

The rich are always with us But we don't like them that much

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MEASURED BY ITS Gini coefficient, Singapore is among the world's most unequal countries. The comparison is unfair: Singapore is also a city, and Hong Kong, New York and London all have higher Gini coefficients than it does. But Singapore measures its coefficient rather differently, excluding shorter-term foreign workers and non-working families. And, understandably, it includes employers' CPF contributions as income. Since these are capped for higher-paid workers, that narrows the income gap.

Egalitarians are troubled by Singapore's reliance on several hundred thousand low-paid foreigners. They are ubiquitous on building sites. Many live in crowded dormitories or worse. The frustrations some suffer were exposed by a riot in December 2013 after an Indian construction worker, on his Sunday off, was run over and killed by a bus. But such events are highly unusual.

Lee Hsien Loong thinks Singapore should not fret overly about its inequality rankings. "If I can get another ten billionaires to move to Singapore," he said in 2013, "my Gini coefficient will get worse but I think Singaporeans will be better off, because they will bring in business, bring in opportunities, open new doors and create new jobs." A generation ago people at all levels of society believed that a rising tide would lift all ships: they were better off than their parents, and knew their children would be better off still.

But that may no longer be true. In April, in one of a stimulating series of lectures to mark SG50, Ho Kwon Ping, a successful businessman, discussed waning faith in meritocracy. He warned that "the original social leveller", the education system, may now "perpetuate intergenerational class stratification". Only 40% of the children in the most prestigious primary schools live in HDB flats, home to about 80% of all children.

Singapore's government, unlike New York's or London's, is its citizens' overall tax authority, and its tax system is regressive. It has no capital-gains or inheritance taxes, and income tax is low: even after a recent rise, the top rate is 22%. In future elections it will face growing pressure to redistribute wealth more actively. At every stage it will balk, wary of the "slippery slope" towards effete welfarism. But it has the resources.