The Internet & e-commerce have taken Singapore, Asia and indeed the whole world, by storm. Offering unprecedented opportunities for communication, marketing, sourcing and product niches, the knowledge-based new economy is tantamount to a paradigm shift in business and economics. What is exciting is the sense that there is likely to be even more and bigger technological changes in the future. For example, we have not even begun to tap the opportunities of broadband, multimedia communication. Another set of major technological breakthroughs in the life sciences including the mapping of the human genome, are likely to result in even more life-changing experiences.

What are the implications of the new economy for the teaching of economics in Singapore? I can think of three. First, the substance. It is time to examine old paradigms, to discard what is obsolete and out-dated, and to adopt that which is pertinent and relevant to the new economy, in economic textbooks. For example, in the old economy, scarcity rules and limited inputs result in diminishing returns. However, in the new economy, it is possible to reap astonishingly large increasing returns, resulting in rapid productivity gains, output increases accompanied by price reductions, all at the same time. Furthermore, in the new economy paradigm, talent is mobile and land is no longer important as an input. In addition, national borders become increasingly irrelevant in a globalised world.
economy, with greater commonality found between the young, urban and Internet savvy in San Francisco, Singapore and Shanghai, than between those living in the same country. The old distinction between manufactured goods and services is also becoming increasingly blurred to become a seamless continuum, as bricks-and-mortar companies are forced to either transform themselves into dot.com companies or make extensive use of e-commerce in order to survive in an increasingly competitive market.

What does all this mean for economics as a discipline? To what extent are the old assumptions and models still relevant, and to what extent are new assumptions and models needed for the 21st century? There is a growing literature on this subject already, but this is too important for it to remain as one branch of economic research. Singapore is being transformed into a knowledge-based economy so rapidly that it is important to teach new economy economics to undergraduates and junior college students. In other words, just as old economy business lines may have to be cannibalised in order for the company to survive, it may be time to cannibalise old economy textbooks and produce new economy ones. Who knows – maybe Singapore can be a leader in this endeavour!

My second point is regarding the teaching of economics itself. The hallmark of the Internet age is that it is dynamic, creative, fast, flexible and exciting. Is it possible to make economics dynamic and exciting, instead of dull and boring, so that students look forward to learning this subject? In the Internet age, it is the packaging which first attracts the eyeballs. Why should the teaching of economics – or for that matter, any subject – be different? In fact, upbeat Powerpoint presentations and e-based learning should become the bread-and-butter of the teaching of economics. And why not text-CDs instead of textbooks? There should be plenty of real-life examples, with a large proportion drawn from the Asian region instead of merely from the US (where the majority of economic textbooks are written).

My third point is that, in this new era where life-long learning will be key to sustaining Singapore’s economic competitiveness, the teaching of economics should no longer be confined to full-time university students. It is time for economics to be brought out of the university and into the community, to benefit the workforce in Singapore, so that they, too, can have a better understanding of market fundamentals and economic policy options. This proposal is not new. Business faculties have been conducting executive programmes for many years - and have been making tidy profits from these as well. I have no doubt that there is a market, for example, for courses such as the Singapore Economy or the Economics of Southeast Asia. Better still, why not have the Faculty of Arts and Social Sciences conduct an inter-disciplinary area studies programme on Southeast Asia – Its Economics, Politics, History and Culture? This programme could be a combination of interactive, e-learning plus in-classroom interaction, aimed at the business executives of both local and multinational companies which do business in Southeast Asia. Taught by the best in the Faculty, it has the potential to be the focal point for the Faculty’s interaction with decision-makers with an interest in Southeast Asia, not only in Singapore, but world-wide.

In summary, just as businesses are rapidly restructuring and the entire Singapore economy is being transformed, so too, it is time to take a long, hard look at the teaching of economics, to see how this needs to be transformed in order to not only keep up, but be a driver in, the knowledge-based economy. A typical Singaporean trait is to be pro-active and adaptable. I have no doubt that this can also apply to the teaching of economics in the new economy.
Workshop on “Singapore in the New Millennium: Problems, Prospects and Challenges”

Staff from the Department gave their perspectives on pertinent issues facing Singapore in the new millennium at a one-day workshop held on 11 April and jointly organised by the Department’s Economics Executive Programme (EEP) and Econometric Studies Unit (ESU).

Presentations were followed by panel discussion sessions chaired by Assoc Prof Augustine Tan and Assoc Prof Anthony Chin. The speakers and their topics were:

**ESU Forecasts for the Singapore Economy (Assoc Prof Peter Wilson)**
The ESU presented a forecast of the key macroeconomic indicators of Singapore and the region. There were also projections done for the different sectors of the economy, together with an analysis of the direction Singapore should take to grow in each sector. The session projected that Singapore’s GDP would grow by an optimistic 7.1% this year, and forecasted that the manufacturing sector would provide the major impetus for a broad-based growth across all sectors except construction.

**The Impact of Globalisation and Technological Change on Singapore’s Labour Market (Assoc Prof Hoon Hian Teck)**
The session examined how the shift into an era of skill-biased technological change, along with the new challenges posed by the forces of globalisation, were likely to affect Singapore’s labour market in the crucial dimensions of pay and work. It also examined what policies would help the country face the challenges unleashed by new technologies and stiffer international competition.

**Population: One Fundamental Factor Affecting Singapore’s Long-Term Economic Future (Assoc Prof Tay Boon Nga)**
The discussion explored the contribution of the demographic factor to economic development. Based on population projections, it assessed how the demographic changes would affect the economy for the next 20 years.

**Fiscal Policy Challenges Facing Singapore in the New Millennium (Assoc Prof Mukul Asher)**
The presentation examined the fiscal challenges facing an affluent and rapidly ageing Singapore in the coming decades. It discussed firstly, the state’s role in an increasingly globalised and knowledge-based economy; secondly, adjustments to Singapore’s tax system; and thirdly, the adequacy and sustainability of the current mandatory savings account system in providing old age income security.

**Foreign Direct Investment in Singapore towards the New Millennium (Dr Zhang Zhaoyong)**
The session examined the issues and challenges facing Singapore in attracting FDI in an environment with globalisation of production and trade, and the strategies that could be undertaken to optimise on this critical factor in Singapore’s development in the next century.

**Benchmarking Best Practices in E-Commerce: Implications for Singapore’s Growth Strategy in the New Millennium (Assoc Prof Koh Ai Tee)**
The session covered the definition, measurement, and conduct of e-commerce, as well as problems associated with them. It then benchmarked the e-commerce practices of Singapore’s government, businesses, and consumers against other e-commerce front-runners in USA, Europe, and Asia, and discussed what Singapore would need to do in order to close the gap between e-commerce practices here and best practices elsewhere.

