

Budget 2018

One flute, three kids – Who do you give it to?

The moral choices behind our Budget allocation speak volumes about who we are as a society

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Much of the commentary on Budget 2018 has focused on measures such as the impending hike in Goods and Services Tax, raising the top marginal Buyer's Stamp Duty and, of course, the one-off SG Bonus arising from the \$9.6 billion budget surplus.

But Budget 2018 has also been notable for its silence on several issues. Commentators have lamented that more could be done to address inequality and poverty, as well as to support families having to care for the elderly.

One line of argument came from Associate Professor Donald Low, associate dean of the Lee Kuan Yew School of Public Policy, in his commentary ("To justify GST hike, emphasise universal benefits"; Feb 21). He wrote: "Perhaps most significantly, the Budget speech did not articulate a social policy vision, or a new social compact, that would persuade the majority of Singaporeans to accept a tax increase."

Well, yes and no.

Prof Low is right to say that no new social compact was articulated. But, through the various continuities and the reinforcement of key fiscal principles, one can clearly see a social policy vision –

albeit one that has remained largely unchanged for a long time.

How best to understand "social policy vision"? Perhaps a thought experiment by economist and philosopher Amartya Sen, in his book *The Idea of Justice*, can help us flesh out this abstract concept.

This is the scenario:

You are the authority figure and you come across three children – A, B and C – fighting over a flute. They cannot decide who gets the flute and so they want you to decide for them. One by one, they make their respective cases to you.

Child A says: "I should get the flute. I'm the only one here who can play it. And after all, the point of the flute is to make music. The other two can't play, so why should they get it?"

Then, Child B says: "I made the flute. I provided the materials for it. I spent time and effort making it. It is the fruit of my labour. How could you possibly take this from me and give it to someone else?"

Finally, Child C says: "Of the three of us, I am the poorest. I have nothing in this world. Even though I don't play the flute and I didn't make it, you should give me the flute. Because, then, you would have improved my lot in life immeasurably."

Which child you give the flute to, and the reasons and qualifications behind your decision, says a lot about how you define social justice and fairness.

(It goes without saying that you can assign the flute only to a single child. Sharing the flute is not an option, nor is selling it and splitting the proceeds.)

Are we in Singapore accustomed

to always assigning the flute in a particular way? I can imagine that a pragmatic society like ours would give the flute to Child A. We would be compelled by utilitarian logic to match the flute ("resources") to the flautist ("talent"). We might even go further to justify this on the grounds of efficiency, and by saying that social welfare is maximised because everyone, including Children B and C, gets to enjoy the music.

I can also imagine many of us giving the flute to Child B, because it resonates with our dominant narrative of meritocracy and deserved reward. After all, Child B's case – using the language of desert and entitlement – rests on the notion that the flute is naturally hers, and that it is wrong to dispossess her of it for whatever reason.

What of Child C? Alas, Child C rather inconveniently puts some of us in unfamiliar and uncomfortable territory.

I have adapted this thought experiment for public policy workshops as well as for outreach programmes in secondary schools and junior colleges. When I run this game, the majority of participants do not give the flute to Child C. The reasons typically given are that it creates moral hazard and a culture of dependency, that it is a waste of resources (the utilitarian argument), that it is unconscionable to deprive someone (Child B) who merits the flute through effort (the meritocracy argument).

Furthermore, those who reject Child C also start to "fill in the gaps" in the story – for example, by saying

that Child C must have been lazy and hence deserved his lot in life. Very quickly, the platitudes like "give a man a fish and he eats for a day, but teach a man to fish and he eats for a lifetime" are uttered.

Some participants, though, catch on very quickly, and they start to distinguish the "house view" they feel impelled to hold, which leads them down the paths of utilitarianism and meritocracy, onto the arguably more compassionate choice of giving the flute to Child C.

As one teacher put it: "As an educator, I should give the flute to either A or B. But as a human being, I would rather C have it." As if public policy enterprise, or even the Singaporean condition generally, requires that we suspend our humanity and compassion.

Now, of course, reality is far more complex than this thought experiment. In Singapore, we have more than that one flute to give out. Furthermore, we are not governed exclusively by any one logic – utilitarian, meritocracy or egalitarianism – but an uneven blend of all three.

But the point of Sen's experiment, however contrived, is to make explicit our biases in social policy (or moral reasoning, if you prefer), so that we can unpack that blend of logics that governs our allocation decisions, and openly debate why one particular logic dominates rather than others.

This thought experiment asks us – if there is a chance we ourselves turn out to be disadvantaged by our default choice, would we still make that choice?

The Budget is not simply an exercise in technocracy, in assigning funds to various programmes and making sure that the finances are healthy. Rather, where we put our money should speak to how we think and act on the fairness of opportunities and outcomes. Given the rising inequality in Singapore, it is high time we talked about which child gets the flute.

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