

Welcome Speech by
PROFESSOR EUSTON QUAH
PRESIDENT, ECONOMIC SOCIETY OF SINGAPORE
Economic Society of Singapore Annual Dinner 2023
Tuesday, 26 September 2023

Our Distinguished Speaker and Guest of Honor
Deputy Prime Minister and Minister for Finance Mr Lawrence Wong
Our Third Honorary Fellow, Former Prime Minister and Emeritus Senior Minister Mr Goh Chok Tong
Your Excellencies
Distinguished Guests
Colleagues
Ladies and Gentlemen
A very warm welcome to this year's Economic Society of Singapore Annual Dinner.

About the Economic Society of Singapore

This year marks the 67th year since the founding of the Economic Society of Singapore. As most of you would have known, the Economic Society of Singapore is a non-profit organisation of economists, professionals, academicians and policymakers with great interest in economics. Established since 1956, the Society's primary objective is to raise public awareness, and stimulate public interest and debate on economic issues. The Society had participated in providing important inputs for various government initiatives such as the Forward Future Economy, White Paper on Population, The Economic Strategies Committee, the CPF Policy Changes Study; and Policy Options for the Singapore Economy. The Society had also provided a platform for discussions on the Annual Singapore Government Budget by organising a panel workshop post-budget annually.

The Society also publishes the academic journal, the Singapore Economic Review. Our SER journal is indexed in all major economic indices including the Social Sciences Citation Index (SSCI). In fact, SER is one of the only few journals based in Asia to be indexed in SSCI. The quarterly-published Journal has consistently maintained a high rejection rate of at least 85% over the years. SER has been receiving around 700-800 paper submissions annually for the past three years, and the trend continues for 2023. Our journal's readership has risen by more than 200% year-on-year since 2021.

I also wish to update you on our biennial Singapore Economic Review Conference series (SERCs), which is the flagship event of the journal. Past speakers have included Nobel Laureates and eminent economists. The next conference will be held next year from July 31 to August 2, 2024. This is a momentous milestone as it is our 10th conference in the series. Despite the pandemic restrictions in 2022, we had over 300 participants from over 40 countries attending the conference. SER Conference is a 3-day affair with 2 plenary sessions per day, and close to 10 parallel sessions per time slot. The conference covers the entire spectrum of economic science research to practical policy work. Some of you here today were present at SERC 2022, and I thank you for your continuous support and attendance.

SER has also organized two Distinguished Singapore Economic Review Lectures this year. Back in May 2023, we had Professor Robert Stavins from Harvard University to deliver his insights on climate change and environmental policy and our second lecture was delivered by Professor Jong-Wha Lee, eminent Professor at Korea University and former Chief Economist of Asian Development Bank who spoke on the challenges and opportunities facing Asia presently and of Asia's future.

About Economics

Economics is the study of how society manages its scarce resources among competing demands. Such a definition places economics in both the realms of the social sciences and decision sciences. As such, economics is not just about investments, finance and banking. It is also about making everyday decisions such as purchasing groceries; major decisions like whether to buy a car or take public transport, where to live, what to study, and jobs to consider; and important life decisions like when and who to marry, and how many children to produce. Likewise, firms need to decide what to produce, how much to produce, when and where to produce. Governments need to effectively allocate public funds

to public infrastructure and services such as public safety, education, and pollution mitigation. In all these activities, it is necessary to involve the economic thinking of scarcity, choices, and trade-offs.

ESS and Society

In actively promoting a series of activities and events, the Society has drawn economic players from students to members of the profession in academia, the government, and corporate sectors. A testament to this is the Society's Singapore Economic Policy Forum (SEPF) that is held annually in October. A leading platform for economic policy discussion in Singapore, the Forum allows policymakers, scholars, business professionals, students, and interested members of the public to exchange views on contemporary economic issues facing Singapore and Asia. The three universities, NTU, NUS, SMU and the fourth arrival of SUSS take turns to co-organize this forum with the Society. Past forums have focused on economic and public policy issues to social issues including changing economic winds, aggregate employment, financial sector reforms, the Singapore economy, economic relations with ASEAN, China, and specifically also with Malaysia, and social safety nets.

Last year SUSS organized the 14th Singapore Economic Policy Forum (SEPF) with the theme "Forward Future Singapore: Economics and Interdisciplinary Studies for Social Good". Deputy Prime Minister and Minister for Finance, Mr Lawrence Wong, who is here with us, was the Guest of Honour and Keynote Speaker. On behalf of the Society, let me express our gratitude to DPM for his continued support.

