

Budget 2024

Is the PAP gearing up for a general election this year?

Prime Minister Lee Hsien Loong and Deputy Prime Minister Lawrence Wong at the PAP convention last November. Budget 2024 is widely seen as setting the stage for an election later this year, after PM Lee passes the baton to DPM Wong. But it would be a mistake to infer from the cash handouts that the Government is sweetening the ground before going to the polls, says the writer.
ST FILE PHOTO



Even with a comprehensive set of measures to uplift Singaporeans, the Government still has unfinished business to attend to before it decides to call an election.



Eugene K.B. Tan

2024 marks an unbroken run of 65 years since the People's Action Party (PAP) took the reins of power in 1959. At the threshold of a

generational change in its top leadership, the fourth-generation (4G) leaders must earn the trust and confidence of Singaporeans and demonstrate that it is equal to the task of leading Singapore in a more challenging era.

In this context, it is perhaps not surprising that the 2024 Budget is widely seen as setting the stage for a general election later this year, after Prime Minister Lee Hsien Loong passes the baton to Deputy Prime Minister and Finance Minister Lawrence Wong.

The Forward Singapore road map set out by the 4G leadership forms the backbone of Budget 2024, which is positioned as the first instalment of remaking Singapore's social compact.

The Budget displays an adroit marshalling of policy nous in a changing environment with technocratic craft in deploying fiscal resources towards socio-political objectives that the Forward Singapore exercise identified as critical moves. In truth, no one expects anything less from the government.

There is much to commend in the measures that have been announced. In particular, the theme of assurance is writ large in the Government's fiscal policy for the upcoming financial year. It

seeks to reassure Singaporeans by conscientiously addressing people's immediate, top-of-mind concerns and pain points such as rising costs of living, inflation and job insecurity.

This Budget is also targeted at over-the-horizon concerns such as employability with measures to incentivise and support reskilling and upskilling, and retirement adequacy with changes to the Central Provident Fund system.

POLITICAL NATURE OF BUDGETS

To be sure, every Budget is inherently political. The Government's overarching fiscal policy must be geared towards fulfilling its electoral promises to the people.

A Budget should renew the trust and confidence of the electorate that the government has not fallen short and is doing right by the people. It would be naive, even foolish, for any government of the day not to approach the Budget as a means of building trust and confidence in it.

However, it would be a mistake to infer from Budget 2024's cash handouts and "something for everyone" that the Government is sweetening the ground before going to the polls. In fact, based on the long-term nature of the measures announced, it seems the Government is keeping its powder dry, which gives it some leeway to provide for other measures in what remains of its term. And I don't see the PAP Government being unduly hasty.

Many polycentric considerations go into the ruling party's thinking on when would be most advantageous for it to seek a fresh mandate. These include the state of the economy, people's sense of well-being, the geopolitical environment, how ready the opposition is, as well as the ruling party's own preparedness for electoral battle. 2025 also marks Singapore's 60th year of independence, another milestone in the nation-building journey.

How Singaporeans welcome the Budget is but one of several considerations. Besides, the Singaporean electorate is a savvy one and has time and again shown that it is not so easily swayed by Budget sweeteners.

Where the Government's agenda of action is concerned, as laid out in the President's Address at the opening of the second session of the 14th Parliament last April, it has its work cut out as unfinished business remains.

For instance, after several major moves following the pandemic-induced construction slowdown, the quest to ensure that public housing is affordable and accessible for Singaporeans remains an abiding policy imperative.

With close to 100,000 private and public homes expected to be completed between 2023 and 2025, some more time is needed for these moves to be felt on the ground, especially when young married couples and families with children move into their first homes.

Then there is also the massive task of persuading and securing

the buy-in from stakeholders for the comprehensive measures to renew the social compact. Besides resolute government action signalled in the Budget, there is still the need to strengthen the collective responsibility in shaping the social compact such as reinforcing individual and family efforts and catalysing contributions from other stakeholders.

Otherwise, more government action might contribute to a debilitating dependency and a sense of misplaced entitlement would arise. Put simply, these will require time and effort.

Hence, Budget 2024 is by no means a clear signal that voters will be asked to give a firm electoral mandate to the PAP later this year. But the Budget is intimately connected with the next and future general elections.

The 4G leadership is demonstrating that it is more than equal to the task of leading Singapore in an uncertain era.

If Budget 2024 is any indication to go by, this and future instalments of remaking the social compact, which will cost about \$40 billion in total by the end of this decade, can be expected to be innovative and bold. Moreover, Budget 2024 is about growing Singaporeans' trust and confidence in the 4G leadership but, more importantly, in the country's future as it navigates intense economic competition, volatile geopolitical conditions and challenging demographics.

In that light, the PAP Government will likely take a steady and patient approach as the 4G leadership gradually draws open the curtains on its new vision for a stronger and more united nation.

But even with these assurances of building a shared future through a comprehensive road map, we know that an election is ultimately decided at the ballot box.

At the July 2020 General Election, amid the "crisis of a generation" brought about by the Covid-19 pandemic, voters did not demonstrate the expected "flight to safety" behaviour. Instead, the opposition, in particular the Workers' Party, turned in its best performance ever, winning 10 parliamentary seats.

So beyond setting forth its

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Reinforcing leadership credentials

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vision, the 4G leadership would be expected to recognise that it needs to generate wind in its electoral sails as the clock runs down on its term. Budget 2024 is thus one of a few more steps to reinforce the 4G leadership credentials and the form and substance of its governance style.

BUILDING ON BUDGET 2024

With time being of the essence, as the election must be held by November 2025, the PAP must make the most of what remains of the current parliamentary term to improve on the report card it will bring to Singaporeans.

The second instalment of bold moves needed to make Singapore relevant to Singaporeans will likely be announced in Budget 2025, with a soft launch possibly at the National Day Rally this August. While remaking the social compact doesn't just happen in one or two Budgets, next year's Budget will play a crucial role.

It will likely focus on strengthening our multiracialism and distinctive Singaporean identity and creating more avenues for civic participation - both fall under the "doing our part as one united people" policy shift. Of significance would be the issue of re-employment support, known as "unemployment benefits" in other countries.

Such a measure to help the involuntarily unemployed is unprecedented here and will have to be carefully crafted to avoid moral and other hazards that can erode the work ethic and create other social issues.

But it's a question of when and how, rather than whether there will be re-employment support. DPM Wong indicated that details of the scheme can be expected later this year. It may well be that such a measure, among others, could be part of the PAP election manifesto.

Detailing the second instalment in Budget 2025 can reinforce the 4G leadership ethos and governance, reflecting change amid continuity and the willingness to depart from established policies and practice and break new ground when the situation calls for it. It also demonstrates the political determination to remake Singapore society, one that will ensure Singapore remains a high trust society and a land of opportunity.

For now and for the 4G leadership, it's about winning the hearts and minds of Singaporeans by convincing them of their road map and reassuring them about Singapore's future. The election can wait.

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