How govts can be a friend of business: Lim Hwee Hua

SINGAPORE – Governments need not apologise for being involved in business, but they need to consider their length of involvement, said Mrs Lim Hwee Hua, who was the former Second Minister for Finance and Transport.

Mrs Lim, who was also a former minister in the Prime Minister’s Office, made these comments yesterday at the launch of her book, Government in Business.

“Just think of who builds the roads and hospitals?” she asked an audience of 200 from the National University of Singapore Business School faculty, as well as the business and government sectors.

The responsibility of governments to provide essential services — such as defence, public transport and healthcare — is widely recognised, she said.

To the public at large, it does not matter who provides these services, “as long as they remain reliable and accessible”. Yet, she said, public sentiment can shift.

When government-run public transport, for example, becomes inefficient and private-sector operators are engaged and do a good job, Mrs Lim said fare prices then increase and the public calls for nationalisation again.

She said governments can “overstay (their) usefulness” in business and recommended that they “go through the hard questions of whether (they) still perform a useful role by staying on as a shareholder”.

As long as governments adapt, lose irrelevant policies and do not exert influence through shareholding controls, they can be a “friend” of business, she added.

Mrs Lim is a member of the Ernst & Young Global Advisory Council and sits on the boards of two listed firms.