



Levelling Singapore: Any Prospects?

Dr Mathew Mathews
IPS Research Fellow

Judging by the number of editorials in major newspapers internationally, Wilkinson and Pickett's book, *The Spirit Level* has spurred at least some debate. Their tagline that more equal societies work for everyone, emphasises that pursuits in inequality reduction is not only in the interest of the poor but also the rich. While this basic thesis is not new, *The Spirit Level* claims to use the results of hundreds of peer reviewed articles and other internationally available statistics to substantiate their claims. These facts seem hard to gloss over as they point out that inequality in society is linked to a number of health and behavioural outcomes such as physical and mental health, life expectancy, infant mortality, obesity and social outcomes such as imprisonment, literacy and creativity.

The arguments raised by the authors are however not without criticism. A number of academics have bitterly refuted their claims with an entire book, *Spirit Level Delusion*, detailing a number of methodological weaknesses. These range from the authors seemingly cherry picking data they wanted and downplaying the role of culture and history as important determinants of many of the variables Wilkinson and Pickett examine. Despite all this, *The Spirit Level* still continues to prod policy thinkers and politicians alike to consider what needs to be done to reduce societal inequalities.

The findings of the authors should certainly provoke some careful reflection in Singapore. The city-state has been confronted with an increasing income gap, and as seen on many of the charts in *The Spirit Level*, Singapore has among the greatest income inequalities in the developed world. Such a high level of disparity seems to be a natural outgrowth of the state's founding principles. The relentless pursuit of economic growth based on the incessant concerns that Singapore has no natural resources and is always under threat by global forces, means that there is comparatively lesser priority on social welfare issues. However in the long run, as Wilkinson and Pickett seem to argue, economic advancement after a certain point does not increase society's well being. Instead addressing issues in the social environment have much more dividends.

The meritocratic philosophy which undergirds social policy in Singapore inevitably promotes social inequality. According to how meritocracy is understood here, those who perform well should not be restricted but allowed to grow as rich as they possibly can. Still, some contend that for this principle to be fairly applied there must be a level-playing field. This does not seem to be the case for segments of society that perceive themselves as being perpetually at the short end of the stick, while they watch the more well-off bag the biggest prizes. The very recent debates on minimum wage amplify that scholars and the public are now thinking of new ways to buffer the impact of a roaring economy on segments of the population that have not benefitted from this growth. While the state tries to address the needs of the bottom twenty percent of the population, and uses schemes such as Workfare to ensure necessary financial top ups, the effect is often modest. These commendable programmes certainly prevent needy households from falling further into financial distress, but are unlikely to make the field truly level-playing.

But does Singapore really have to be concerned about the growing income inequality? In fact based on Wilkinson and Pickett's nation comparisons, Singapore is clearly an anomaly. Although having high levels of inequality, many social outcomes do not seem to go in the direction Wilkinson and Pickett expected highly unequal societies would produce. In fact, infant mortalities, teenage pregnancies, life expectancies and other social measures of inequalities show that Singapore has attained high standards comparable to more equal societies. These findings do not necessarily disprove Wilkinson and Pickett's central thesis.

The departure from the expected path needs to be explained as a product of the high levels of social control achievable in a small city state which does not have a hinterland. One however should be concerned that the mechanisms of social control may not be easily enforced in the years to come as younger Singaporeans push for greater personal freedom. On top of this, Singapore has only in the last two to three decades achieved rapid economic progress. Over time as it has happened in other countries, Singapore may begin to experience the same undesirable effects that are currently plaguing more unequal societies.

Tackling this problem of growing income inequality is not at all straightforward. Wilkinson and Pickett have strong beliefs in state enforced redistributive policies such as a progressive tax system. Making the rich pay higher taxes and ensuring a very efficient tax system that obtains the last tax dollar from those who try to creatively hide their assets, seems to be a plausible option. Such a move may however see the really wealthy who have parked their money on Singaporean shores, fleeing in search of other tax havens. That then does not

seem a viable option especially since the rich can be great assets in future wealth creation within Singapore.

Philanthropy is not at all foreign to Singapore. Having taken roots particularly with early Chinese clan associations, it has much more potential in increasing the well-being of humankind. By urging richer Singaporeans to give bigger chunks of their income towards the care of other segments of society, income equality can be better achieved. Singapore by some global indexes does not rate highly on generosity, although any casual observation of media reports will reveal dazzling collections obtained by mega churches for their various projects and also large donations being collected in response to various tragedies. Yet, we still do not hear of the Bill Gates or Warren Buffett equivalents here, or closer to home, the number of billionaires in China and Hong Kong who have taken the challenge to pledge sizeable portions of their fortunes to charity.

As some have suggested, the new norms for the rich should include stringent guidelines to re-invest in society through philanthropy. Releasing rankings of the richest together with their philanthropic contributions might be one way of making this normative. Even so, as evidenced in the United States, a vibrant philanthropic sector does not seem to be an efficient way to redistribute resources in society sufficiently.

Perhaps the answer then is not confined to any form of redistributive policy. Going back to Wilkinson and Pickett's findings, the negative impact of income inequality is essentially at the socio-psychological level. The perception that one's status is being assessed by others and at times looked down on is highly stressful and leads to a host of negative behavioural, health and social consequences. Learning to deal with the stressors in life that are a result of inequality, and finding new ways to appraise them may be the key factor in ensuring people live happily. This then calls for all kinds of social-psychological programmes to be in place to build Singaporean's resistance to the unhealthy psychological effects of status comparison. But then, this would sound like an opiate to the masses, essentially ignoring the structural causes of inequality and doing little to change the status quo.

The difficulty to find the best solution should not however stop us from doing whatever we can to reduce inequality. In their final analysis, Wilkinson and Pickett seem to suggest that even a small reduction of societal inequality can bring about very substantial changes in the quality of people's lives. We thus have a great opportunity before us!

*Professor Richard Wilkinson spoke at an IPS Roundtable on 20 October 2010. He is Professor Emeritus at University of Nottingham Medical School, Honorary Professor at University College London, and Visiting Professor at University of York, United Kingdom. Professor Wilkinson is co-author with Kate Pickett of the book, *The Spirit Level: Why Equality is Better for Everyone* (London: Penguin 2009).*



© Copyright 2010 National University of Singapore. All Rights Reserved.

You are welcome to reproduce this material for non-commercial purposes and please ensure you cite the source when doing so.