Cultivating social good is a key objective to Singapore and the world amid the multitude of competing objectives and budgetary constraints. How do we approach this multifaceted task of prioritizing what matters the most? Whose priorities should they entail? Should they be the purview of only the experts, or should they be only a government's views, or encompass as much information as possible from all segments of society, to arrive at an inclusive and informed decision? Sometimes, there is a gap between what experts think and what the general public wants and value. Hence, eliciting public's preferences requires serious effort as they impact livelihoods, health and the future. This will help policy-makers to identify priorities that people really want.

This year SEPF is co-organized with the Nanyang Technological University. The forum is scheduled to take place on October 31, 2023, at Voco Orchard Hotel. Minister Ong Ye Kung will be the Guest of Honour and Keynote speaker for the event. The chosen theme for the forum is "Determinants on the Quality of Life in Singapore" which will cover a wide range of relevant topics. These topics will include discussions on health, aging, income security and environmental concerns. Additionally, the forum will address issues related to the cost of living in Singapore, including inflation expectations and housing matters.

ESS Young Professionals (ESSYP)

The Young Professionals' Career Wing is now in its 10th year. This initiative aims to attract young economists to participate in the Society's activities and at the same time bring in fresh and new ideas to further develop and diversify the Society's mainstream activities into relevant and contemporary issues of the young. The activities of this group include informal gatherings and social interactions among themselves with guest speakers and invitees from seniors and well-known professionals in government and industry with the occasional appearances by distinguished academia. Past year saw the Youth Wing organising a major summit revolving around the themes of "The Future of Financial Services" and "The Paradigm Shift in Traditional World Economics".

Collaborating with the Economist Service of Singapore, our ESSYP held an "Applied Policy Economics Speaker Series" on 29 March 2022. The speakers were Dr Jungho Lee, Singapore Management University and Mr. Andy Feng, the Ministry of Trade and Industry. With the Singapore Business Federation, ESSYP launched "Lunchtime Talk Series" on 11 May 2022. The speaker was Ms. Zenia Chang, KPMG.

I welcome those of you in the audience tonight who are young professional economists to join us in this endeavour to further rejuvenate the Society. Many of you might be curious to know who can qualify to be a member of our Young Professionals' Career Wing. Well, he or she will be between ages 25 to 35.

But let's not quibble about whether those in the age 35 group qualify or not as we can make exceptions for those slightly above age 35. However, we would draw the line at those who consider themselves young at heart.

ESS and Education

The Society continues to place a strong emphasis on education and nurturing young talents. The Society's education committee actively engages teachers and students of economics through the annual Junior College Seminar Series in which professional economists and university academicians participate as speakers on various contemporary economic issues. The Outstanding Economics Teacher Award (OETA, launched in 2019) is usually presented to the recipients during the Singapore Economic Policy Forum. Besides recognizing outstanding Economics teachers, the awards also promote the sharing of best practices by outstanding teachers and encourage Economics teachers to achieve professional excellence. I would like to thank the Ministry of Education's Curriculum Planning and Development Division who have provided support, inputs, and the administrative details for the setting up of this award. I would also like to thank World Scientific publishing and Dr Gunter Dufey, one of our present Council Members, who has been sponsoring the cash award to be used for professional development.

The Society also organises student essay competitions, with the original sponsorship which has continued to this day by the Monetary Authority of Singapore; Gold Medal Awards for outstanding graduates in Economics at tertiary institutions; and study tours. Through the essay competitions, the Society furthers its aim in encouraging members of the public and particularly the youth to learn about the role of economic thought and analysis in public policies in Singapore. In recent years, essay competitions which focus on non-traditional areas of economics were also launched; one was sponsored by the National Climate Change Secretariat (NCCS), and another was sponsored by the Competition Commission of Singapore. The Society had also collaborated with another essay competition sponsor, Maritime and Port Authority of Singapore. The theme of the MAS-ESS Essay Competition 2022 is "The Future of Singapore: What New Industries Could Sustain and Grow Singapore's Economy and Create Good Jobs". The deadline for submissions is over and the awards will be conferred during the upcoming Singapore Economic Policy Forum in October this year.

