Welcome Remarks by Mr Edward S. Robinson, Deputy Managing Director (Economic Policy) & Chief Economist, Monetary Authority of Singapore, and Member of the ABFER Council at the Joint Dinner for ABFER and AMPF

Thursday, 23 May 2024 at Pan Pacific Singapore

Minister of State Alvin Tan,

MAS Managing Director Chia Der Jiun,

President, NUS, and Chairman of the ABFER Council, Professor Tan Eng Chye,

Distinguished speakers, central bank colleagues,

Ladies & Gentlemen.

1. With my co-organisers, Professor Sumit Agarwal and Professor Steve Davis, I am pleased to welcome you to the joint dinner for the Asian Bureau of Finance and Economic Research (ABFER) Annual Conference and the Asian Monetary Policy Forum (AMPF).

2. Over the years, the ABFER-AMPF conference has matured as a platform for eminent academics, central bankers, and financial sector analysts, to meet and discuss economic policy issues, with an emphasis on the Asian region. Now in its eleventh year, the conference is taking place at a particularly interesting time. A succession of shocks of various forms over the past few years—from public health, to geopolitical, and technology in origin —have brought about significant shifts. Sound policy must rest on sound analysis and ABFER-AMPF endeavours to make a useful contribution.

3. Tonight's programme will focus on one such phenomenon that will have a broad and enduring impact on society and the macroeconomy—the rise of Generative Artificial Intelligence (GenAI). Amid the tumult of the pandemic and global inflation, we have seen a broadening of GenAI capabilities and applications. By and large, research in economics and finance has been attentive to these developments. In fact, the literature has expanded rather rapidly, that it may have overtaken the realities of GenAI in practice.

4. Our speaker for tonight, Professor David Autor, has been a central contributor to these research endeavours. In his formidable career, Professor Autor has made profound contributions, especially to our understanding of how labour markets[1] are affected by and interact with, secular shifts in globalisation and automation technologies.[2]

5. Professor Autor's influential work has shown that automation facilitated by ICT technologies has progressively displaced routine tasks, and in doing so, contributed to the "hollowing out" of the middle class over recent decades in some advanced economies,[3] particularly at the community level.[4] In all his research, Professor Autor presents convincing empirical evidence on issues with implications beyond niche academic interests, and situates economic concerns within the social and political context of the future of work.

6. In a short span of time, Professor Autor's research on the economic impact of GenAI has already generated considerable insight. His recent research has buttressed early results in the literature, showing that the impact of GenAI on workers varies across skill levels.

7. Importantly, Professor Autor's research on GenAI has deepened the discourse beyond the somewhat reductive question of what proportion of workers are likely to be displaced by GenAI. Instead, Professor Autor has expanded on how the technology could impact the underlying structure of labour markets. Findings from his research suggest that GenAI could complement middle-income workers by creating new productive tasks accessible to them. In this way, GenAI could potentially help to counteract the some of the negative forces of globalisation and automation.[5]

8. We are also privileged to have Professor Steven Davis of the Hoover Institution, and advisor MAS, to chair the Q&A session following the keynote speech. Professor Davis has been a pioneer in harnessing technological tools to generate fresh research insights. Notably, his application of text analysis methods to construct high-frequency indicators of financial market performance and policy uncertainty have been of immense value for policymakers looking beyond traditional macroeconomic data to

assess economic shocks.[6] [7] Professor Davis's most recent research also provides important evidence that the shift to hybrid and remote work instigated by the pandemic could have long-term benefits—helping to effectively lower real wage and non-labour costs for employers, while generating welfare benefits for workers.[8]

9. I would now like to invite Professor David Autor to deliver his keynote speech on "*Expertise, Artificial Intelligence, and the Work of the Future*".

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Endnotes:

[1] Autor, David H., Lawrence F. Katz., and Melissa S. Kearney (2006), "The Polarization of Job Opportunities in the U.S. Labour Market: Implications for Employment and Earnings", *American Economic Review*, 96(2):189-194.

[2] Autor, David H. (2015), "Why Are There Still So Many Jobs? The History and Future of Workplace Automation.", *Journal of Economic Perspectives*, 29 (3): 3-30.

[3] Autor, David H., Frank Levy., and Richard J. Murnane (2003), "The Skill Content of Recent Technological Change: An empirical Exploration", *The Quarterly Journal of Economics*, 118 (4): 1279-1333

[4] Autor, David H., David Dorn., and Gordon H. Hanson (2016), "The China Shock: Learning from Labour Market Adjustment to Large Changes in Trade", *NBER Working Paper 21906.*

[5] Autor, David H. (2024), "Applying AI to Rebuild Middle Class Jobs", *NBER Working Paper 32140.*

[6] Baker, Scott R., Nicholas Bloom., Steven J. Davis., Kyle J. Kost., Marco C. Sammon., and Tasaneeya Viratyosin (2020), "The Unprecedented Stock market Impact of COVID-19", *NBER Working Paper 26945.*

[7] Davis, Steven J. (2016), "An Index of Global Economic Policy Uncertainty.", *NBER Working Paper 22740.*

[8] Davis, Steven J. (2024), "Macroeconomic Review: Special Feature C – The Big Shift in Working Arrangements: Weight Ways Unusual" in *Macroeconomic Review Volume XXIII Issue 1,* April.