

## Honorary Fellow A Citation

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### **Professor Liu Pak-wai, SBS, AB, MA, PhD, JP**

In *Discourse of Heaven*, Xunzi said, ‘Strengthen your foundation and moderate expenditures, then Heaven cannot impoverish you. Prepare your means of nurture and synchronise your movements with the season, then Heaven cannot afflict you with illness. Follow the principle of nature and do not deviate from it, then Heaven cannot bring you misfortune.’ Over the past five decades, The Chinese University of Hong Kong (CUHK) has faced one challenge after another. Starting at a desolate site on a remote mountain ridge, we constructed an imposing campus. Amidst financial difficulties, we created development opportunities. The reason we now have a solid foundation, and are full of resources and ideas, is because we have had capable and intelligent leaders, able to shore up that foundation and practise thrift, supply necessities in a timely manner, follow natural laws and sidestep mistakes.

Professor Liu Pak-wai graduated from Princeton University in the US in the 70s, and went on to acquire a master’s degree and a PhD at Stanford University. He has been with the Department of Economics at CUHK since 1976. During this forty-year period, he has been Chairman of the Department of Economics, Registrar, Professor of Economics, Pro-Vice-Chancellor, senior advisor to the Vice-Chancellor, and founding director of the Institute of Global Economics and Finance. He is currently a research professor at Lau Chor Tak Institute of Global Economics and Finance, Emeritus Professor of Economics at CUHK, and co-director of the Economic Research Centre at the Hong Kong Institute of Asia-Pacific Studies.

The operation of a university requires considerable financial backing and it is no easy task to ensure effective utilisation of resources and proper use of funding. An expert in the application of economic theories, Professor Liu has tremendous insights in this regard. In 1995, he took over as CUHK’s Pro-Vice-Chancellor, and was tasked with reforming the University’s funding model. He put forward the ‘One-line Budget’ in response, which enhanced the efficiency of resource utilisation and offered faculties and administrative units more flexibility in resource allocation. Two decades have since passed, and the ‘One-line Budget’ remains an effective funding mechanism well received by unit heads.

All economies have their ups and downs. When things are going well, financial stewards can relax and bask in the sun. However, when the economy takes a turn for the worse under the stormy skies, universities must take measures to cope with reduced funding. The biggest challenge is striking a balance between the university’s long-term development and short-term financial difficulty. In 2004, an economic

slowdown had all universities facing budgetary cuts from the government. Professor Liu, being Pro-Vice-Chancellor, displayed his wisdom as an established economics scholar to help the University ride out the crisis. A number of measures aimed at optimising organisation structure, strengthening its foundation and controlling expenditure effectively were introduced, successfully helping CUHK to weather the storm. Thanks to Professor Liu's enormous contribution, CUHK has remained in a healthy financial position over the last 53 years of rapid development.

The University's mission is to foster talent; recruiting talented students and providing them with a proper education are its most important tasks. The forward-looking Professor Liu took up the role of Registrar at CUHK in 1982, and proposed the Provisional Acceptance Scheme (PAS), which would allow Hong Kong's top achievers to be admitted to CUHK in advance, before they received offers from other institutes, in order to attract high-achieving students. In 1985, CUHK implemented PAS, which turned out to be very successful, putting the University in a more advantageous position for recruitment and advancing the academic standards of its students. The scheme ultimately had a far-reaching impact on the development of the University. Another important task for the University, and the key to its success, is to nurture an interest in learning. In view of the burden which the duplicate course and degree examinations imposed on students during their four years on campus, Professor Liu, working under the curriculum reform task force led by Professor Ambrose King, initiated a curriculum review leading to the abolition of degree examinations, switching from a mix of a degree examination system and a year promotion system to an American credit unit system. The new system took a great deal of pressure off students, offering them greater freedom for course selection. When there is real interest in learning, teaching becomes more effective. Not only is Professor Liu very learned, he also has vision and wisdom. Believing that the University's future development must be closely related to societal needs, he spearheaded projects to build a teaching hotel and a teaching building for the Faculty of Business Administration, and played a vital role in the founding of the Faculty of Law. He helped acquire a floor of the Bank of America Tower in Central to serve as the premise of the Faculty, and lay the foundation for the development of its postgraduate programmes in the urban area. Professor Liu was a key contributor in equipping the Faculty of Law with full amenities, with his timely move of capital investments. He also led a delegation to numerous universities in the UK and US to study their college systems, culminating in the establishment of five new colleges to cope with an increase of over 3,000 undergraduates admitted in 2012. In recent years, he also contributed to the establishment of CUHK (Shenzhen). We cannot praise enough the contributions Professor Liu has made to the University.

Professor Liu has also been highly committed to public service. He has served as a member of the 'Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR', as well as a member of the Aviation Development Advisory Committee and the Commission on Strategic Development. His remarkable contributions to Hong Kong society were recognised in 1999, when he was awarded the Silver Bauhinia Star by the HKSAR government for his exceptional achievements in academia and public service. In 2006, he was honoured as a Justice of the Peace. Currently, Professor Liu is a board member of the Hong Kong Institute for Monetary Research, under the Hong Kong Monetary Authority, and Chairman of the Advisory Committee on Post-office Employment for Former Chief Executives and Politically Appointed Officials.

As Professor Liu recalled it, when he first visited CUHK in the early 70s, he said of the campus by Ma Liu Shui, 'It had very few buildings, trees, and people. It was a barren place with only sand and stones.' After more than 40 years, however, the campus is now full of greenery and tall buildings, and serves more than 30,000 teachers and students. Professor Liu helped pave the way for CUHK's rags-to-riches development, putting the University on a path to tremendous success. Together, let's celebrate this outstanding scholar who played such a big part in CUHK's growth. Thanks to his contributions and wisdom, CUHK has not only established a strong financial position over the decades, but has also become an assembly of talent. Mr Vice-Chancellor, it is my great pleasure to present to you Professor Liu Pak-wai for the award of an Honorary Fellowship of the University.