A BUDGET FOR MANY TOMORROWS

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WHEN Finance Minister Tharman Shanmugam delivers his Budget speech this Fri-
day, it should come as no surprise that despite the dark clouds of a looming recession in the
United States, the Government’s budget challenge comes not so much from the econom-
ic clouds but from the social storms.

Given the good performance of the econ-
omy last year and the growth of inflation now
being felt, the Government will, as all folks in
back seats of the Budget预案ing to the
people through assorted-scheme schemes,
subsidies, salaries and perhaps even Goods
and Services (GST) offsets. It may even dip into
the reserves to help weather the storms and
soothe the anxieties of our average worker.

But by and large, Singapore has a track
record of rising splendidly from showery skies.

However, hardened with an ageing pop-
ulation, a society struggling with growing
inequality and the unfulfilled expectations of
Singaporeans, the Budget will not only have
to respond dynamically to, but also anticipate,
social developments, trends and needs.

While some of these pressures are im-
ported from abroad and beyond the Govern-
ment’s control, the reality is not lost on the
political elite that they have to cushion the
impact of these developments if the Govern-
ment is to maintain its legitimacy.

In striving for cohesion and unity in
purpose, the Budget is in the social compact –
a theme that has shaped the political agenda
over the years.

And increasingly, the Budget will be pivotal
in reconceptualising Singapore’s social compact,
which not only embodies a consensus between
the state and citizens but also articulates the
roles, rights and responsibilities of the stake-
holders.

Globalisation has made the need to
reconceptualise the social compact a political
necessity. This is reflected in various initiatives
in recent years that have moved away from shor-
ing the nation’s wealth in an equal manner.

Indeed, the preferred approach is towards
sustaining the nation’s wealth equitably.

Instead, the preferred approach is towards
sharing the nation’s wealth.

Instead, the Government does not simply
short-change the future in favour of lower-income
Singaporeans. Speaking about this year’s Budget,
Mr Lee said recently that the Finance Minister
will “have something to distribute, especially to help
the poor and needy Singaporeans.”

This not only removes the inequalities but it will
balance the Budget’s inclusiveness and effectiveness.

However, even as the Government takes
pains to strike the balance in favour of the less
welled, the Finance Minister must be mindful
of the socially “uncomfortable clash” – term-
ing with expectations.

Indeed, our cooperative commitment to
cope with a rapidly changing world.

Hence, as one of many dimensions facing
the Government, The Budget is a powerful
tool, an influential driver in social engi-
neering. For in recent years, the Budget has
demonstrated its goodness – the generation hand-
outs and tax cuts – which Singaporeans have
grown to expect.

Shall we analyse if the merits of the
Budget were judged by whether the Govern-
ment does cut adequate goodies all round.

It would be unfortunate if the
merits of the Budget were
judged by whether the
Government does cut
adequate goodies all round.

What’s more, the Finance Minister
will have to strike a balance between
the notion of sustainability and the need
to maintain our social safety net.

The Budget must be seen as more
than just a manifestation of the state’s leverage and
commitments in the new financial year,
with goodies thrown in for good measure.

It plays a critical role in helping our so-
cial compact resonate and project society not
just for tomorrow, but for many tomorrows.

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