The audience, comprising ambassadors, senior Singapore government officials, business executives and media representatives, focusing on the presentation.
In line with changing dynamics in the world economy and the rising prominence of particular economic issues, the Department will be offering a wide range of new modules in the new Academic Year. A complete listing is presented below.

<table>
<thead>
<tr>
<th>Code</th>
<th>Course Title</th>
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</thead>
<tbody>
<tr>
<td>EC2202</td>
<td>Singapore Economy and Its Global Dimensions</td>
</tr>
<tr>
<td>EC3233</td>
<td>Economics of Technology and Internet</td>
</tr>
<tr>
<td>EC3234</td>
<td>Resource and Energy Economics</td>
</tr>
<tr>
<td>EC3235</td>
<td>Urban Economics</td>
</tr>
<tr>
<td>EC5218</td>
<td>Economics of the Environment</td>
</tr>
<tr>
<td>EC5219</td>
<td>Topics in Econometrics</td>
</tr>
<tr>
<td>EC5220</td>
<td>Special Topics in Economics</td>
</tr>
<tr>
<td>EC5272</td>
<td>Cultural Economics</td>
</tr>
<tr>
<td>EC5273</td>
<td>The Political Economy of Globalisation</td>
</tr>
</tbody>
</table>

Below is a description of some of these modules:

**Economics of Technology and Internet**

This module aims to provide students with an economic perspective over the jargon and myth of the Internet economy. Drawing on theories of modern industrial organisation, especially economics of networks and the economics of technology, the module builds on a conceptual framework to analyse a wide range of Internet-related business and policy issues. These issues include management of intellectual property rights on the Internet; Internet traffic congestion and Internet access pricing; strategies for pricing information goods and services; current challenges facing e-businesses; and Internet-related regulations and public policy issues.

**Economics of the Environment**

This course provides a rigorous and comprehensive coverage of standard environmental economics: the economics of pollution control; the application of cost-benefit analysis to the environment; valuation of non-market goods; discounting and the environment; and the economics of sustainable development. Apart from presenting a thorough and coherent review and discussion of the theory of environmental economics, applications to policy issues in environmental management and the political economy of environmental regulation are also covered. Real issues, case studies and analyses of environmental problems are discussed.

**The Political Economy of Globalisation**

The course aims to familiarise advanced students with a comprehensive knowledge of the problems and prospects of the developing agenda of Globalisation in the 21st century. The course will attempt to capture the socio-economic impacts of the global restructuring currently underway, with much emphasis on empirical and policy issues. Topics covered will include multilateral institutions and global restructuring; foreign direct investment, MNCs and globalisation; and the relationship between globalisation and financial deregulation, labour markets, macroeconomic regulation, and regional integration.

**Graduate Seminar on Research Methods**

A new course on Research Methods was introduced for graduate students at both the Master's and Ph.D. levels in March. The course, held in a seminar format, was designed to familiarise students with the philosophical underpinnings of economic analysis. The course examined the scientific nature of the discipline and introduced students to many classical debates in the science. Topics covered included hypothesis testing, scope of theory and measurement, limitations of empirical analysis, perils of modelling and canons of proof and disproof. The course will now be a regular feature of the graduate programme.
The critical role of wage policy in macroeconomic crisis management in Singapore was highlighted at a Graduate Seminar given by Professor Lim Chong Yah, Emeritus Professor of Economics, NUS and Professor of Economics, NTU.

Professor Lim, who is Chairman of the National Wages Council, elaborated on the use of wage policy, including the Central Provident Fund, as a counter-veiling measure during the three crisis episodes in Singapore: 1973/74, 1985/86, and 1998, alongside fiscal and exchange rate policies. Professor Lim pointed out that the wage policies were implemented with tripartite consensus in all three crises.

The Graduate Seminar, held on 21 February, was a new initiative by the Department of Economics, aimed at raising Graduate Students’ exposure to, and participation in seminar-style presentations on topical economic issues.

The Seminar attracted over 60 graduate students and staff members.

2nd Joint Symposium with Melbourne University

Following the first University of Melbourne-NUS Department of Economics Joint Symposium in Singapore on 18 May 1999 on the theme “Globalisation: The Australian/Singapore Experience,” this second, reciprocal joint symposium was held in Melbourne on 8 June 2000, and was hosted by the Faculty of Economics and Commerce, University of Melbourne. The objective was to facilitate a greater exchange of research findings on topics of mutual interest and explore potential areas for collaboration. The NUS delegation was led by Assoc Prof Koh Ai Tee, Vice Dean of the Faculty of Arts and Social Sciences.

The presenters and their paper titles were as follows:

<table>
<thead>
<tr>
<th>From NUS:</th>
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<tbody>
<tr>
<td><strong>Presenter</strong></td>
<td><strong>Title of Paper</strong></td>
</tr>
<tr>
<td>Dr Sougata Poddar</td>
<td>Strategic Effect on Renting and Selling in a Durable Goods Market under Exchange Rate Uncertainty</td>
</tr>
<tr>
<td>Dr Zeng Jinli</td>
<td>Inequality and Intergenerational Mobility under Private vs. Public Education</td>
</tr>
<tr>
<td>Dr Souresh Saha</td>
<td>Trade Policy in the Presence of Technology Licensing</td>
</tr>
<tr>
<td>Dr Lu Ding</td>
<td>Paradox of Online Trading: Evidence and Interpretation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>From the University of Melbourne:</th>
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</thead>
<tbody>
<tr>
<td><strong>Presenter</strong></td>
<td><strong>Title of Paper</strong></td>
</tr>
<tr>
<td>Professor Peter Lloyd</td>
<td>Intra-Industry FDI and Trade Flows: New Measures of Global Competition</td>
</tr>
<tr>
<td>Dr Nilmini Wickramasinghe</td>
<td>Obtaining Goal Alignment with the Knowledge Worker Agent through ICTs</td>
</tr>
<tr>
<td>Professor Ian McDonald</td>
<td>Demographic Change in Asia: The Impact on Optimal National Saving, Investment and the Current Account</td>
</tr>
<tr>
<td>Dr Elizabeth Maitland</td>
<td>MNEs and the Transitional Economies of India, Indonesia and Vietnam</td>
</tr>
</tbody>
</table>
The Department’s Economics Executive Programme (EEP) organised an Executive Course on “Urban And Transportation Economics”, under the auspices of the Singapore Cooperation Programme (ASEAN Training Awards) of the Ministry of Foreign Affairs’ Technical Cooperation Directorate.

