

## **Parliament: Singapore will wither if society is rigid and stratified by class, says PM Lee**

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***The Straits Times***, 5 February 2018

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 on Monday (Feb 5).

"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 PM 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 asked the prime minister whether an inter-ministerial committee can be set up to look into better integration of all social classes in Singapore.

To the last, PM Lee said a specific committee is not necessary since 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 quality education, home ownership and affordable healthcare as well as targeted, means-tested schemes such as the Workfare Income Supplement scheme.

Mr Gan's questions come in the wake of an Institute of Policy Studies' report on social capital, released last month, which concluded that Singapore is increasingly stratified based along class lines, more so than race or religion.

Its survey of about 3,000 respondents found that people were more likely to share social ties with others from a similar educational background or housing type, which are common indicators of socioeconomic level in Singapore.

In his reply, PM Lee said that 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 further to 0.402 after accounting for Government taxes and transfers.

The Gini coefficient measures the fairness of social wealth distribution. A value of '0' indicates perfect equality, while a value of '1' suggests maximum inequality.

While Singapore's Gini coefficient is higher than that of many other advanced countries, it is similar to or lower than other large metropolitan centres such as Beijing, London and New York, said PM Lee.

To fund increased social spending, "significant changes" were made - from the introduction of GST in 1994 to the increased reliance on Net Investment Return Contributions as a source of revenue.

In terms of social mobility, PM Lee said 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.

"Some degree of income inequality is natural in any economy. It gives people the motivation to strive to do their best and improve their lives," he said.

"But in a fair and just society, this inequality must be tempered and complemented by social mobility. Every citizen, no matter what his social background is, must have the opportunity to do better and move up in society, based on his efforts and talent. 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 it is in building up pre-schools and having programmes such as KidStart for children from poor families, giving out bursaries and subsidies, or getting people to go for training via SkillsFuture.

"We must not and will not let up on maintaining social mobility, because it will get harder to narrow and bridge class divisions as our society matures."

Meanwhile, the Government takes a "deliberate and proactive approach" on measures that encourage integration between classes. This involves multiple agencies, such as urban planners in designing shared spaces such as hawker centres and playgrounds, and Housing Board in crafting policies that enable ethnic and social mixing.

Said PM Lee: "In Singapore's multiracial, multi-religious context, we have to do even more to reinforce our shared values and actively create opportunities for interaction and integration both across different social classes and between different races and religions.

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