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Tan K. B. EUGENE

Singapore Management University, eugene@smu.edu.sg

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A tilt in favour of the older generation, less fortunate



EUGENE K B TAN

Although there are no significant hand-outs, offsets or goodies generally, there is much to cheer in the Finance Minister's Budget Statement. Why? It addresses some of the key genuine concerns of Singaporeans which were among the hot-button issues of the May 2011 General Election.

It is heartwarming that the focus is squarely on older Singaporeans, people with disabilities and lower-income citizens, and the need to prevent a permanent underclass from forming. It is crucial to renew Singaporeans' confidence in the commitment to shared economic growth if the plans to restructure the economy are to have their buy-in.

The Budget represents a recalibration, a right-sizing of the social compact for the longer term, in which the fiscal

How we treat the disadvantaged among us reflects on the quality of our nation-building. The challenge is whether those who bear the tax burden, the well-off, would appreciate this significance, and agreeably shoulder the responsibility of helping the less well-off.

largesse is tilted in favour of low-income Singaporeans and older generations who have helped built this nation.

For instance, there is the undertaking to look beyond the 12-month fiscal year, through multi-year spending commitments such as the Special Employment Credit with a S\$470-million-per-year price tag for the next five years, to encourage employers to hire older workers.

To be applauded is the rather comprehensive package for disabled Singaporeans, which ranges from strengthening early intervention and education to supporting employment and better adult care.

The support for poorer Singaporeans, primarily through income transfers, has

also progressed to embrace non-income support. The plan for more social workers and other professionals to help such families underlines the need for a holistic approach to helping them break out of the poverty cycle and become resilient.

The Budget advances equity, rather than equality, as the fundamental basis of sharing our nation's wealth. The GST voucher scheme underlines this.

Much as there is a tendency to see less well-off Singaporeans as the primary beneficiaries, it bears noting that we are all better off as a society that engenders resilience, hope and confidence in the future. How we treat the disadvantaged among us reflects on the quality of our

nation-building.

The challenge is whether those who bear the tax burden, the well-off, would appreciate this significance, and agreeably shoulder the responsibility of helping the less well-off. If so, then we would have a sustainable social compact.

At the same time, the economy did not take a back seat in the Budget to tackling the income gap. Strong economic growth is necessary to sustain this evolving social compact in challenging times, such as those anticipated ahead, amid competing needs and interests.

It is worth noting that notwithstanding the increase in social spending, the Budget is expected to generate a surplus of S\$1.3 billion at a time when many advanced economies are in recession and with significant deficits. ■

Eugene K B Tan is assistant professor of law at the Singapore Management University School of Law and a Nominated Member of Parliament.