The course was conducted over a period of five days from 22–26 May, at the Executive Seminar Room and Faculty Lounge of Shaw Foundation Building (AS7), the National University of Singapore.

There were altogether twenty participants, all middle and higher-level Executives, Chiefs and Directors from the government ministries of selected ASEAN countries, namely Brunei, Cambodia, Laos, Myanmar, Thailand and Vietnam.

Presenting at the executive course were academics from the Faculty. They were: Assoc Prof Thomas Snyder (Urban Land Use), Assoc Prof Anthony Chin (Land Transportation), Dr Jose Tongzon (Shipping and Seaports) and Dr Paul Hooper (Aviation). During the fieldtrips, the participants were also briefed by practitioners from the Land Transport Authority (LTA) and Urban Redevelopment Authority (URA).

The participants commented that the course was very interesting, useful and would add value to their area of work, organisation and government. They were enriched by the experiences of Singapore, for instance, the ways in which the problem of traffic congestion is contained, and have learnt new methods to improve and upgrade the systems in their own cities and countries. Armed with the knowledge that the course has provided, the participants felt that they could better understand and face the challenges ahead.

Some of the suggestions received were that the course duration could be extended beyond the five-day period, and more site visits, for example to ports and airline companies, could be arranged. On the whole, the participants were highly satisfied with the course, and had indicated interest in attending future EEP workshops. They also exchanged contact information with one another for future correspondence and networking.

More EEP’s Executive Courses, organised in collaboration with the Ministry of Foreign Affairs’ Technical Cooperation Directorate, are forthcoming. These include courses on:

- Singapore Financial Management
- ASEAN Economies
- Banking and Finance for Central Asia
- Public Finance and the Economic Analysis of the Government Sector

Participants and speakers of the Course
Economic Policy Forum (EPF)

The EPF hosts seminars on a wide range of policy issues. Details of papers presented at the EPF from January to June 2000 are provided below:

<table>
<thead>
<tr>
<th>Presenter</th>
<th>Topic</th>
<th>Date</th>
</tr>
</thead>
</table>
| Dr Fredrik Sjoholm  
Dept of Economics, NUS | Economic Recovery in Indonesia: The Challenge of Combining FDI and Regional Development | 25 Jan |
| Prof Magnus Blomstrom  
Stockholm School of Economics | The Determinants of Host Country Spillovers from Foreign Direct Investment | 10 Feb |
| Dr Shin Jang-Sup  
Dept of Economics, NUS | Globalisation, Over-Investment and Over-Adjustment: Policy Implications from the Crisis and Recovery of South Korea | 15 Feb |
| Dr Liu Zhiqiang  
East Asian Institute, NUS | The Economic Impact and Determinants of Investments in Human and Political Capital in Urban China | 22 Feb |
| Dr Souresh Saha  
Dept of Economics, NUS | R&D Composition over the Product Life Cycle | 21 Mar |
| Dr Zeng Jinli  
Dept of Economics, NUS | Optimal Tax Mix in a Two-Sector Growth Model with Transitional Dynamics: An Analytical Approach | 4 Apr |
| Dr Jacques Olivier  
Dept of Economics, NUS | Free Trade and Protection of Intellectual Property Rights: Can we have one without the other? | 18 Apr |

Visitors to the Department

Professor Amnon Rapoport

Professor Michael R Wickens

Professor Amnon Rapoport, Karl Eller Professor of Management and Policy at the University of Arizona (third from left), exchanged views with members of the Department over tea on 21 February. Professor Rapoport publishes widely across psychology, economics, organisational behaviour, political science, decision science and strategy.

Professor Michael Wickens, Professor of Economics at the University of York, presented a Seminar titled “Can Stochastic Discount Factors Explain the FOREX Risk Premium?” on 10 May. Professor Wickens, who specialises in macroeconomics, finance and econometrics, is the Department’s External Examiner for the Honours programme.
The Department organises staff seminars on a weekly basis with the objective to provide an opportunity for the staff as well as visiting economists to discuss their latest or on-going research, with topics ranging from pure theoretical to applied economics. The details of papers presented from January to June 2000 are provided below:

<table>
<thead>
<tr>
<th>Presenter</th>
<th>Topic</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professor Hiroshi Ono, Stockholm School of Economics</td>
<td>Does Examination Hell Pay Off? The Cost-Benefit Analysis of College Education in Japan</td>
<td>11 Jan</td>
</tr>
<tr>
<td>Dr Kim Yoonbai and Dr Chow Hwee Kwan, NUS</td>
<td>A Common Currency Peg in East Asia? Perspectives from Western Europe</td>
<td>27 Jan</td>
</tr>
<tr>
<td>Mr Neville Nien-Huei Jiang, University of Chicago</td>
<td>Information Spillover and Economic Development</td>
<td>1 Feb</td>
</tr>
<tr>
<td>Mr Chetan Subramanian, University of Southern California</td>
<td>Exchange Rate Based Stabilisation With Borrowing Constraints</td>
<td>8 Feb</td>
</tr>
<tr>
<td>Dr Zhao Jingang, Ohio State University</td>
<td>Cost Savings and the Optimal Market Structure</td>
<td>14 Feb</td>
</tr>
<tr>
<td>Dr Shigehiro Serizawa, Graduate School of Economics, Tohoku University</td>
<td>Inefficiency of Strategy-Proof Rules for Pure Exchange Economies</td>
<td>16 Feb</td>
</tr>
<tr>
<td>Ms Elizabeth Xiao-Ru Wang, University of Chicago</td>
<td>Competition among Exchanges: Does Multiple Listing Affect Trading Costs on Options Markets?</td>
<td>17 Feb</td>
</tr>
<tr>
<td>Mr Chris A Sophr, Massachusetts Institute of Technology</td>
<td>Formal Schooling and Workforce Participation in a Rapidly Developing Economy: Evidence from “Compulsory” Junior High School in Taiwan</td>
<td>24 Feb</td>
</tr>
<tr>
<td>Dr Emily T Cremers, The Hong Kong University of Science and Technology, and Drexel University</td>
<td>Intergenerational Welfare and Trade</td>
<td>7 Mar</td>
</tr>
<tr>
<td>Dr Randall Kuhn, RAND – Labour and Population Program, Santa Monica, California</td>
<td>Elderly Remittances and Urban-Rural Security Relationships in Bangladesh</td>
<td>13 Mar</td>
</tr>
<tr>
<td>Prof Martin Beckmann, School of Management, AIT</td>
<td>Linear and Dynamic Programming in Economics</td>
<td>14 Mar</td>
</tr>
<tr>
<td>Professor Parkash Chander, Dept of Economics, NUS</td>
<td>Risk Aversion and Optimal Income Tax Enforcement</td>
<td>6 Apr</td>
</tr>
<tr>
<td>Dr Sougata Poddar, Dept of Economics, NUS</td>
<td>Renting or Selling – A Strategic Choice in a Durable Goods Market</td>
<td>13 Apr</td>
</tr>
<tr>
<td>Prof Michael R Wickens, University of York</td>
<td>Can Stochastic Discount Factors Explain the FOREX Risk Premium?</td>
<td>10 May</td>
</tr>
</tbody>
</table>
Economic Society of Singapore (ESS) – recent and forthcoming activities