Other Events

With Banque de France, and the ESS-Feedback Policy Committee organized an online seminar on Green Finance with the theme of "Greening the Financial System: What Role for Central Banks" on 19 April 2022. Mr. Manu Bhaskaran, Vice-President, ESS, chaired and moderated the seminar. Mr. Xavier Denis, Banque de France Asia Office in Singapore was the speaker and Dr. Woo Jun Jie, Institute of Policy Studies was the discussant. Our ESS-Education Committee organised a webinar on 27 May 2022 under the theme of "Economists Read the Newspaper". The webinar was a part of "Economics in the News" which is a new annual event introduced by ESS and ESSEC Business School in 2022.

In February, we held the 2023 ESS Post-Budget Discussion, featuring panelists Dr Taimur Baig from DBS, Ms Selena Ling from OCBC, Prof David Lee from SUSS, and Mr Song Seng Wun from CIMB. The event was chaired and moderated by Dr Prakash Kanan from GIC. In addition, together with the Singapore Management University, we organized a seminar on "The Role of Higher Education in the Economic Growth of Singapore" in February, with Emeritus Professor Lee Soo Ann from NUS and panelists from SGX, Dr Michael Syn and Prof Arnaud de Meyer, former President of SMU.

On March 20, we partnered with the Competition and Consumer Commission of Singapore (CCCS) for the 2nd Roundtable on "Competition and Supplier Network Resilience," with panelists from the Singapore Retailer's Association, Mr. Ernie Koh; from Amazon, Ms. Lynette Ooi and Ms. Rachel Lee from Amazon Web Services, Mr. Richard May from OECD and Professor Julian Wright from NUS. Mr. Herbert Fung from CCCS served as the moderator and Associate Professor Chang Young Ho, our Honorary Secretary, served as the chair of the Roundtable.

Future Events

Looking ahead, the Economic Society of Singapore is committed to engaging with stakeholders and the public on the latest economic and policy issues.

Besides SEPF, we are also proud to support the 46th FAEA Conference in Yogyakarta, Indonesia organised by the Indonesian Economic Society in November.

At the Economic Society of Singapore, our goal is to stay relevant to public life in all of our events, and we're looking forward to your continued support. There are many other activities organized by the Society throughout the year, and this can be found in the President's Report each year. For those of you who wish to know more about the Society, please visit our website and we appreciate suggestions and constructive ideas to further strengthen and liven the Society's mission and activities.

Emeritus Professor Lim Chong Yah

On a different note, it is with great sadness that our Society's longest serving president and Singapore's eminent economist, Professor Lim Chong Yah had passed away in early July this year. Prof Lim served as ESS President for a record 15 years from 1977-1990 and from 1972-1975. He was conferred as ESS's second Honorary Fellow in 1979.

Professor Lim Chong Yah's contribution to Economics has been immense and focused on economic development, labor economics, and economics of South East Asia. Starting out his economics career on resource and developmental economics, in particular on rubber, Professor Lim's work has been prolific in the question of explaining the success of certain economies and their economic growth. In this context, he has contributed much to understanding South East Asia. The other major contribution of Professor Lim is in the area of labor economics. In particular, he was concerned with wage determination and wage policy. In later years, Professor Lim was also concerned about income disparity issues. Professor Lim was the editor of the Singapore Economic Review and President of the Economic Society of Singapore. His contributions, therefore, straddle the academia on one hand, and real life policy economics on the other. Much of his ideas have been adapted by the government, such as his leadership role in studying the Central Provident Fund system, as well as Policy Options for the Singapore economy.

On a policy-making side, Professor Lim played a leading role, as Chairman of the National Wages Council (NWC) for nearly 30 years, in wage reforms in Singapore including changing from a rigid wage policy and wage system to a more flexible, more equitable and more productivity-based one. He also played a critical role in the earlier years in restructuring and upgrading of the Singapore economy from a highly labour intensive, labour-surplus economy to a technology-based, higher productivity and more internationally competitive economy. He too played a strategic role in using Singapore's flexible wage policy to successfully combat the hyperinflation of 1974, sub-regional economic crisis of 1985 and the Asian financial crisis in 1998. Likewise, he played a pivotal role as founding NWC Chairman through the newly introduced national wage increase guideline system in totally reducing industrial strifes from the turbulent pre-independence years of the 1950s and 1960s to that of an industrial peace and harmony ever since. He discharged these very important duties on a pro bono basis whilst functioning as a full-time Professor of Economics in NUS and subsequently in NTU.

