

## **Government has been adjusting policies because society has changed: DPM Teo**

**At the Singapore Perspectives conference, Deputy Prime Minister Teo Chee Hean highlighted new initiatives such as the Pioneer Generation Package and MediShield Life. He stressed it is not about how much redistribution is done, but how the money is spent.**

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SINGAPORE: Deputy Prime Minister Teo Chee Hean has said that the Government has been adjusting its policies because society has changed. He noted that the population is ageing and the fastest growing segment is probably those who are growing old alone.

He pointed to new initiatives such as the Pioneer Generation Package and MediShield Life. However, he stressed that it is not about how much redistribution is done, but how the money is spent.

He was speaking at the Singapore Perspectives conference organised by the Institute of Policy Studies on Monday (Jan 26). The dialogue also saw Social and Family Development Minister Chan Chun Sing taking questions.

### **Balancing Pragmatism And Social Welfare**

Wide-ranging issues were raised but many participants wanted to know how the Government will deal with challenges in the future. One of them asked how the Government balances pragmatism and the need to expand social welfare.

Mr Teo responded: "It is not how much redistribution you do per se, but what you actually spend the money on. You can spend a lot of money, for example, on providing rental housing for those who have no homes or need homes, but we have decided to spend the money on very large housing subsidies to help people own their homes. That has an entirely different effect on inclusiveness, on a sense of ownership, a sense of belonging to Singapore.

"We have not done unemployment benefits but we have done Workfare and we have done skills training. That has a much more important long-term effect on the earning capability and self-dignity of individuals. So it is not what is the extent of the redistribution but how you do it and whether you can sustain it in the long term, without signing cheques on your children's account."

Meanwhile, Mr Chan said that focusing on social transfers alone is one-dimensional. He cited a series by Channel NewsAsia, called Don't Call Us Poor, which highlights the multifaceted challenges dysfunctional families face.

He said: "It is one thing to just give out some token, cash, or financial assistance. But that may not resolve their problem. Very often, in the next lap of our social services, we have to emphasise on helping people to stand up to be independent.

"We have to mobilise volunteers to contribute their time and talent, not just their treasures. Time and talent to come and hand hold many of these families. Their challenge is not lack of money per se. That is a symptom.

"Their challenges very often arise from the inability to do simple financial planning, investing in their children's education, providing a positive role model, providing a stable home environment, so that the next generation can be uplifted. And that is where I think we need to put our focus on, in the next lap, beyond just the transfers."

### **'Inter-Generational Transfers'**

Mr Teo added it is important to deliver on promises and avoid "inter-generational transfers" - taxing tomorrow's generation for policies in place today. MediShield Life - a universal national healthcare insurance scheme, which will kick in later this year, was designed with this in mind.

He explained: "With MediShield Life, what has happened now is we have made it compulsory, and this is a very important feature about MediShield Life ... When you make it compulsory, then you can do inter-generational transfer yourself, for yourself. By having yourself pay a higher proportion than need be for that age group, when you are young.

"And that makes sense because when you are young, you have the earning capacity, you have access surplus and you can actually pay more than you need to at that age group for your MediShield premiums. And so what you do (is that) ... you adjust the slope so that you pay more when you are young and less when you are older. So the inter-generational transfer now takes place within yourself, and I think that is quite fair.

"So that inter-generational feature is a very important feature of the new MediShield Life, and as we transition from MediShield to MediShield Life, the Pioneer Generation Package will be of great help."

A participant pointed out that one key theme that emerged during the dialogue is that Singapore is in transition and naturally, Singaporeans are anxious. To this, both ministers spoke about the need for Singaporeans to remain united even in the face of diversity, and sometimes putting aside individual preferences for the greater good.

Mr Chan said: "Diversity in itself is not a weakness. Diversity in itself can be a strength. The key is not in diversity per se. The key is how do we as a society achieve convergence after the sharing of diverse views?

"And because the world is so uncertain going forward, the more perspectives we have, the more able we can check our blind spots as a society. The question is do we have the mechanism, the maturity to find convergence beyond diversity so we can take our country forward."

The dialogue, which lasted nearly two hours, involved some 900 people including civil servants, academics, professionals from the private sector as well as civil society groups.