

Revitalising the Singapore spirit one policy at a time

The key announcements on public housing and retirement adequacy at the National Day Rally underscore the Republic's commitment to strengthening its social compact. **By Eugene K B Tan**



The Majulah package is designed to provide targeted assistance, especially to those with lower income. PHOTO: BT FILE

NATIONAL Day celebrates a nation-state's independence and sovereignty. It also commemorates nation-building, which can be regarded as a dialogue between the past, present, and future generations. A nation-state is a "going concern" where citizens have an innate belief in the collective future and the national purpose, vision and values are often founded by past generations.

This was the recurring salient theme in Prime Minister Lee Hsien Loong's National Day Rally speech last Sunday (Aug 20), which exclusively focused on domestic concerns. Using "semangat yang baru" from the national anthem, PM Lee rallied Singaporeans to imbibe the same reinvigorated spirit of our forefathers to take the country forward in the face of complex challenges.

Images and references to founding prime minister Lee Kuan Yew were not in short supply at the Rally. PM Lee observed that the commemoration of the 100th birth anniversary of Lee Kuan Yew in a few weeks' time makes it timely to reflect upon the values and ideals championed by Lee and the founding fathers, and to renew the commitment to these enduring values and ideals.

Of significance, PM Lee also used the annual address to the nation to update on the crucial task of leadership renewal, which had been disrupted by Covid-19. He declared that succession plans were "back on track" now that the pandemic was behind us. Furthermore, the recent controversial issues involving political leaders and ruling party parlia-

mentarians would not delay the timetable for renewal. In other words, he does not intend to prolong his tenure as prime minister unnecessarily.

He also affirmed his confidence in Deputy Prime Minister Lawrence Wong and the 4G team and also highlighted the 4G's ForwardSG movement to renew the social compact playing a major role in charting new directions for Singapore.

Revitalising core policies

Like leadership renewal, core national policies that have served us well have to be continually reviewed and revitalised for them to be relevant, fit for purpose, and to possess legitimacy.

In his three speeches in Malay, Mandarin, and English, he dwelled on top-of-the-mind issues of Singaporeans such as cost of living, and affordable and accessible public housing. The overarching themes of reassurance and inclusivity were significant and they speak to nation-building as a never-ending quest for continuity and progress. More immediately, these are issues that could easily become hot-button election issues.

With his characteristic knack to surprise, the prime minister unveiled the Majulah package for "young seniors" (Singaporeans born between 1960 and 1973) to help them meet basic retirement needs, especially for the lower- and middle-income Singaporeans.

It is estimated that 1.4 million, or close to a quarter, of Singaporeans will benefit from the

package, including those born before 1960.

With the Majulah package estimated to cost S\$7 billion, in addition to the earlier packages for the Pioneer and Merdeka generations pegged at S\$9 billion and S\$6.1 billion respectively, cohorts born in 1973 or earlier have a dedicated programme to help support them in retirement.

Like its predecessors, the full lifetime costs of Majulah package will be financed out of the fiscal resources of the current term of government. This ensures that such even significant outlays to benefit the current generation will not burden future generations nor draw on past national reserves.

Unlike the earlier Pioneer and Merdeka generation packages, the Majulah package is designed to provide targeted assistance, especially to those with lower income. Such tiered support, tied to one's income and CPF savings, demonstrates the commitment to the equitable sharing of Singapore's prosperity: those who need more help will receive it; those who don't will receive less or nothing.

The Majulah package is largely custom-made to meet the needs of the young seniors. For example, as most people below 63 years of age today are still working, the annual "Earn and Save" bonus of up to S\$1,000 a year will help grow Singaporeans' CPF savings while they are still in full-time or part-time employment.

The second component, the Retirement Savings Bonus, is a one-time CPF bonus of up to S\$1,500 for those whose CPF balances have not reached the CPF basic retirement sum. This will benefit, among others, homemakers who may have set aside their careers to raise their families.

The third component is a one-time Medi-Save Bonus of up to S\$1,000.

Taking the Pioneer, Merdeka, and Majulah packages as a whole, there remains the long-standing wariness over the fiscal sustainability of universal benefits, which could result in future generations having to bear a disproportionate share of the cost. Instead, a cohort-based approach, with elements of means-testing, to support Singaporeans in their silver years is still regarded by the government to be the preferred mode.

Where the Majulah package is concerned, young seniors benefited relatively more from Singapore's progress and are generally less disadvantaged than the Pioneer and Merdeka generations in terms of education, income, life chances, and retirement adequacy.

There will be the expectation, even if it is premature, of similar packages for subsequent cohorts of Singaporeans. With a super-ageing population, the imperative of a responsible and long-term approach to fiscal planning, investment and spending will matter immensely.

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Continued on Page 31

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Continued from Page 29

In public housing, PM Lee also unveiled a new classification framework – Standard, Plus and Prime – for HDB flats while also ending the distinction between mature and non-mature housing estates. Flats in choice locations, unsurprisingly, see the highest demand during BTO exercises. They usually command much higher resale prices. In order to reduce the “lottery effect” (windfall gained by chance), Lee noted that fairness must be given effect to.

Thus, Plus and Prime flats will cost more and will have longer minimum occupation periods, resale and rental restrictions including income ceiling for resale buyers, and subsidy recovery when the property is sold as owners would be provided with higher subsidies. These proposed measures seek to ensure that

HDB estates do not become enclaves along the lines of class and race. In turn, the key objectives of public housing namely affordability, a good social mix, and a fair outcome would be attained.

Ideals in nation-building

PM Lee noted that the pioneer generation leaders had conceived Singapore as “more than a nation of bricks and mortar, skyscrapers and a thriving economy”. Instead, they sought to infuse society with the ideals of “justice and equality; religious freedom and racial harmony; a commitment to excellence; a fair system of meritocracy; and an uncompromising insistence on honest, clean government”.

These ideals not only form the substratum of the cross-generational dialogue but also discipline the shared purpose of nation-building. Put simply,

these ideals shape how trust and confidence in Singapore’s nation-building journey is sustained across generations. There must be the enduring commitment to these values if Singapore is to remain cohesive and resilient.

Moreover, only then can the current and future generations of Singaporeans be confident of the relevance of the past and the hope for a better future. This fiscal confidence comes from harnessing the resources built up by the earlier generations and the prudent husbandry of current resources by the present generation – the government and the people.

The prime minister used the National Day Rally platform to articulate hope and confidence in Singapore’s future. This belief of a vibrant future for the country cannot be underestimated. What ultimately unites the various generations across time is the country’s

shared purpose, with shared values determining how the shared purpose is to be attained. The current generation inherits these ideals from the past generations and must transmit them to future generations.

With the succession plan back on track, the 4G leaders have the urgent but important task of earning the trust and confidence of Singaporeans in the limited time that is left of the current term of government. To this end, the key announcements on public housing and retirement adequacy – to ensure these bedrock policies remain relevant and fit for purpose – seek to burnish the 4G credentials.

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