

Govt taking steps to narrow income gap

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THE growing income gap has been taxing the minds of Singapore ministers for the past five to six years, Minister Mentor Lee Kuan Yew said yesterday.

And from the start, they had in mind one crucial factor: Singapore could not have too wide a gap between the haves and have-nots.

'If we have that, then we'll have a disproportionate number of the unsuccessful who are minorities,' Mr Lee said.

For this reason, the Government had, from the outset, set out to make sure everyone has a home.

There would also be no disparity in the schools their children go to, he added.

MM Lee was replying to a question on how the income gap can be reduced. It was posed by Ambassador at Large Tommy Koh, who was chairing a dialogue at an Institute of Policy Studies (IPS) seminar on Singapore's future. Professor Koh is also chairman of the IPS.

To help shrink the gap, Mr Lee listed various measures the Government had taken to raise the salaries of the lower-income, such as skills upgrading and job redesign.

'Then we're making up with Workfare and other supplements,' he added.

Mr Lee also cited the Government's home ownership policy, adding that newlyweds receive grants of up to \$40,000 to \$50,000 to start off, and HDB flats had risen in value over the years.

'And we're topping up by giving them subsidies for the conservancy, the power, water, many different ways where expenditure is necessary and cannot be avoided.'

However, he is not in favour of subsidising transport 'because then you will have unnecessary travel'.

He said: 'In this way, we impose on every individual the responsibility for his life.'

The biggest problem, as Mr Lee saw it, is getting people to understand they are in charge of their own medical problems, weight and diet.

The state topped up Medisave accounts to help people meet medical costs, he noted.

'You keep yourself healthy, that Medisave can go on to your children. That's an incentive to keep healthy. And we've got to think up all these ways to make sure that whatever the divergences, the people at the bottom, the less successful, do not feel deprived.'