

## **Singapore has to keep the 'escalator' of social mobility moving up: DPM Tharman**

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He coined the metaphor of a “trampoline” to refer to Singapore’s social and economic policies in helping the lower strata of society in an interview three years ago, when asked if he believed in the concept of a safety net.

On Thursday (25 October 2018), Singapore’s Deputy Prime Minister and Coordinating Minister for Social and Economic Policies Tharman Shanmugaratnam used the metaphor of an “escalator” to refer to how the country should tackle the intertwined issues of social mobility and social inequality.

Speaking on those issues at the Institute of Policy Studies’ (IPS) 30th anniversary dinner, Tharman said it is critical that Singapore sustains a system where everyone is moving up when dealing with inequality, including those in the broad middle class.

“Because once the escalator that carries everyone up stops, the problems of inequality and all the problems of me against you, this group against that group, becomes much sharper...Once you get stagnation in the middle of society, over a long period of time...inequality becomes a much sharper issue, much more brittle,” he said.

If the politics of inequality were to acquire a momentum of its own, it would be harder for Singapore to deal with the problem of “a broken escalator”.

Social mobility will get more challenging

The deputy prime minister pointed out that a number of advanced countries are grappling with the challenges of inequality. In these countries, there is a sense of “pervasive anxiety” among those in the middle class.

Hence, Singapore needs to ensure that the escalator of social mobility is always in motion. “What I get is not just at the expense of someone else. I can move up without someone else moving down, if the escalator is moving up,” Tharman said.

But it is inherent in the system of meritocracy that social mobility will get more challenging over time. Those who succeed will try to help their children and those who do not succeed will find that the odds are against them, and even the egalitarian Nordic countries are facing similar challenges, he added.

One key aspect of inequality in Singapore is that it is generational in nature, Tharman said, noting that the majority of citizens above 55 have no more than secondary education. “Those who started earlier with limited education by and large did simple jobs, worked hard, their pay has gone up over time in real terms...but they are now at the lower end of the escalator and subsequent

generations have moved up...It was success in transforming society but it has led to generational inequality."

In response to former IPS director Professor Tommy Koh who said that in Singapore, low wage workers are treated as "invisible people" without dignity and respect, Tharman agreed that older and blue collar workers "deserve a lot more respect and regard".

"I think it is part of our social culture. We inherited a combination of a set of British institutions and the East Asian culture, both of which are quite hierarchical, both of which tended to look down on ordinary manual labour. And we've got to move past that."

But Tharman disagreed with Koh's view that Singapore is very class conscious. "We are much less class conscious than many other societies I am familiar with, partly because we are younger (but) we are at risk of becoming more class conscious."

Keep "the escalator" moving

During the question and answer session, IPS' deputy director for research Gillian Koh asked Tharman about his assessment of the progressive wage model and whether Singapore should consider implementing a minimum wage model.

Tharman said the progressive wage model – implemented for cleaners, security guards and landscape technicians – has worked well so far. On the other hand, the problem with the minimum wage model is more of what he called "a practical issue".

"A lot of the people who benefit from the minimum wage, are not people from the poor families...a very significant proportion of them come from middle income families or even better off, so it's not very well targeted," he added.

Ultimately, to keep "the escalator going", Singapore's economy should strive to stay competitive, develop capabilities and keep the labour market tight.

Summing up the dialogue session on social mobility and inequality, Tharman said one way to ensure social mobility is to treat each other as equals. In doing so, interactions among all Singaporeans, regardless of class, would help "spread aspirations" for everyone. Aspirations shouldn't just be confined to those in the upper middle class or the wealthy, he added.

"So let's keep that in our Singapore culture because it is a good thing in its own right, but it also helps us to keep aspirations moving up for everyone...keep the escalator moving up because that's the best way you can get social mobility on the escalator," he concluded.