Annual Dinner 2000

This year, the Society held its Annual Dinner at the Shangri-La Hotel on 5 May and over 600 members and their guests were privileged to hear the Guest-of-Honour, the Prime Minister, Mr Goh Chok Tong, give a wide-ranging speech on ‘Globalisation: A Perspective from Singapore.’ The Society also launched its Corporate Membership in conjunction with the Annual Dinner this year and 11 companies have joined as Corporate Members.

Seminars

The Society co-hosted a seminar by Professor Jagdish Bhagwati of Columbia University on the topic ‘East Asian Miracle or Debacle: Lessons Learned and Future Prospects’ at Suntec City on 19 May. The Society also organised a joint seminar with the Monetary Authority of Singapore on ‘Bank Failures and Fiscal Austerity: Policy Prescriptions for a Developing Country’ by Professor Andrew Feltenstein on 20 June at the MAS Conference Room.

The Annual Seminar for A-level Students will be held on 5 August at the Anglo-Chinese School (Independent) Auditorium. A total of 20 junior colleges have been invited to participate in this Seminar. The themes of the papers that will be presented include the impact of globalisation and information technology on the Singapore economy as well as Singapore’s policy responses in these areas and in monetary policy.

FAEA Meeting

The Society is organising the 25th Federation of ASEAN Economic Associations (FAEA) meeting which will be held in Singapore on 7-8 September. The Federation consists of the Economic Associations of the Philippines, Vietnam, Thailand, Indonesia, Malaysia and Singapore each of which takes turn to host the conference each year. The theme for this year’s conference is ‘Monetary and Financial Management in Asia in the 21st Century’.

44th ESS Council

Because of the increasing activities of the Society, its constitution has recently been amended to expand the membership of its council. The membership of the 44th council that was elected on 15 March 2000 is as follows:

President
Assoc Prof Augustine Tan

Vice Presidents
Assoc Prof Chen Kang
Assoc Prof Chng Meng Kng
Dr Khor Hoe Ee
Mr Freddy Orchard
Assoc Prof Tan Kong Yam

Honorary Treasurer
Assoc Prof Tay Boon Nga

Honorary Asst Treasurer
Dr Zhu Lijing

Honorary Secretary
Dr Lu Ding

Honorary Asst Secretaries
Assoc Prof Gavin Peebles
Dr Zeng Jinli

Council Members
Mr Chan Kam Fai
Mrs Jeanne Cheng
Mrs Koh Foong Yin
Mr Raymond Lim
Mr Ng Seng Leong
Assoc Prof Park Donghyun
Mr Edward Robinson
Assoc Prof Tan Khee Giap
Mr Ronrie Teo Heng Huat
Assoc Prof Toh Mun Heng
Staff members are actively involved in research and this is reflected in the number of conference papers presented. Some of the conferences that our staff members participated from January to June 2000 are given below:

<table>
<thead>
<tr>
<th>Staff</th>
<th>Conference Title</th>
<th>Title of Paper</th>
<th>Venue</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr David Owyong Tuck Meng</td>
<td>Asian Crisis II (Organised by Kar-Yin Wong, University of Washington and Richard Y.K.Ho, City University of Hong Kong)</td>
<td>Bank Deregulation and Welfare</td>
<td>USA</td>
<td>4-5 Jan</td>
</tr>
<tr>
<td>Dr Aris Ananta</td>
<td>Forum on Indonesia-The First 100 Days of President Abdurrahman Wahid: An Economic Agenda (Organised by The Institute of Southeast Asian Studies (ISEAS))</td>
<td>Social Issues, Employment and Poverty Alleviation</td>
<td>Singapore</td>
<td>17-18 Jan</td>
</tr>
<tr>
<td>Assoc Prof Tilak Abeyesinghe</td>
<td>Contagion: How it spreads and how it can be stopped (Organised by World Bank, ADB, and IMP)</td>
<td>Thai Meltdown and Transmission of Recession within ASEAN and NIE</td>
<td>USA</td>
<td>3-4 Feb</td>
</tr>
<tr>
<td>Assoc Prof Habibullah Khan</td>
<td>American Society of Business &amp; Behavioural Sciences Seventh Annual Meeting</td>
<td>Defence Spending and Economic Growth: Further Evidence with the ASEAN Data</td>
<td>USA</td>
<td>17-21 Feb</td>
</tr>
<tr>
<td>Prof Basant Kapur</td>
<td>Endogenous growth in Asia: Theory and Evidence (Organised by the Centre for Studies in Complex Economic Systems, Institute of Economic Research, Kyoto University)</td>
<td>A Hirschian Growth Process</td>
<td>Japan</td>
<td>19-20 Feb</td>
</tr>
<tr>
<td>Dr Frederik Sjoholm</td>
<td>Indonesian Regional Development Policy: Challenges in the New Millennium (Organised by IRSA news)</td>
<td>Economic Recovery in Indonesia: The Challenge of Combining FDI and Regional Development</td>
<td>Indonesia</td>
<td>28 Feb</td>
</tr>
<tr>
<td>Dr Shin Jang-Sup</td>
<td>Industrial Policy Innovation and Economic Growth (Organised by Scandinavian Academy of Management Studies, Denmark)</td>
<td>Globalisation, Over-Investment and Over-Adjustment</td>
<td>Denmark</td>
<td>13-14 Mar</td>
</tr>
<tr>
<td>Dr Zhang Wei-Bin</td>
<td>4th Annual Meeting of the Japan Association for Evolutionary Economics (Organised by Japan Association for Evolutionary Economics, Chuo University, Japan)</td>
<td>Complex Theory and Economic Dynamics</td>
<td>Japan</td>
<td>25-26 Mar</td>
</tr>
<tr>
<td>Staff</td>
<td>Conference Title</td>
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<tr>
<td>Assoc Prof G Shantakumar</td>
<td>3rd Kyoto University-University of Toronto Symposium (Organised by Kyoto University, Japan)</td>
<td>Ageing and Social Protection in Singapore (Mini-Conference: Interdisciplinary Studies in Ageing Society)</td>
<td>Japan</td>
<td>26-30 Mar</td>
</tr>
<tr>
<td>Assoc Prof Mukul Asher</td>
<td>3rd APEC Regional Forum on Pension Fund Reform (Organised by Thailand Development Research Institute Foundation)</td>
<td>Best Practices in Pension Fund Reform</td>
<td>Thailand</td>
<td>30-31 Mar</td>
</tr>
<tr>
<td>Assoc Prof Mukul Asher</td>
<td>The OASIS (Old Age Social and Income Security) Forum 2000</td>
<td>Pension Reform Strategies in India</td>
<td>India</td>
<td>7-8 Apr</td>
</tr>
<tr>
<td>Dr Aris Ananta</td>
<td>Methods of Population Environment Analysis (Organised by International Institute for Applied Systems Analysis)</td>
<td>Role of Human Capital in Sustainable Economic Development</td>
<td>Malaysia</td>
<td>10-11 Apr</td>
</tr>
<tr>
<td>Dr Lu Ding</td>
<td>Deng’s Nan Xun Legacy &amp; Development (Organised by East Asian Institute, NUS)</td>
<td>Economic Reform and Development</td>
<td>Singapore</td>
<td>11-13 Apr</td>
</tr>
<tr>
<td>Dr Kim Yoonbai</td>
<td>Midwest International Economics Conference</td>
<td>A Common Currency Peg in East Asia?</td>
<td>USA</td>
<td>19-21 May</td>
</tr>
<tr>
<td>Dr Pandarik Mukhopadhy</td>
<td>ASAHL Seminar on “University &amp; Society: new dimensions for the next century” (Organised by Naresuan University, Phisanuloke, Thailand)</td>
<td>University and Civic Society: The Development Ethos</td>
<td>Thailand</td>
<td>19-21 May</td>
</tr>
<tr>
<td>Dr David Owyong Tuck Meng</td>
<td>4th Conference on Macroeconomic Analysis (Organised by University of Crete, Department of Economics, Rethymno, Greece)</td>
<td>Bank Deregulation and Capital Controls Liberalisation</td>
<td>Greece</td>
<td>25-28 May</td>
</tr>
<tr>
<td>Dr Chang Youngho</td>
<td>23rd JAEG Annual International Congress (Organised by International Association for Energy Economics and Australian Association for Energy Economics)</td>
<td>Reducing CO2 Emissions: Perspective from Two-sector Energy Model</td>
<td>Australia</td>
<td>7-10 Jun</td>
</tr>
<tr>
<td>Dr Fredrik Sjoholm</td>
<td>Technology Development in East Asia (Organised by World Bank Institute)</td>
<td>Technology Development in East Asia</td>
<td>Japan</td>
<td>9-13 Jun</td>
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<td>Dr Aris Ananta</td>
<td>Multi-Disciplinary Approach to Health Care Financing in the New Era (Organised by Federation for International Cooperation of Health Services and Systems Research Centres (France))</td>
<td>Financing the Health Care of the Poor in Indonesia: The Impact of the Recent Economic Crisis</td>
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<td>Dr Lu Ding</td>
<td>KCEF CES 2000 Conference</td>
<td>Government Behaviour of China under Globalisation</td>
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MODELING VARIABLES OF DIFFERENT FREQUENCIES
by Tilak Abeysinghe

The transformation introduced in Abeysinghe (1998: *International Journal of Forecasting*, 14, 505-513) to model dynamic regressions with variables of different frequencies creates an autocorrelation problem when applied to flow variables. This exercise shows that the magnitude of the autocorrelation is rather small and offers a solution to the problem.

OPPORTUNITY COST, TRADE POLICIES AND THE EFFICIENCY OF FIRMS
by Ai-Ting Goh
*Journal of Development Economics* (forthcoming)

This paper analyses the effects of trade policies on the technological effort of a firm entering a new market in the context of a developing country. The paper departs from previous literature by bringing into focus the opportunity cost of technological effort. A firm that spends time in acquiring a more efficient technology delays the commercialisation of its products thus incurring an opportunity cost in terms of profits foregone. Protection increases both the opportunity cost and the benefits from technological effort. In the case of linear demand function and constant returns to scale technology, protection is shown to unambiguously reduce the protected firm’s technological effort. Export subsidy is also shown to reduce technological effort when the potential level of exports under free trade is high.

ADJUSTMENT OF WAGES AND EQUILIBRIUM UNEMPLOYMENT IN A RICARDIAN GLOBAL ECONOMY
by Hoon Hian Teck
*Journal of International Economics* (forthcoming)

This paper develops a dynamic Ricardian model of the world economy exhibiting endogenous wages and equilibrium unemployment. It is shown that international trade serves to give workers an increased stake in job-holding, and, in general equilibrium, leads to higher real earnings and lower equilibrium unemployment. Economic shocks emanating in one country affect the trading partner’s equilibrium unemployment rate by shifting the terms of trade. The generality of the results are discussed along four dimensions: replacing efficiency wages with bargaining in labour market; introducing role for market sizes and factor proportion differences; introducing firm-specific training to generate dynamics; and introducing dual-labour market structure.

GENERAL-EQUILIBRIUM IMPLICATIONS OF INTERNATIONAL PRODUCT-MARKET COMPETITION FOR JOBS AND WAGES
by Hoon Hian Teck
*Oxford Economic Papers* (forthcoming)

This paper extends the insight that trade increases international product-market competition to show that in a world with an endogenous natural rate of unemployment, countries can benefit through a decline in the natural rate. When the number of firms in the integrated world market is greater than the number of firms in each economy in autarky, all trading nations in a world of identical factor proportions experience a decline in equilibrium unemployment. When factor proportions differ, equilibrium unemployment must fall in the labour-abundant country but may rise or decline in the capital-abundant country.

