

# Progress key to inequality fight, says Tharman

The way for Singapore to tackle income inequality is to ensure that everyone, including those in the broad middle, continues to progress and be better off, Deputy Prime Minister Tharman Shanmugaratnam said yesterday.

Using the analogy of being on an escalator, he said: “There is no point being better off than someone else if everyone is stuck in the same place.”

Mr Tharman was speaking at a dialogue on inequality and social mobility to mark the 30th anniversary of the Institute of Policy Studies.

These issues will get harder to address over time, he said, adding that the key is to help older workers stay employed and earn decent wages, while ensuring all children are off to a good start so that they can compete on a level playing field.

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# To tackle inequality, ensure everyone is progressing: Tharman

Issue will become much sharper if society begins to stagnate, says Deputy PM

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To tackle income inequality, Singapore first must ensure that everyone in society – including those in the middle class – continues to progress, said Deputy Prime Minister Tharman Shanmugaratnam.

Mr Tharman gave the analogy of being on an escalator, which has to keep moving so that everyone is better off.

“There is no point being better off than someone else if everyone is stuck in the same place,” he said.

He noted that if the escalator breaks down and stops, there will be pervasive anxiety among many in society about “who is ahead of me and getting further away, and who is behind me and catching up with me”.

Mr Tharman made this point during a dialogue last night moderated by Ambassador-at-large Tommy Koh at the 30th anniversary dinner of the Institute of Policy Studies (IPS) at Marina Bay Sands.

Their discussion centred on the two topics that have dominated the national discourse in recent weeks – inequality and social mobility.

Mr Tharman said the key to tackling these issues is to ensure that everyone in society keeps doing better over time.

“Once you get stagnation in the middle of society over a long period of time, which is what happened in the United States and a range of other advanced economies, inequality becomes a much sharper and much more brittle issue, and the

politics of inequality acquires a momentum of its own.”

An escalator that continues to carry everyone upwards also makes it much easier for a country to have social mobility, he said.

“There are more opportunities, new skills to be learnt, new jobs to be obtained. It becomes much easier to achieve relative mobility when you have absolute mobility – what I get is not at the expense of someone else.”

Mr Tharman also made the point that “a good part” of inequality in Singapore is generational, and a by-product of its success.

He noted that among Singaporeans who are now in their 50s, well over 60 per cent have no more than a secondary school education.

But in the past few decades, the Republic has transformed its educa-

tion system and opened up a lot more opportunities for its younger generations.

As a result, older Singaporeans are now “at the lower end of the escalator”, while subsequent generations have moved up.

“We have to focus our minds on how we can help older Singaporeans – not the true elderly but mature Singaporeans, who still have 40 years ahead of them – to work for as long as they wish, with dignity, earn a decent pay, with the support of their employers, the Government and the public,” he said.

Safeguarding social mobility will also get more difficult as Singapore progresses because that is the nature of a meritocratic system, Mr Tharman noted.

“Those who succeed try to help their children and those who haven’t succeeded find that the odds increase against them doing well in life,” he said.

It means that Singapore has to work harder to keep mobility going, by intervening even in the neo-natal stage, before a child is born, and throughout his life, to ensure that he can do well for himself.

“It requires a consistent effort... investing in people at regular intervals and taking very seriously the idea that everyone can grow,” Mr Tharman added.

Education Minister Ong Ye Kung made a similar point in a speech on Wednesday, when he said Singapore’s meritocratic system has worked, but needs to evolve and move away from a narrow focus on past academic merit to recognise and celebrate a broader range of skills, talents and strengths.

In a speech on Oct 14, Prime Min-

ister Lee Hsien Loong had also stressed the importance of ensuring that everyone in society, regardless of their family background, is brought to a good starting point.

When asked by IPS’ deputy director of research Gillian Koh for his assessment of how Singapore’s progressive wage model (PWM) has helped low-wage workers, Mr Tharman said it has worked well, with the average wages of cleaners and security guards rising by at least 30 per cent over the past five years since it was introduced.

The PWM sets a wage floor for workers in the cleaning, security and landscaping sectors, and ties their wage increases to training.

While some have called for a universal minimum wage, Mr Tharman argued that this is not as effective as the targeted PWM, which directly benefits those workers who need it most.

