

Pontificia Universidad Católica del Perú

Department of Economics

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**Speech of Order for the granting of the Distinction of Doctor Honoris Causa to
Professor Pierre Perron (Department of Economics, Boston University, US)**

**By Gabriel Rodriguez on behalf of the Authorities of the Pontificia Universidad
Católica del Perú (PUCP)**

Dear Pierre, Dear members of Pierre's family and Dear Attendees at this ceremony:

On behalf of the Authorities of the PUCP and especially on behalf of the Department of Economics of the PUCP, I have the pleasure and honor of directing this order speech to celebrate the awarding of the Distinction of Doctor Honoris Causa to Professor Pierre Perron.

Pierre was born in Canada very close to the city of Montreal. He is then a Quebecois by birth with French language from the cradle. In 1981 Pierre obtained a BA in Economics from McGill University where he went, in his own words, to learn Economics and also to improve his second language, English. There he achieved first class honor. In 1982, he obtained a MA in Economics from Queen's University. Then, in 1986, Pierre obtained a PhD degree in Economics from Yale University with the Thesis titled "*Hypothesis Testing in Time Series regression with a Unit Root*," with the qualification of distinction. Between 1985-1986, before graduating as a PhD, he was already a Lecturer at the University of Montreal. Between 1986-1988 he continued at the University of Montreal as Assistant Professor. Between 1988-1992, he is Assistant Professor at Princeton University. Between 1992-1994, Pierre returns to the University of Montreal as Associate Professor. At said University, Pierre was promoted to Full Professor between 1994-1997. In 1997, Pierre moved to Boston University, being Full Professor in this house of studies from that date until now.

Professor Perron's academic production is extensive and most importantly, he has a profound influence at a theoretical and empirical level in Economics, Finance and other closed fields. In 2021 the *Journal of Econometrics* published its *Annals Issue* in honor of Pierre. I am going to allow myself to extract information from the Editors' Introduction of that publication. The recognition is based on two main aspects: (i) the original and foundational contributions in the field of Econometrics; and (ii) the relevant influence of Pierre through his dedication to mentoring various students.

Let's mention a few things about the first aspect. Pierre is one of the most distinguished and highly cited professors/researchers of his generation. Time series econometrics and empirical macroeconomics have been the fields in which he has most influenced with more than 100

papers published in the most demanding and renowned Journals. An important fact in all this production is the verification of a greater care for the theory but being the intuition and the practical relevance of the contributions the two vital elements that direct the investigations of Pierre. The profound impact of Pierre's work on empirical practice can be seen with a few examples: (i) his paper published in 1989 in *Econometrica* changed and challenged the traditional paradigm in those years where the academy mentioned that most macroeconomic series are best characterized as having a unit root around a linear trend. Pierre's argument (most macroeconomic series are best characterized by stationary shocks around a linear trend with structural change) becomes in the opposite paradigm with strong consequences for macroeconomics; (ii) another example is his paper published in 1998 in *Econometrica* (together with J. Bai) along with his other 2003 paper published in *Journal of Applied Econometrics*. These contributions marked a key breakthrough in the structural change literature. These contributions show how to estimate and conduct inference on models with multiple structural changes with unknown dates and at the same time provide (for the applied econometrician) numerical methods to enable real-time implementation; (iii) there are also several documents in the context of unit root tests that have contributed to a better understanding of these tools. These are just three examples from Pierre's vast output. Just taking these papers as an example, what is surprising is that the proposed tools have been used in ten of thousands of empirical papers in Economics, Finance and similar fields. Literature concerning climate change, for example, could be counted as another of Pierre's great contributions, always without fear of going against the dominant paradigm(s) of the profession or discipline.

Some additional few examples: (i) his 1988 paper published in *Biometrika* has passed 25,000 citations in April 2023; (ii) in 2022 he has been selected as a distinguished author by the *Journal of Time Series Analysis*; (iii) his 1989 paper has passed 10 thousand citations in December 2021; (iv) several of his students/co-authors have won awards as well; (v) Web of Science says that Pierre is the only author with 3 papers in the top 40 most cited in *Econometrica* since 1950: #17 (1989), #28 (1998), #36 (2001); (vi) furthermore: 3 published books; 11 book chapters; 15 reprinted items.

Now let's talk a little bit about the second aspect (Pierre's impact on student mentoring). This is a great contribution to the profession. Observing his CV (until 2020), we can count the advice of 28 students. He, of course, has been a member of the jury on other occasions or committees. Pierre encourages students *not to be afraid of going against prevailing wisdom* and also strongly advises the importance of *working on topics that are relevant to empirical work*. What is the use of having a paper with a high mathematical ingredient that few readers understand and especially few people read if it does not have empirical relevance? Pierre continues to work with his students even after they have managed to get a job. Pierre has published over 70 articles with his students covering a wide spectrum of research fields. Using the words of two former students and co-authors, *Pierre's work has left an indelible imprint on empirical practice in economics*.