THE PRIVATISATION OF AUSTRALIA’S AIRPORTS
by P. Hooper, R. Cain, S. White

This paper describes the sales processes followed in the privatisation of Australia’s airports. Details are presented about the new owners, the commitments they have entered into, and the regulatory system that has been established for the post-privatisation era. Price capping arrangements have been put into place for the major airports, but Australia also introduced legislation to ensure there is competitive access to essential infrastructure. The initial experience is that the new airport owners have been able to broaden their sources of income, though some of the proposed charges have come under the scrutiny of the regulator. The paper documents the pre-privatisation experiences and discusses challenges for the future.
GAMES OF TIMING: STATE-OF-ART RESEARCH ON STRATEGIC INVESTMENT
by Poddar, S. and Sasaki, D.
Advanced Topics in Industrial Economics, Patrizio Bianchi and Luca Lambertini (eds), Routledge (forthcoming)

Investment, in the context of industrial organisation, is generally conceptualised as a sunk payment made by a firm in an attempt to alter the firm’s variable cost structure. This should be expressly distinguished from “investment” in its macroeconomic sense, which is dual to “saving”. This chapter is devoted to recent developments in research on strategic investment. It starts with a brief overview of the past theoretical research in this field, and then moves on to the state of art studies on strategic inventories and product innovation.

ENTRY UNDER UNCERTAINTY
by Poddar, S.
Advanced Topics in Industrial Economics, Patrizio Bianchi and Luca Lambertini (eds), Routledge (forthcoming)

This chapter focuses on the theme of entry deterrence under demand uncertainty in an oligopolistic industry. Generally speaking, in any industry, entry would take place whenever a potential entrant finds it profitable to enter the market. In this setup, the author depicts a picture of strategic responses of the competing firms (incumbent and the entrant) under various situations with demand uncertainty. The main purpose of this chapter is to selectively focus on the main understandings as well as the main findings of the fundamental research that has been done or ongoing on this topic. The other purpose of this study is to provide a road map for future research on this subject.

A NOTE ON DIAGNOSING MULTIVARIATE CONDITIONAL HETEROSEDASTICITY MODELS
by Y. K. Tse and A. K. C. Tsui

This paper considers several tests for model misspecification after a multivariate conditional heteroscedasticity model has been fitted. It examines the performance of the recent test due to Ling and Li (1997), the Box-Pierce test and the residual-based $F$ test using Monte Carlo methods. The authors find that there are situations in which the Ling-Li test has very weak power. The residual-based diagnostics demonstrate significant under-rejection under the null. In contrast, the Box-Pierce test based on the cross products of the standardised residuals often provides a useful diagnostic that has reliable empirical size as well as good power against the alternatives considered.

FRACTIONAL COINTEGRATION AND FUTURES HEDGING
by Donald Lien and Y. K. Tse

This article examines the performance of various hedge ratios estimated from different econometric models. The FIECM model is introduced as a new model for estimating the hedge ratio. Utilised in this study are the NSA futures data, along with the ARFIMA-GARCH approach, the EC model, and the VAR model. The analysis identifies the prevalence of a fractional cointegration relationship. The effects of incorporating such a relationship into futures hedging are investigated, as is the relative performance of various models with respect to different hedge horizons.

HEDGING DOWNSIDE RISK WITH FUTURES CONTRACTS
by Donald Lien and Y. K. Tse

This paper considers a futures hedging strategy that minimises the lower partial moments; such a strategy minimises the downside risk and is consistent with the expected utility hypothesis. Two statistical methods are adopted to estimate the optimal hedge ratios; the empirical distribution function method and the kernel density estimation method. Both methods are applied to the Nikkei Stock Average (NSA) spot and futures markets. It is found that, for a hedger who is willing to absorb small losses but otherwise extremely cautious about large losses, the optimal hedge strategy that minimises the lower partial moments may be sharply different from the minimum variance hedge strategy.
Staff of the Department and their families celebrated the Lunar New Year with a party on 17 February at the Changi Beach Club. The Club, with its waterfront dining area and range of recreational facilities, including a swimming pool, karaoke lounge, bowling alley and billiard room, was a perfect venue for the occasion.

While a number of staff members and their families enjoyed the peace of the beaches, others displayed their skill in knocking down the tenpins or exercised their vocal chords. The evening’s programme included a buffet dinner, bowling competition, karaoke competition, and other contests and quizzes hosted with good humour by Master of Ceremonies Dr Chang Youngho, and many prizes were given away.

The Department is grateful to Assoc Prof Hank Lim for kindly arranging the venue, and to all others who worked so hard to make the evening a success.

The Department would like to thank the following for their dedicated service to the University: Assoc Prof Augustine Tan, Assoc Prof Phang Sock Yong, Dr Caroline Yeoh, Dr Zhang Wei Bin, Madam Kan Kah Geak. We wish them all the best.

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<tr>
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<tr>
<td>Dr Rajani Kanth</td>
<td>Senior Fellow</td>
<td>5 Jan 2000</td>
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<td>Ms Sabrina Tan Chui Peoh</td>
<td>Administrative Officer</td>
<td>15 Dec 1999</td>
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<td>Ms Irene Ng Yue Hoong</td>
<td>Teaching Assistant</td>
<td>22 Nov 1999</td>
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<td>Ms Lim Meng Woan</td>
<td>Administrative Officer</td>
<td>15 Nov 1999</td>
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<td>Ms Wong Marn Heong</td>
<td>Senior Tutor</td>
<td>26 Oct 1999</td>
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Student Exchange Programme

Every year, a group of students from NUS participate in the Exchange Programme for Students (SEP). Under the SEP, students spend up to two semesters at Partner Universities overseas, completing equivalent modules/courses which are credited towards their degrees at NUS. In this feature, five students from the Economics Department share their experiences under the SEP.

Aoi Soon Thiam

SEP University: Victoria University of Wellington, New Zealand

The SEP was my first time away from home for such a long period of time. In my 5 months’ stay in New Zealand, I found myself surrounded by an entirely different culture: from the basics such as food and shopping to the thoughts and lifestyle of the locals. Staying at the hostel allowed me to meet friends from all around the world: from New Zealand to the Pacific islands, US to Italy and Germany and from neighbouring ASEAN countries to Hong Kong, Japan and Korea. It was geography lesson time for me as I pulled out the world map in my organiser, to locate islands such as Palau, Niue and Samoa.

My NUS friends warned me about culture shock before I went to New Zealand and I was prepared for that. For example, a student march against the high interest rate charged on student loan and a staff strike demanding higher pay, occurred while I was there. These are events that we do not see in Singapore today.

I became more independent and self-disciplined. I am now more able to solve arising problems alone, better at managing individual finances, able to travel about alone, and have learnt to prioritise work and play.

I remembered telling fellow NUS friends who went with me to Victoria, that our main purpose in going for the programme was not only to study and get all the ’A’s. If I had wanted to do that, I should have stayed in NUS and given this chance to someone else. Rather, I should enjoy and experience the life and culture that NUS cannot offer. The experience I had gained under the SEP was indeed priceless and unforgettable.