In response to a point made by Prof Koh that society is becoming more stratified, Mr Tharman said Singaporeans are not as class-conscious as people in many other countries that he is familiar with, and that it should strive to maintain this attitude, and made a call for mixing across social classes.

In closing the dialogue, Prof Koh recited the lyrics to Bob Dylan’s Workingman’s Blues, a song about the plight of blue-collar workers.

Responding, Mr Tharman referred to a 1960s hit by British group The Hollies: “I can’t resist adding – what should always be in our mind is, he ain’t heavy, because he’s my brother.”

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Deputy Prime Minister Tharman Shanmugaratnam at a dialogue last night moderated by Ambassador-at-large Tommy Koh at the Institute of Policy Studies’ 30th anniversary dinner. ST PHOTO: ALPHONSUS CHERN

AVOIDING STAGNATION

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DEPUTY PRIME MINISTER THARMAN SHANMUGARATNAM



Emeritus Senior Minister Goh Chok Tong speaking at the Institute of Policy Studies’ 30th anniversary dinner yesterday. ST PHOTO: ALPHONSUS CHERN

## ESM urges IPS and LKY School to work in tandem on S’pore issues

TACKLING KEY CHALLENGES

**How do we manage these changes and better the well-being of Singaporeans? How do we anchor our citizens to their country, rally and commit them to Singapore? No one will have all the answers to Singapore’s internal and external challenges.**



EMERITUS SENIOR MINISTER GOH CHOK TONG

As Singapore goes through rapid social and economic changes, the need for a strong policy research body becomes all the more pertinent, Emeritus Senior Minister Goh Chok Tong said yesterday.

Such an organisation will enable the country to harness all possible ideas and solutions to fix present and future problems, he added.

This was the underlying reason for the setting up of the Institute of Policy Studies (IPS), a think-tank ESM Goh established in 1988 when he was the deputy prime minister.

But even as it continues over the years to play a vital role as a platform for Singaporeans to contribute ideas and hold a mirror up to the Government, ESM Goh is envisioning a new role for the institute.

Speaking at IPS’ 30th anniversary dinner, he said he wants it to work in tandem with the Lee Kuan Yew School of Public Policy (LKYSPP) at the National University of Singapore to “advance the special case study of Singapore”.

That is, they should combine their resources and insights in helping foreign students and officials understand what makes Singapore tick, how it has achieved so

much in such a short period, and how it is able to maintain good governance beyond its founding leaders, he added.

As the founding patron of IPS and chairman of the LKYSPP’s governing board, ESM Goh said he hopes his suggestion would carry some weight, although it should still be deliberated.

His call comes 10 years after the IPS became a research centre of the LKYSPP in 2008.

While it was done then with the understanding that IPS would function “more or less independently”, ESM Goh said there is great potential in combining their strengths.

LKYSPP has academic resources and research, teaching and global outreach, which IPS could complement with the strength and depth of its research and focus on Singapore-based issues of policy and governance, he said.

IPS analyses public policy, examines issues of national interest and studies the attitudes and aspirations of Singaporeans through surveys on public perception.

ESM Goh noted that it revamped its research programmes recently to delve into the management of diversities, income inequality and so-

cial mobility, the problems as well as opportunities of an ageing society, and the unique challenges of governing a city-state.

IPS is well-poised to dive deep into these issues, he added.

As Singapore heads into the future, Singapore’s policy research framework should be dynamic, inclusive and integrated, he added.

“How do we manage these changes and better the well-being of Singaporeans? How do we anchor our citizens to their country, rally and commit them to Singapore?” ESM Goh said.

“No one will have all the answers to Singapore’s internal and external challenges.”

While the Government recruits some of the best to serve in the political leadership and public service, there are also plenty of able people outside the Government.

He believed the Government would benefit from tapping their views and expertise.

Whether from academia, the business, corporate or social service sectors, they “would be able to contribute to good governance”, he said.

This was the genesis of IPS. Moving forward, ESM Goh said: “Convergence and integration of the best ideas and policies, of academics and practitioners, of private and public sectors – is how IPS and LKYSPP can jointly serve the interests of Singapore and extend Singapore’s mindshare outside.”

Yasmine Yahya