

PM Lee sounds warning on growing social divide

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Society will fracture, country will wither if widening income inequalities create rigid and stratified social system, he says

Singapore's politics will turn vicious, its society will fracture and the country will wither if it allows widening income inequalities to create "a rigid and stratified social system", said Prime Minister Lee Hsien Loong.

"The issues of mitigating income inequality, ensuring social mobility and enhancing social integration are critical," he wrote in a reply to a parliamentary question from Mr Gan Thiam Poh (Ang Mo Kio GRC).

"This is why this Government will strive to keep all Singaporeans - regardless of race, language, religion or social background - together."

Mr Gan asked Mr Lee about the current state of income inequality and whether the Government has plans to prevent this income gap from creating divisions along class lines. He also queried if an inter-ministerial committee can be set up to look into better integration of all social classes in Singapore.

To the last, Mr Lee said a specific committee is not necessary as government ministries already seek to tackle these challenges in "a concerted and coordinated effort".

"As globalisation and technological disruption have widened income inequality, the Government has over the years intervened more aggressively to support the less well-off," he said, citing both long-term policies such as education, home ownership and affordable healthcare, as well as targeted, means-tested programmes such as the Workfare Income Supplement scheme.

Mr Gan's questions come after an Institute of Policy Studies report last December, which concluded that Singapore's sharpest divides now are along class lines, rather than race or religion. It found that people were more likely to share ties with others of a similar educational background or housing type - common indicators of socio-economic level here.

"If what the study is saying is true, then it is timely that it is detected and we should (strive) to resolve the gaps before they widen too far," Mr Gan told The Straits Times.

In recent weeks, the issue gained renewed attention. Deputy Prime Minister Tharman Shanmugaratnam named slowing social mobility, and an ageing population, as the two big challenges that Singapore faces. Last week, a new book, This Is What Inequality Looks Like by sociologist Teo You Yenn, was launched, generating debate about how Singapore's competitive education system could perpetuate class differences.

In his reply to Mr Gan, Mr Lee said income inequality in Singapore has declined slightly over the past decade. The Gini coefficient fell from 0.470 in 2006 to 0.458 in 2016 - and the figure was 0.402, after accounting for government taxes and transfers. A value of zero indicates perfect equality, while a value of one suggests maximum inequality.

To fund increased social spending, "significant changes" have been made, from introducing GST in 1994 to increasing the reliance on Net Investment Return Contributions as a source of revenue, he noted.

In terms of social mobility, every citizen in a fair and just society must have the opportunity to do better and move up in society based on his efforts and talent, said Mr Lee.

"Some degree of income inequality is natural in any economy," he said. "But in a fair and just society, this inequality must be tempered and complemented by social mobility. Nobody should feel that his social position is fixed based on his parents' income level or position in life."

Education is a critical plank of the Government's efforts, he stressed, whether in building up pre-schools and having schemes like KidStart for children from poor families or giving out bursaries and getting people to go for training via SkillsFuture.

Meanwhile, the Government takes a "deliberate and proactive approach" to measures that encourage mixing among classes, such as in planning where facilities like hawker centres and playgrounds should be sited.

In a reply to a question by Mr Seah Kian Peng (Marine Parade GRC) on such measures, Minister for Culture, Community and Youth Grace Fu said her ministry has been working to nurture social cohesion by creating more opportunities for positive interactions, such as through sports, arts and volunteering activities.

Said Mr Lee: "Only by living, working, studying, serving, playing, mourning and celebrating together do we become one people, one nation."