In 2020 he was selected as a *Clarivate Citation Laureate* for his contributions to the *statistical analysis of non-stationary series*. This distinction is made only to those researchers whose work is deemed to be "*of Nobel Class*" as mentioned by the Institute for Scientific Information (ISI). As a result of this distinction, Pierre has offered some comments or reflections on his work and Econometrics in general. Pierre says that *life is sometimes like a random walk*. He says it ironically but also based on his experience. His education, according

to himself, *was pretty standard*. After the sequence of studies already mentioned, Pierre says that *for some reason when he was a teenager he already knew that he wanted to dedicate himself to the profession*. And he also says that *he dreamed of a summer house near or on the beach and at the same time doing research*. And all this has happened almost as dreamed. Pierre has spent many summers in Brazil (a place he likes a lot) in an apartment near or in front of the beach. *They were good times*, he says, and *they were also very productive*. His first paper was with Robert Schiller and that's where it all started. In another reflection, Pierre says that *the years have made him believe more in himself and not be affected by what other people say* (advisors, panelists, editors, referees, etc.). *All of that can take a toll on you* according to him. What does it take to be a successful researcher? Pierre considers *the importance of the drive to make the work complete, relevant and impactful*. *This can take time but you have to dig and dig a lot*. Pierre has very clear opinions about the profession. One of them is, for example, that *he does not like to hear phrases like "I do not care about your comments, my paper is now published in a leading journal"*. As Pierre continues saying: *this is probably the unfortunate result of the "publish or perish" syndrome. This kills a lot of the innovative potential*. Pierre humbly acknowledges that *he was lucky in that he didn't have to worry about such things when he started his career*. Pierre also says that one should not be afraid of going against the prevailing wisdom. We have to do our things and take some risks. Having a curious mind is a good asset in his words. Pierre works a lot with intuition, which is very important to him. A person really understands something when he is able to explain using simple and intuitive arguments especially in econometrics where many people use many equations to explain a simple question. And this is not useful and when it comes time to teach is when it is relevant.

The current distinction that we are celebrating today is not the only distinction or award that Pierre has received. He has many of which I will mention just a few. Many of them are perhaps higher than the distinction that brings us together today, but I hope that Pierre considers it among his best memories of all the awards he has received: (i) ranked 4th in time series econometrics; (ii) Fellow of the International Association for Applied Econometrics; (iii) Fellow of the Econometric Society; (iv) Highly cited researcher in categories: *Mathematics and Business/Economics*; (v) Fellow of the *Journal of Econometrics, Econometrics Reviews*; (vi) presentation of the 1998 *Jacob Marshack Lecture of the LAMES* in Peru; (vii) Prix triennial of the Société Canadienne de Sciences Economiques; (viii) referee for a large number of Journals; (ix) member of the Editorial Board of prestigious Reviews or Journals; (x) visiting Professor on many occasions; (xi) recipient of many grants in Canada and US; among many other things.

Another important aspect that I want to highlight is that Pierre is one of the most generous people I have ever met. He has helped many students by trusting his intuition about the potential of each one of them. Pierre has formed, directed and influenced them. In my case, Pierre helped me achieve my PhD studies, even when he went to BU he didn't leave me without funding for what I still needed to finish my Thesis. He kept helping me come to Boston to finish my Thesis. I have learned a lot from him and I am following in his footsteps as best I can. When I arrived in Montreal, I only planned to finish my PhD and return to Peru, but Pierre directed me to do things in econometrics that I had never thought I could do. He also convinced me that I was ready to do things in the academy. I am quite sure that this opinion is shared by all of Pierre's students. I consider myself lucky that Pierre was at the

University of Montreal when I arrived there. I am also lucky to have worked with Pierre, to have managed to publish some articles with him in good Journals. But I am more fortunate because all the things mentioned above, in special his way of seeing the profession and the work with the students, I have been able to experience directly or in my own flesh. And I can say that Pierre is always consistent with his arguments, opinions, advising and way of acting and working.

Finally. There are many ways to define or measure intelligence. The only thing I know is that Pierre is, in my opinion, one of the most intelligent people I know. One day I found him revising his 2001 paper in *Econometrica* (with Ng) using various advanced math and statistics books. A couple of times I have asked him if he has ever taken any or even a few advanced math or statistics courses and the answer has been no. And his CV confirms it. How to be able to read those things then with a background basically in Economics? I'm not surprised to see other researchers doing or publishing papers with a lot of math or the like, but I know they have a mathematical or statistical background. It is not the case of Pierre. And that for me is only possible if a person is extremely intelligent. But there is another fact that I would like to mention. I am convinced that Pierre was born with the "*gift*" of research. In French, research means or translates as "*chercher*" and that word literally translated means "*seeker*". People who don't have the gift will search a lot in many books/papers to find something useful for their ideas, papers or demonstrations. Pierre, on the other hand, is as if he knows where to look. For me *he is a chosen one in the profession*. He has the "*gift*" and is also very intelligent. And if we add what he himself says about him: *a hard worker or a proletarian of the profession*, then one cannot ask for more.

I declare myself an admirer of yours and your work. I am very proud Pierre to have been your student, your advised, your co-author and your friend and I am very proud to personally offer you this Distinction on behalf of the PUCP authorities.

Lima, September 8th, 2023.

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