Derrick Chang Ming Hwee

SEP University: University of British Columbia (UBC), Vancouver, Canada

All of us who went on the SEP would agree unanimously that we gained more than just academic enrichment, and I spent five unforgettable months at UBC.

I saw for the first time teaching assistants as well as university staff negotiating for a better compensation package which eventually resulted in a half day strike when their requests were not met. Picket lines were set up across roads leading to the campus and students were urged to support the staff by not attending classes. We were even issued guidelines on how we should handle such situations. I remembered clearly that I could choose to be absent from an examination if my conscience said that I should not cross the picket line. However, just before I could fully experience the entire event, the strike ended as all parties had come to an agreement!

The level of class participation in UBC took me by surprise as I was expecting a more placid lecture group. Queries were posed in the middle of lectures and arguments followed if one did not agree with another. More often than not, most arguments were started by the professor himself, to stimulate lateral thinking, he said. Such active student participation during lectures could be attributed to the smaller lecture group size and the absence of tutorial classes.

Study aside, the first thing that caught my attention and worry was the relatively high cost of living in Victoria University in spring
Canada. To save money, I prepared my own meals. However, to an inexperienced cook like me, cooking could be disastrous. The full meaning of living on my own finally dawned on me, especially when I had to wash my clothes myself.

I shall treasure the various lifelong memories and experiences that I had gained from the SEP.

Jimson Low Eng Tju
SEP University: University of Otago, Dunedin, New Zealand

It was a great experience spending a semester studying in New Zealand. Dunedin is very much a university town; in fact one of its major employers is the University. The weather can be very unpredictable — my Kiwi friends told me that they would not be surprised to experience the four seasons in a single day!

Living abroad in a very different physical and social environment is a very enriching experience. I learned to take care of myself in a temperate country, making sure I always wore enough clothes to keep warm before I stepped out of my hall, carrying lip balm with me on cold days, and even warming up my bed before sleeping. The change in the social environment could be drastic initially. One certainly had to get used to sharing the toilet with members of the other gender. Also, I had to get accustomed to the Kiwi accent and to make myself better understood. I even picked up certain words and phrases that were used frequently by the locals.

The courses I took at the University required quite a fair bit of reading and writing. The lectures focused on the syllabus of a course while the tutorials were topical and meant for students to clarify doubts and to discuss assigned readings.

It is quite difficult to fully describe how the exchange programme has impacted me but I certainly would say I came out of it a more mature person, with my horizons widened.

Joshua Lee Wern Chian
SEP University: McGill University, Montreal, Canada

Once I knew that I was going to McGill University in Canada, I could hardly wait for the day to arrive when I would be able to experience a different lifestyle in a different culture. The thought of spending time away from family and friends was disturbing initially, but I took it as a challenge to be more independent.

There was a lot of paperwork to be done. Not only did I have to settle my study plans with NUS, I also had to submit various documents to the Canadian High Commission before my visa was cleared. However, one should not be discouraged or put off by the paperwork: the experience there is definitely worth all the hard work!

The experience that I gained during the SEP was tremendous. I had to balance studying, housework and travelling at the same time. That taught me the importance of time management. The lectures there were conducted in a more informal manner. Having small lecture groups allowed people to voice their opinions, objections and pose questions to the lecturer in the midst of the lecture, which was very much a culture shock for me initially. However, I think that it is an effective system. Learning each subject became more enjoyable and fun as I learned to appreciate the complexity of each topic beyond what was set out in the textbook.

The exchange program also allowed me to meet with people of various nationalities: Canadian, Korean, Japanese, Thai, Malaysian, and American just to name a few. Mixing with them allowed me to understand and appreciate their respective cultures better. I hope that I had helped them to understand our culture too!

Roderick Soo Wern Shoong
SEP University: University of California at Berkeley, United States

The august company that have passed through the halls of UC Berkeley, or Cal, contain such distinguished names as John Kenneth Galbraith, Douglass North and Steve Wozniak just to name...
a few. I count myself fortunate to have had the opportunity to go there on exchange and experience what American campus life has to offer.

One of the first things that struck me was how passionate and vocal the students were, not only about issues around them but in their studies as well. The vast majority possessed an insatiable desire to learn and more importantly a refusal to be constrained by the demands of the curriculum. The intellectual ferment was best exemplified by the various debates as well as performances that went on publicly throughout the day.

I was taught Industrial Organisation by Professor Glen Woroch, whose lectures while occasionally dry were always punctuated by delightful vinaigrettes of real industrial practices. In addition, he illustrated economic theory in innovative ways, once holding an auction to demonstrate strategic behaviour, and another time presiding over a much appreciated cola taste test as proof of product differentiation. The bulk of assessment was taken up by a project on a specific industry. Such an approach tested relevance and application of concepts rather than theoretical mastery for its own sake. While I admit that it actually increased the workload of students, I still have “fond” memories of hours spent searching the net and calling companies for the relevant information.

Overall, the exchange was an extremely rewarding experience, not only by foisting independence on me but also by bringing home the idea that students themselves have a part to play in determining the intellectual environment of their university.

**Economics Seminar for ‘A’ Level Students**

The Department organised its annual Economics Seminar for ‘A’ Level Students on 26 May at Lecture Theatre 13, NUS.

The purpose of the seminar was to familiarise and update ‘A’ Level students and teachers with the latest changes in the curriculum and the career prospects of an Economics graduate. The seminar featured speakers from the Department and the private sector, so that the students and teachers would get to hear first-hand sharing of experiences and accounts, from both the academic and the industry perspectives.

Assoc Prof Anthony Chin, Coordinator of the Student Recruitment Seminar, gave the opening address. Assoc Prof Gavin Peebles then spoke on “Economics @ NUS: Recent Initiatives in Response to the New Economy”. He was followed by two external speakers who were graduates from the Department. Mr Elson Lee, Marketing and Business Development Manager of PLU Events Pte Ltd shared his experiences on “Starting a Business with an Economics Degree”. Mr Lee Wee Kiat, Manager (Business Development) of Singapore Telecom spoke on “The Role of Economics in the Commercial World”.

Two existing students from the Department, Ms Corrine Png and Mr Colin Tan, were also present to share their experiences in the Student Exchange Programme (SEP), where they spent one semester in McGill University, Montreal. The Question-And-Answer Session, chaired by Assoc Prof Habibullah Khan, First-Year Coordinator, drew many queries from the students, who were keen to know more about the curriculum, the SEP, comparison between an Economics degree and a Business degree, the career prospects, and so on.

