

The Contribution to Public Policy of Prof. Richard Hal Snape, 1936-2002

Chairman's speech

An Eulogy by Gary Banks, Chairman, Productivity Commission, delivered at Armadale Uniting Church, Melbourne, Tuesday 8 October 2002.

Richard Hal Snape: Emeritus Professor of Monash University, Deputy Chairman of the Productivity Commission, Board Member of the Australian Research Council, Fellow of the Academy of the Social Sciences and, most recently, Distinguished Fellow of the Economic Society of Australia.

Professor Richard Snape was just 65 years old when he was taken from us. That is not a long life by conventional standards. But measured in terms of his accomplishments, Richard led both a long and exemplary life. And his contribution will endure, not only on the strength of his considerable intellectual output, but also through the influence he has had on policy-makers, and on younger generations of economists.

Richard Snape's professional contribution began earlier than most. In 1960, with a first class honours degree in commerce from Melbourne University behind him, he entered the London School of Economics on a scholarship. Under the supervision of Basil Yamey he completed his doctorate in just two years, producing an innovative and incisive analysis of the welfare costs of barriers to international trade in sugar.

It soon became clear that the young Richard Snape was destined for great things when the doyen of the economics profession, the redoubtable Harry Johnson, was stimulated by Richard's thesis to publish an article sub-titled 'Variations on a theme by R.H. Snape'. As Jonathan Pincus has remarked, in one of many letters of support for Richard's recent successful nomination as Distinguished Fellow:

'What a splendid launch: Richard's name in the title of a publication almost before he had a publication to his name!'

The only misgiving that Richard may have had about this brilliant debut, which included highly rated journal articles of his own, was that he thereby acquired the nickname 'Sugar Snape', which stuck with him for some considerable time!

Richard's research and publications record soon transcended even these auspicious beginnings. Returning to Australia in 1962, he took up a position as lecturer at the fledgling Monash University, where he and other young lions of the profession – most with freshly minted doctorates from prestigious overseas universities – soon made the Faculty of Economics and Politics the pre-eminent centre for the 'new economics' in Australia.

Another of those youthful academics was Alan A Powell, now also an Emeritus Professor. Alan will speak about Richard's considerable achievements at Monash University in an academic career spanning some 35 years.

In the time available, my own remarks will focus on Richard Snape's influence on public policy, and the contribution that he has thereby made to enhancing the welfare of the community – the end purpose of an economist's training.

As a specialist in international trade and the economics of protection, it was natural that Richard Snape would choose to make his first real foray into the policy arena at the Tariff Board. Richard was among a group of young academics – including Max Corden, Fred Gruen, Alan Powell and Garry Pursell – who in the mid-1960s helped the Tariff Board under its new Chairman G A (Alf) Rattigan develop a proper economic framework for tariff-making. Bill Carmichael, who played a key role at the Tariff Board in bringing this external expertise to bear, recalls Richard Snape taking the lead in organising a joint letter from academics to the newspapers, supporting the Tariff Board in its attempts to broaden its reporting in the face of staunch opposition from the Government.

This is an early example of what a number of Richard's colleagues have identified as his concern not just for academic rigour, but to use his analytical skills to help produce practical results; and to stand up publicly and be counted.

Richard's next foray into public policy required him to take leave from his academic duties in 1973-74 to be on the Priorities Review Staff under the Whitlam Government. The PRS was an institutional innovation designed to bring fresh analytical insights to policy development for the benefit of the Prime Minister and his Cabinet. In his letter supporting Richard for Distinguished Fellow, Michael Porter recalls that Richard took responsibility within the PRS for trade and assistance policy, anti-competitive regulation and energy policy (an area which, under Rex Connor, had particular need of Richard's careful analysis).

The reports of the PRS were highly influential on public debate and policy outcomes during its short life. Its reports on industry regulation and adjustment policy are still influential today.

In the late 1970s, under a different Government, Richard Snape was appointed to the Treasurer's Panel of Economists and then to his Economic Advisory Group. Ian Macfarlane, Governor of the Reserve Bank – and, like many of us, a former student of Richard's – has recounted the opinion of a previous Treasury Secretary that Richard's contribution at that time to the debate on the relationship between real wages and unemployment, while not widely recognised, was in fact 'more valuable than anyone else's', and that he had been so impressed that he had attempted to hire him.

This illustrates another facet of Richard's contribution. While rightly confident about his analytical ability and forthright in expressing and defending his views, Richard Snape's main concern was to advance the arguments, not himself.

In subsequent years, Richard returned to the Tariff Board's successor, the Industries Assistance Commission, as a consultant, often on complex conceptual issues. Perhaps the standout contribution in this respect was a 1985 consultancy for the IAC that he undertook with Gary Sampson, developing a framework for analysing barriers to international trade in services. This work soon reached an international audience and eventually became the foundation on which the General Agreement on Trade in Services was built during the Uruguay Round.

