memorable thoughts, which went as follows:

“I live in Perth and when I walk along the Swan River, I see crowded pens full of very expensive boats, many with million dollar price tags. It is not for me to question how people spend their money, but I do have the nagging feeling that this is not the best way for the nation to reap the benefits of booming minerals and energy projects”.

This is a fine and striking way to think about the distributional consequences of mining rents. It was also a very brave exposition given essentially to a large number of senior executives from the mining and minerals sector, numbering close to 500 in all. To do so took extreme courage and commitment to principle that should be an

example to all of us interested in public policy as a public good, juxtaposed with and in likely conflict with a powerful vested interest group.

Recently we have come across a wonderful paper written by Peter called, 'The Good Society: A Guide to Economic Policy, (Kenyon, 2000). This paper is simply one of the very clearest and most accessible background articles to economics and economic policy that has been written and should be compulsory reading for all of us.

Peter's notable paper explains, without the use of the direct example, why public policy is smart economics. While all this is kind of obvious to just about all economists, one piece of commentary by Peter on the climate tax proposed under Kevin Rudd was far more advanced. He used the example of the need for co-operative action inherent in the government's commitment of a minimum five per cent reduction in carbon emissions, but up to a further 15 per cent contingent on similar action by other countries.

On this topic he wrote in 2009:

"The game needs to be transformed from a non-cooperative one, to one where there is some co-ordination. But how might co-ordination be achieved?

What if Australia can make a credible promise? 'If you commit to larger reductions through an agreement, we will too'. This, in essence, is what the Rudd Government has said to the international community. The most important part of Mr Rudd's announcement wasn't the five per cent figure, it was the promise of 15 per cent, and possibly more, if (and by implication, only if) other countries come to the party too.

Realpolitik dictates that ideology must take a back seat to practicality if progress is to be made in negotiations between sovereign states. It is for this reason that Mr Rudd's announcement is a case study in realpolitik. It eschews ideological flourish for a calculated strategy in the face of a wicked problem."

Peter Kenyon was a fine expositor of complex economic ideas, with research and media commentary that was not driven by ideology, but instead by theoretical discipline and the empirical evidence. And in both the application and choice of areas he had in combination the two attributes of what Alfred Marshall insisted are essential to the best economics: a cool head and a warm heart. He cared about economics because he believed its proper application could improve the welfare of the disadvantaged.

He also demonstrated his commitment to these ideals in practical and personal ways, which is most evident through his activities as Chair of the *The Big Issue* advisory board. *The Big Issue* is a street magazine project run by a national voluntary organisation for the disadvantaged. It assists the homeless, the long-term unemployed and the marginalised through the proceeds from the sale of *The Big Issue*.

A very large number of Peter's friends in labour economics and Australian economics more broadly, do now, and will continue to, miss him greatly. And a much larger group of media followers, curious and smart people who care about public

policy and want to understand the often obtuse but critical area of economics that affects us all, have now lost the opportunity for light and clarity to be cast on matters of considerable public policy importance.

Jan Wright, Peter Kenyon's widow, has announced the establishment of a scholarship to be awarded to a prospective Australian PhD student beginning in 2014. To accord with Peter's concern for the disadvantaged, and as a reflection of the weight he gave to educational opportunity, the scholarship winner will be a person with important financial need as well as academic excellence.

References

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