After the seminar had ended, the students and staff continued their discussion over some light refreshments.
Motivated by a common belief and vision that we could achieve something extraordinary with our own hands, two of my university-mates and I started an artiste management company in 1996. I was then still in my second year of studies in the Economics Department, struggling with modules such as Financial Economics and Public Finance.

Two years later, our company was noticed by a reputable Event Management Company which proposed a merger. In September 1998, PLU Events Pte Ltd was born. Since then, PLU has overcome its difficult first year amidst the Asian economic crisis with an impressive turnover of $1 million. From a humble three-men show supplying artistes for festivals and corporate events, our company has grown into “The Special Events Organiser” which positions itself as a niche player in corporate special events with strategic partnerships in the advertising and state of the art entertainment hardware business. The company was behind the success of the Hong Kong Handover ceremony in 1997 and the launch of the Great Singapore Sale in 1999.

I am proud to have graduated with an Economics degree. The analytical skills acquired from my degree has helped in decision making at work. One of the most useful concepts I faithfully apply to this day is “optimisation with limited resources”. This concept will come in handy as I face the challenge of my next tasks, to help PLU expand into the international and cyber markets. In addition to our strong presence in Hong Kong, we want to break into other countries. Plans are also underway to “dot.com” the company into a “click-and-mortar” business.

My brothers graduated from NUS too, but from Computer Science. Graduating from Economics instead of a “glamour” computer degree was a personal choice, a choice made from a natural dislike in taking Physics as a subject in secondary school. However, “bits and chips” run in the family; despite the conscious effort to move away from the Pure Sciences, like the prodigal son or the Old Testament Job, the calling was too strong. I have returned - to my element in the realm of chips.

After graduating from NUS, I went to what I deemed the “ivory tower” for an Econ student, the Economic Development Board, only to find it populated by Engineering graduates. There was also the recurring internal conflict whether Singapore should adopt a more Keynesian approach or an Adam Smith one. Unable to resolve the fundamental conflict (I am pure Adam), I decided that being in the fiscal institution was corrupting my beliefs. Besides, the promises of Adam’s free market were too alluring. And what better than to employ that in the world of the Internet. In the era of the Internet, information flow will be cheaper and barriers to entry lower. The ideal state of a free and open economy that Adam Smith (or was it Karl Marx?) envisioned will come about. Therefore, in mid-May 1999, I liberated from my fiscal ties and started WizOffice.
Through WizOffice, we aim to create a platform whereby companies can benefit from the use of Internet technologies to streamline their work processes. We provide a host of services, including stationery procurement, recruitment and courier services, auction and tenders, etc. For a company to go “internet”, there must be economies of scale - i.e. the number of functions they can perform and the savings that they can get. WizOffice aggregates all these services to the “virtual” doorstep of these companies.

The “demand” was obviously there, because in 6 months, we signed on 9,000 companies in Singapore. The whole concept of the Internet’s catch phase - “first mover advantage” basically means that we capitalise on the low supply base and the high latent demand. That’s where the “supernormal profits” come in. WizOffice’s challenge this year would be to go to 8 countries (including Singapore). Under rational expectations, we should be able to duplicate our success and multiply our returns, ceteris paribus!

Later that year, an idea struck me when I came across a news article on employee benefits. Since eye care was not included as part of staff benefits, business could be made from providing for this missing market. And so, in December 1991, I started Optic Point, an eye care centre for corporate clients. As word of mouth spread, our business expanded to include also the man-in-the-street. Today, we serve 33,000 customers who come every 15 months spending $140 per visit.

To this day, I know nothing of the technical aspects of optometrics. My role is to run the business, formulating business plans and identifying niche markets. Economics, being very fundamental, is unconsciously applied everyday. Macroeconomics come in when deciding on expansion, considering spending power. Microeconomics is applied when assessing pricing and demand – direct or derived? Even in human resource management, I apply Economics. For example, I learnt from the wage model that there is an optimum wage beyond which if salary is increased, labour’s marginal utility will decline. So instead of increasing pay, I give other intangibles to improve staff welfare.

I feel that the analytical training from a university education makes graduates good entrepreneurs, but graduates are now losing the race to their lower educated counterparts simply because not enough graduates dare to take the plunge! But I do acknowledge that the opportunity cost may be too high for graduates. I had to struggle through selling my family flat and being in debt for years to invest in this business. What drives me then? When you see a concept and really believe in it, you just have to make it work and never look back.

Michael Tay  B.A., 1989
Managing Director, Optic Point

Unknown to many people, I was a Research Assistant in the Department of Economics in NUS for a year before starting my own consultancy firm in 1991. I had always wanted my own business, and did not fancy pouring over statistical figures for the rest of my life.

One of my clients was an optical chain which engaged me to study whether they should expand into an HDB area or a shopping centre. I proposed neither, suggesting instead that they open a shop in NUS. My client was not convinced, however, and refused to try out NUS unless I invested in half of the shop. And I did, by borrowing money from several banks. It was a huge risk to be leveraged so high for the sake of proving that this unconventional idea (at that time) would work. But I was young and impassioned, and determined. Fortunately, the risk paid off: we broke even within four months!

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Mabel Chan Lai Mei  B. Soc. Sci (Hons), 1999
Managing Director, Global Village Development (GVD)

GVD started in early 1999 when I was still struggling through my Honours course. However, GVD did not start actual operations until January this year because upon graduation, I had gone to the US to understand the PC & gaming industry in California, especially Silicon Valley. And since my return to Singapore, our business focus has changed. From an IT consultancy providing e-commerce and web solutions, we have evolved into a development house for graphics and interactive games for web, WAP and other platforms.

Running my own business has kept me so busy that I miss my carefree university days. But I don’t regret starting my own business; I enjoy the control and freedom to express of being my own boss. I also enjoy the challenges of the job. When studying Economics, I faced the challenge of breaking down abstract concepts. Now, the challenges of clinching deals and resource allocation to meet deadlines are real! Another challenge, especially for someone from a social science background, is the high-tech nature of the business I am in. Although I handle the creative, planning and marketing sides of the company while another partner deal with the more technical aspects, the environment is highly technical, and I find myself learning new things all the time.

This does not mean that my economics training has gone to waste. Economics has taught me to be critical and analytical. This is reflected in my tendency to scrutinise proposals of future products and services, at times too stringently for my partners! In particular, writing my Academic Exercise, (studying statistics yearbooks and engaging in discussions with my supervisor, Dr Ho Kong Weng), has trained me to think hard about what works and what doesn’t.

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