

## **'Keep the escalator moving up': DPM Tharman urges Singapore to maintain social mobility**

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Singapore has to make sure that everyone, including the middle class, keeps moving up, Deputy Prime Minister Tharman Shanmugaratnam said on Thursday (Oct 25).

Speaking about inequality and social mobility at a dialogue during an event held by the Institute of Policy Studies (IPS) as part of its 30th anniversary at the Marina Bay Sands, he used the escalator as an analogy.

“Once that escalator stops, that escalator that carries everyone up stops, the problems of inequality and all the problems of me against you, this group against that group, become much sharper,” he said.

Once stagnation in the middle of society takes place over a long period of time, like in the United States and other advanced countries, inequality becomes a “much sharper issue, much more brittle”, he warned.

“The politics of inequality acquires a momentum of its own, which makes it harder to solve the problem of a broken escalator,” he elaborated.

It also leads to a “pervasive anxiety” among the middle class that someone is catching up with them, and that someone is moving away from them, he added.

“Keep that escalator moving for everyone. It makes it much easier to have social mobility with a moving escalator,” he said, adding that there are more opportunities, new skills to be learnt and new jobs to be obtained.

“What I get is not just at the expense of someone else. I can move up without someone else moving down if the escalator is moving up,” he explained.

Pointing out that median wages and the income of those in the bottom 20 per cent of society have been moving up, unlike in many other societies, he said Singapore has done “relatively well by that measure so far”.

### **SOCIAL MOBILITY “WILL GET MORE DIFFICULT”**

DPM Tharman acknowledged that while social mobility has been and is at the heart of Singapore’s ambition, tackling it will become more challenging. This is because of the country’s success in the past, he said.

“It’s in the nature of a meritocracy, it’s in the nature of succeeding in mobility that it gets more difficult over time. Because those who succeed try to help their children, and those who haven’t succeeded find that the odds increase against them doing well in life,” he said.

This means having to work harder at keeping mobility going, by starting early in life, intervening to help people do well for themselves, he said.

It requires a consistent effort in early childhood, through the school years and in the work life, investing in and taking seriously the idea that everyone can grow, he said.

Social mobility is a “major challenge”, even for Nordic societies considered as the most egalitarian of Western societies, he pointed out.

#### MATURE SINGAPOREANS AT “LOWER END OF ESCALATOR”

DPM Tharman said that generational inequality makes up a “good part of the inequality in Singapore”.

More than 60 per cent of mature Singaporeans in the workforce currently, aged 55 and above, had no more than secondary school education, he said. Those who started earlier with limited education by and large did simple jobs and worked hard.

Returning to his escalator analogy, he said: “But they are now at the lower end of the escalator, and subsequent generations have moved up.

“We succeeded in transforming education and transforming opportunities for subsequent generations, those born later, and that has led to a generational inequality.”

Still, he said that Singapore does not have an unusually high level of inequality, adding that several countries, including European and Nordic states, have a higher rate of inequality by the Gini coefficient, before taxes and transfers. The Gini coefficient measures income inequality from zero to one, with zero being most equal.

Special Adviser of IPS, Professor Tommy Koh, who moderated the dialogue, kicked off the question and answer session by challenging the premise that inequality is a generational problem.

Singapore has become increasingly stratified, he said.

“We live in a very class-conscious society,” he said, adding that Singapore is unequal in several aspects, including occupation and housing type.

To this, Mr Tharman said: “If you talk about our social culture, we are much less class-conscious than many other societies I am familiar with, partly because we are younger. (But) we are at risk of becoming more class-conscious. We must resist every tendency in that direction.”

#### "THERE'S NO NEED TO DEMONISE EACH OTHER"

Prof Koh raised another challenge in Singapore - what he described as “growing intolerance”. To illustrate this, he recounted an incident of a mutual friend of the two men who was recently invited by a religious organisation to speak at a conference on a secular topic, then dis-invited. He did not name the friend.

"He accepted, prepared his paper, and then he was dis-invited. And why was he dis-invited? Because he had signed a petition to repeal 377A. We can disagree, but there's no need to demonise each other," he said. He was referring to a petition to repeal the anti-gay law.

Mr Tharman said that no one should feel demonised in Singapore.

"We're a diverse society, we have to respect each other, and whatever our views on specific topics, there's a solid core of shared aspirations and beliefs that holds us together," he said.

Prof Koh also took the chance to make a plea to the Government to show greater tolerance.

"I hope that going forward, the Government will no longer ban movies, withdraw book grants. Let's be big-hearted. We've reached a stage of political and cultural maturity such that we can accommodate different points of view," he said to applause from the guests.

PROGRESSIVE WAGE MODEL WORKING "QUITE WELL SO FAR"

Mr Tharman also responded to two other questions that came from Professor of Medicine at the National University of Singapore Paul Tambyah and deputy director of research at IPS Gillian Koh.

Dr Tambyah, using ethnic group as a surrogate for income, asked about the difference in the average age of death, which is 7.4 years between Singaporean Chinese and Malays. In response, Mr Tharman said that "we should be very wary of single-factor correlations".

"I don't think it's income per se that leads to a lower life span, but a whole set of other factors that may be associated with income," he said, adding that things like lifestyle, diet and the job one does all matter.

Dr Koh asked for an assessment of the progressive wage model and its merits versus that of the minimum wage model.

Mr Tharman referred to the salaries of cleaners, which has risen from more than S\$900 to more than S\$1,200 in five years, an increase that he said was "quite significant".

For security guards, the increase is larger, about 36 per cent.

"It's not just setting a floor, it's designing a ladder of wage increases based on skills and experience. And it's working quite well so far. We have to see whether we need to apply it to more jobs in future," he said.

The trouble with a minimum wage, Mr Tharman said, is that many people who benefit are not people from poor families.

By focusing on cleaners, security guards and landscape workers who currently come under the progressive wage model, "we know who we are trying to help", a group especially populated by older workers, he said.

But the most important strategy, whether it is minimum wage or progressive wage, is to keep the escalator going, he reiterated.

“It means staying competitive, developing capabilities in our economy that will hold us well in future competition and, very importantly, keeping the labour market tight,” he said.