Prof Lim has always remained active in his research and shared his findings with our economics department during staff seminars and at SERC Conferences in his later years. He was always a regular fixture in most of Society's events.

Much of Prof Lim's contributions to Singapore's society have been recognized and noted. I must also share with you that on a personal level, my association with Prof Lim goes back a long way. It was Professor Lim who first interviewed me for my first appointment in Singapore at National University of Singapore. Professor Lim was the one who persuaded me to stay in Singapore rather than returning to Canada. Professor Lim was a caring person who looked after the welfare of his faculty colleagues, giving advice and sharing wisdom. I had a productive academic career at NUS under Professor Lim's headship. Fast forward 21 years later when Nanyang Technological University established a new School of Social Sciences and Humanities, and the first anchor tenant department was Economics which NTU wanted a new person to helm. At the time, I was in my comfort zone and it was Professor

Lim who again persuaded me to accept the challenge. I am grateful to Professor Lim for all these opportunities.

Let me also acknowledge the presence of Mrs Lim and Dr Lim Suet Wun who are both here tonight.

In memory of Professor Lim, there will be a special issue of SER and special session at the 10th SER Conference. I am also happy to share that NTU has the Lim Chong Yah reading room located at the SSS Library which has his research materials, memorabilia, awards and medals displayed for the public.

Last but not least, my latest book on Albert Winsemius could not have taken off smoothly without the many hours of consultations spent with Prof Lim and it was Prof Lim who suggested key people and sources that allowed me to initiate my research.

Albert Winsemius

Back in the 1960s, Economists had no access to much data and technical tools compared to today. Nevertheless, as an economic advisor he contributed greatly to policy making in Singapore using his insight and intuition. With more data, economics can contribute greater to the society from the intuition and foresight of the 1960s into data-driven models, and eventually add on behavioral effects of these models. Contemporary economic advising is now facing much more complex issues as there are new and sometimes competing demands besides industrial strategy and economic growth.

While behavioural economics has offered us with new policy tools and brought deeper insight into decision-making considerations, economists have not thrown out our standard economic models in response, we have simply updated them. Similarly, nudges ought to augment existing public policy tools, not replace them; neither are superior. A rational approach of weighing the relative merits of each tool for a given purpose, or project under examination, remains. Similarly, rationality with respect to allocation of scarce resources using Cost-Benefit Analysis on proposed projects and policies, remains relevant.

Endnote

The Singapore economy faces strong headwinds. The global pandemic is largely behind our shoulders but the world and its global economy are facing new challenges. Other issues emerge or persist such as inflation, geopolitical tensions, financial risks, climate change and rising inequality, uncovering vulnerabilities of our interconnected world. These will test the ongoing structural socioeconomics developments of preparedness, resilience, and inclusiveness in Singapore. With the strong headwinds, the challenge is to ensure that these structural changes continue to take place while quickly mitigating possible downturn effects that affect large numbers of people. Again, the issue of scarcity, choices and trade-offs comes into play and hence economics as a discipline remains instrumental for the society.

On June 28 last year, Deputy-Prime Minister Lawrence Wong launched the Singapore exercise at the NTUC Tripartite Dialogue. I have learnt a lot about this tripartism spirit that distinguishes Singapore as I was working on my Albert Winsemius' book. Just like in the past, Singapore is at crossroads again. Population is ageing, fertility rates are at all-time low, income inequality is rising, anxieties over the future are mounting. DPM Wong stressed the importance of building a more socially resilient society. This will require the continuation of investing into human capital and adjusting policies to cater to the changing needs and preferences of the populace.

Economics must continue to be relevant to public life. That is the founding goal of the Economic Society of Singapore, and one that must be upheld in every event the Society engages in. This goal cannot be emphasized more amidst the current turbulent times.

Economic Society

As today's economic problems become increasingly complex, I was reminded that my speeches are also becoming increasingly complex and long. Therefore, I would like to close by thanking the Society's members and sponsors for this evening's dinner, especially our Platinum Sponsor, Maybank Singapore

and everyone present for your generous support. I would also like to thank my predecessor-presidents of the Society for the immensely important role in building up the Society at its various stages, supported by an able Council throughout with an efficient secretariat, headed by Ms Vivian Tan.

End of Speech

Finally, to Singapore, which recently celebrated the 58th year of independence, may we continue to achieve happiness, prosperity, and progress for our nation