Putting on finance minister’s hat

Five university and JC students present their ‘Budget’ and defend their priorities at a debate organised by SMU and the finance ministry, reports KELVIN SAM

We cannot neglect our elderly. Taking care of an ageing population cannot be done overnight. Because of our ageing population, higher spending on healthcare should be implemented and I intend to fund increased healthcare spending through higher vice taxes,” said Corrine Chia.

The petite final year Singapore Management University (SMU) undergraduate went on to outline the components of her proposed budget and ended her speech to the sound of thunderous applause. With Corrine’s balanced arguments and her serene composure, one might be tempted to think Corrine was a minister delivering her budget statement to her assembled colleagues in Parliament.

The centre scene seemed remarkably similar to a typical budget planning session. Apart from Corrine, four other students also delivered an abbreviated version of a budget statement and defended their priorities for Singapore, before their budget statements were put to the vote. The assembled youths debated about the merits of increasing corporate taxes, the need for long term planning and the dangers of reducing defence spending.

Given the weighty nature of the debate, the name of the event was certainly appropriate. Entitled “If You Were the Finance Minister”, the inaugural event saw 300 university and junior college students gathered for an early Budget Debate, jointly organised by the Ministry of Finance and SMU.

During the debate, opinions flew fast and furious. The notion of increasing taxes on vices such as gambling and tobacco was frequently suggested. Progressive taxation, the practice of making high income groups paying more taxes was another popular concept. The students were also quick to point out the fact that tobacco taxes could appear regressive in nature since a large proportion of the lower-income groups tended to smoke.

John Lee, a Raffles Junior College student was one of the most ardent proponents of increasing taxes on vices such as smoking. The 17-year-old suggested using some proceeds from vice taxes to finance measures designed to help smoking addicts. As one of the five speakers delivering his budget statement, John called his budget “Short-term loss but long-term gain”. John proposed spending more on measures improving the economy’s competitiveness and the transport infrastructure by reducing spending on housing enhancement.

“Sacrificing some short-term benefits to invest in our industries will result in increased economic growth. Ultimately, this will result in more social benefits,” said John.

Measures on improving the economy’s competitiveness emerged as the central theme during the debate. The budget statements proposed by all five speakers contained measures on improving economic growth prospects. These measures included a focus on strategic industries such as manufacturing and tourism.

SMU undergraduate Jovine Loy’s budget was eventually voted as the most appropriate plan by the assembled students. The svelte economics student impressed the audience with her easy confidence and precise speech. Entitled “Staying ahead, Staying together”, Jovine’s budget emphasised heavily on increasing healthcare expenditure, improving the economy’s growth and on assisting Small Medium Enterprises (SMEs).

Like any good policy maker, Jovine’s concluding speech was simple but effective. “Many cities are rapidly growing into world-class destinations; we must enhance Singapore’s tourist attractions in order to stay competitive. Meanwhile, assisting SMEs will create valuable opportunities for Singaporeans to succeed,” said Jovine.

This is the first time the Ministry of Finance is engaging youths in a large scale forum to provide perspectives to the budget process. With this forum, it hopes to interest and involve younger Singaporeans in thinking about Singapore’s national priorities and how they can be achieved.