As a consultant, Richard upheld the finest traditions of academic independence. Unlike many so-called independent consultants today, Richard always delivered what he believed to be sound advice, not merely what his sponsor may have wanted to hear. Thus in the mid-1980s when the Trade Minister of the day was seeking to justify a Free Trade Agreement with the United States, Richard produced a robust but inconvenient report, making it plain that such a course would not necessarily be economically beneficial. (Since then, other consultancies have been enlisted on this matter, but Richard Snape's original work is still commonly referred to.)

In this period, Richard also made his mark at a number of international institutions, including stints at the UNCTAD and the World Bank. More recently he also made an important direct contribution to the work of the WTO, as a member of an eminent international panel reviewing aspects of India's import protection regime. Garry Pursell notes:

'Richard was the only economist on the panel and he contributed in key ways to the carefully reasoned findings against the Indian Government's position ... which were welcomed by domestic supporters of trade liberalisation in India ... and established a very important precedent on this issue at the WTO.'

Richard's skills as an editor and editorial adviser for an array of professional journals and publications – including Australia's own *Economic Record* – were also sought by the World Bank. A number of those acquainted with Richard's work as editor of the World Bank's *Economic Review* and *Research Observer* have remarked on the way in which he quickly established the reputation and reach of these new journals. Nicholas Hope has recalled his regrets at the time that Richard could not be persuaded to stay on at the Bank in a more direct policy role, choosing instead to return to Australia.

Nick Hope records his subsequent delight, however, in learning that this had enabled Richard eventually to assume such a role in Australia at the Productivity Commission.

Richard Snape was appointed to the then Industry Commission in 1995 as an Associate Commissioner. He was brought in primarily as a research leader and mentor, but he soon became active and expert in all aspects of the Commission's work. As a result, he was appointed Commissioner in the newly (re-)created Productivity Commission in 1998 and, following my own appointment as Chairman, he was made Deputy Chairman.

Richard initially worked on public inquiries and research with a trade policy or industry assistance orientation. His knowledge in that area, together with his capacity to grasp the essentials of an argument and to understand the circumstances and motivation of 'interested parties', are all reflected in the quality of those early reports, one of which has become a model internationally for how WTO 'safeguard' investigations should be conducted.

In the next few years, Richard headed key national inquiries into important areas of public policy outside the traditional industry assistance domain. These included reports to government on the regulation of international air services, broadcasting, telecommunications (as supporting Commissioner) and airports. Richard brought his customary analytical rigour to each of those reports, as well as a level-headed appreciation not only of the potential costs of market power, but also of the limits of regulation in achieving better outcomes.

Alan Mitchell, writing about Richard in last weekend's *Financial Review*, observed:

'His most recent major reports for the Productivity Commission included airports and broadcasting. The Government has accepted most of the wisdom of the airports report and is still trying to evade the wisdom of the broadcasting report.'

As I read those words on Saturday, I could almost hear Richard chuckling in appreciation.

Richard took a keen interest in the Press as a vehicle for promoting policy ideas and influencing public opinion. He delighted in a good story about our reports. And he would get very annoyed if a reporter got it wrong. This, unfortunately, was not an infrequent occurrence. On a number of such occasions Richard gave the hapless reporter a stern talking to.

Richard could be tougher still if the offender happened to be an academic, and indeed if he perceived any lapse in academic standards or conduct. Ian Harper has recounted with feeling an earlier and quite innocent experience of his own, noting 'the rebuke of one's professional senior is carried throughout one's career and passed on to the next generation!'

This brings me back finally to the influence that Richard has had, and continues to have, through the work of those students and colleagues who have benefited from his guidance and collaboration. At the Productivity Commission, Richard's door was always open to junior and senior staff alike; he was always willing to help and his support was always timely. Richard's interest in staff went well beyond guiding their work. He also took a keen interest in their professional development and would encourage those with potential to exploit it to the full.

As Philip Williams has remarked from personal experience, Richard's guidance and support for his students was not a temporary thing, but involved a long-term commitment. He writes:

'One of the characteristics of good teachers is that they succeed in transferring their enthusiasm for their subject to their students. It is not so common for this to continue for decades after the student-teacher relationship has ended.'

For my own part, it is hard to express how privileged I have felt to have been able to work alongside Richard in common cause over these past few years. And, during his last difficult year, it has been inspiring and humbling to observe Richard's continuing contribution to our work and to have had his unflinching support.

In a sense, those of us who worked with Richard are all his pupils. The standards he set for himself are standards to which we should all aspire. Through his own substantial intellectual achievements and the influence of his teaching, Australia is a better and more prosperous place.

Gary Banks

8 October 2002

