

# NATIONAL YOUTH DIALOGUE 5: BUDGET 2023

18 JANUARY 2023 | Asian Civilisation Museum

The National Youth Council (NYC) and the Global Shapers Community (Singapore Hub) co-organised the fifth in the series of seven National Youth Dialogues, “Budget 2023”, on 18 January 2023, involving 117 participants and the following panellists:

- Mr Alvin Tan – Minister of State for Ministry of Culture, Community and Youth & Ministry of Trade and Industry
- Mr Chee Hong Tat, Senior Minister of State (SMS), Ministry of Finance and Transport
- (Moderator) Mr Tan Kuan Hian, Editor, The Birthday Book 2021; and Vice-Curator, Global Shapers Community (Singapore Hub)



## Here are the key insights of the conversation raised by the panellists:

The session discussed three themes: Navigating a volatile and complex world, Strengthening our Social Compact, and Building a Resilient Nation

### Theme: Navigating a Volatile and Complex World

*Issue: Increasing Cost of Living*

#### **Discussion points from breakout session:**

- Participants acknowledged that the Government had provided support packages to help Singaporean households with their expenses, but noted that these were short-term solutions. They suggested investing in long-term solutions such as education, upskilling workers and transforming businesses to create new jobs.

#### **Key insights from panel dialogue:**

*Question: Given the recent rising cost of living from the GST increase and price hikes, does the Government plan on investing more to soften the impact for lower income families?*

- MOS Tan said that Singapore was vulnerable towards global impacts as the country imports most of its supplies. He said that appreciating the Singapore dollar could only help to a certain extent as it would affect the price of exports.
- SMS Chee said that the Government focused on supporting lower income families through redistribution of resources, such as revenue through taxation, which would fund support packages for vulnerable groups and cushion against rising inflation.

*Issue: Jobs security and transforming businesses to be more productive*

**Discussion points from breakout groups:**

- Participants said that it was essential for individuals to have a stable job and income to tide over economic difficulties amidst a slowing economy and increasing inflation.
- Participants called for more measures to transform businesses to be more innovative and productive.

**Key insights from panel dialogue:**

*Question: Will there be job support schemes to support vulnerable sectors, given the increasing retrenchment rates?*

- MOS Tan said that Singapore was vulnerable towards global impacts as the country imports most of its supplies. He said that appreciating the Singapore dollar could only help to a certain extent as it would affect the price of exports.
- SMS Chee said that the Government focused on supporting lower income families through redistribution of resources, such as revenue through taxation, which would fund support packages for vulnerable groups and cushion against rising inflation.

*Question: Has SkillsFuture enabled more citizens to be employed, especially in the tech sectors where retrenchment rate is high?*

- SMS Chee said that there were limitations to unemployment insurance as it could lead to less motivation to look for jobs if the payouts were attractive, which in turn might result in higher unemployment rates. He said that instead the Government introduced various funding schemes which were more sustainable in the long term, to provide transitory help to the unemployed.

## Theme: Strengthening our Social Compact

*Issue: Supporting vulnerable groups and ensuring social mobility*

**Discussion points from breakout session:**

- Participants shared that the increasing cost of living was a pressing issue, and they were most concerned with ensuring that vulnerable groups would not be left behind.

*Question: Since funds for financial aid and subsidies are finite and trade-offs need to be made, how will the Government balance the needs of different groups to achieve a sense of equality for everyone in society?*

- SMS Chee said that while proxy indicators such as income levels and type of property were in place to assess the eligibility of households for support schemes, it was still challenging for the Government to ensure a fully accurate assessment of the amount of aid to provide to each individual.
- He said that it was important that schemes were designed to be inclusive with an extensive criteria, to prevent the “cliff effect” where individuals fail to receive assistance if they were unable to meet just one criteria.
- SMS Chee encouraged citizens to also leverage community groups, social service agencies and grassroots to support the vulnerable groups from ground-up. He said that through the “many helping hands” approach, Singapore would be able to promote a greater sense of collective responsibility and create a more comprehensive safety net.

*Question: What are the plans to support individuals with special needs for the next 5-10 years?*

- SMS Chee said that the Government was currently working on integrating students with special needs into mainstream schools to encourage mixing and assimilation. He shared that there were also efforts to invest more resources to train and send teachers into mainstream and special needs schools to support students who require additional assistance.
- SMS Chee stressed the importance of redesigning jobs to meet the needs of individuals with special needs, which would benefit both the individual with special needs and other employees.

# Theme: Building a Resilient Nation

*Issue: Ensuring Resource Security (e.g. Food and Energy)*

## **Discussion points from breakout session:**

- Participants said that it was important to invest in climate change mitigation measures despite only being able to see their positive effects in the long run.
- Participants said that it was important for the Government to balance spending on current pressing issues such as the rising cost of living against long-term issues such as climate change that would affect future generations.

## **Key insights from panel dialogue:**

*Question: What are some principles that will guide us when deciding on whether we should spend or save our resources now?*

- MOS Tan said that with Singapore being the region's financing hub, the Monetary Authority of Singapore was responsible for regulating the value of the dollar while the Ministry of Finance allocated resources from taxes received through investments. He said that "Grow, Steward, Allocate" were three principles that guided Singapore's decision making.
- SMS Chee said that the Government prioritised its spending to support the healthcare needs of the ageing population. He said that with Singapore's ageing population expecting to double, the National Health Insurance Scheme would be a safety net to better support the elderly.



Snapshot from NYD 5 on Budget 2023 held at Asian Civilisations Museum on 18 January 2023