



Department of Political Science
Major in Politics, Philosophy and Economics
Chair of Political Economy of Development

*Assessing Singapore's Model of Economic Development And Its
Effects On Inequality And Social Mobility*

SUPERVISOR:

Prof. Francesco FERRANTE

CANDIDATE:

Tommaso NAPOLEONI

Matr. 094002

Academic Year 2022/2023

Table of contents

TABLE OF CONTENTS	2
INTRODUCTION	4
CHAPTER 1	7
1.1 INSTITUTIONS AND DEVELOPMENT	7
1.2 DEVELOPMENTAL STATE THEORY AND SINGAPORE’S PECULIAR CHARACTERISTICS	8
1.3 THE “SINGAPORE CONSENSUS”	10
1.4 DEFEATING THE WASHINGTON CONSENSUS.....	11
1.5 THE PRESENT STATE OF THE “SINGAPORE CONSENSUS”	13
CHAPTER 2	16
2.1 INCOME INEQUALITY AND THE RELATIONSHIP BETWEEN ECONOMIC DEVELOPMENT AND EQUALITY	16
2.2 THE KUZNETS CURVE	17
2.3 A MORE COMPREHENSIVE EVALUATOR: SOCIAL MOBILITY	18
2.3.1 <i>Measurement issues</i>	19
2.4 THE GREAT GATSBY CURVE.....	20
2.5 HOW IS SINGAPORE PERFORMING?	23
2.5.1 <i>Income inequality</i>	23
2.5.2 <i>Social mobility</i>	27
2.6 THE PAP’S FALSE MYTHS	29
2.7 THE MOST PLAUSIBLE CAUSES OF INCOME INEQUALITY AND SOCIAL IMMOBILITY IN SINGAPORE	31
2.7.1 <i>Growth enhancing tax policies</i>	32
2.7.2 <i>The case for minimum wages</i>	33
CHAPTER 3	35
3.1 THE LINK BETWEEN MERITOCRACY AND MOBILITY	36
3.2 MERITOCRACY IN SINGAPORE AND ITS BYPRODUCTS.....	37
3.2.1 <i>Technocratic Elitism</i>	37
3.3 FOCUS ON THE EDUCATION SYSTEM AND ITS EFFECTS ON SOCIAL MOBILITY	38
3.3.1 <i>Has Singapore become a parentocracy?</i>	41

3.4 CONCLUDING REMARKS ON THE RELEVANCE OF EDUCATION POLICY IN OUR ASSESSMENT	41
.....	41
CONCLUSION	43
APPENDIX A	46
BIBLIOGRAPHY	48
RIASSUNTO	53

Introduction

According to the Economist Intelligence Unit's *Worldwide Cost of Living 2022*¹ report, Singapore was named, for the ninth consecutive year, the most expensive city in the world to live in. The lavish lives shown in the recent movie "Crazy Rich Asians" are not entirely inaccurate. What attracts wealthy people to Singapore? Singapore's position as a hub for regional finance, its friendly environment for individuals and businesses, and—most significantly—its low tax rates of 22% for the wealthiest citizens are arguably the most well-known reasons. Luxurious cars and glamorous lifestyles are increasingly more common in this small, global metropolis. The contrast is striking when put next to footage of elderly cardboard collectors in Singapore who are struggling to make ends meet. The top workers in Singapore battle for salaries that are over global averages, while the lowest earners see downward pressure on their pay as a result of a growing middle class and an influx of foreign labor. The government's efforts to liberalize the economy from the mid 2000s have led to a stronger reliance on low-wage unskilled migrant and local workers who, as of today, still experience strong marginalization and unequal social mobility opportunities. As a matter of fact, Singapore's institutions not only provide less welfare assistance than other developed nations but may even be blamed for increasing inequality to promote hard work and merit. Indeed, the ideology of the ruling party, the People's Action Party, pushes for a *self-reliance* approach in terms of welfare and overall economic policy, risking leaving behind who really needs the state's help.

Since gaining its independence in 1965, Singapore has made significant progress in terms of social assistance. It must now adjust to the changing times in its post-Lee Kuan Yew era. As a matter of fact, it might be difficult to start a legacy, but it can be much harder to keep one going. The general public is unhappy with what they perceive as insufficient government actions on behalf of its citizens as a result of the rising cost of living in the city-state and the rapid increase in population, primarily due to immigration. This resentment has been brought to light by a tangible and growing sense of inequality between the haves and have-nots, as well as a perception that "the Singapore dream," which is based on meritocracy and social mobility, is collapsing. To ordinary Singaporeans, equal opportunity appears to be a naive expectation that can no longer go beyond mere rhetoric due to the large income difference, the lavish lives of upper-class Singaporeans, as well as the high-earning class of "foreign talent".

¹ Source: https://pages.eiu.com/rs/753-RIQ-438/images/worldwide-cost-of-living-2022-summary.pdf?mkt_tok=NzUzLVJJUS00MzgAAAGIjHGGeQynj2tzJNZgNkE1kRWkOXrNA7b3IAz-PEQxFTdEAg1E_qHKd4Xbc0LU34KDyuYxxqlwsbBrieVImwrfvbD8WWkmbzNel17W37gk_1c-GIA

In the last decades Singapore has been presenting itself on the global scene as a highly developed nation, topping at the highest positions in many international rankings and rapidly shifting from a Third World nation to a First World one. As a matter of fact, Singapore has been one of the countries with the fastest development of the last century and a strategic hub for foreign investments. GDP growth topped at 9.2% in the first 25 years after independence and as of 2022 GDP growth rate stands at 3.8%². Despite its extreme lack of natural resources and its harsh colonial past, Singapore was able to benefit from its strategic geographical position in South-East Asia and its role as a hub for regional migration trends (Abshire, 2011). This economic success in terms of export-led industrialization, relying on macroeconomic and political stability, highly-skilled and trained foreign workforce, and an outstanding global connectivity, resulted in raised incomes and living standards for most Singaporeans (Lee, 2000). Wealth, however, turned into more income inequality and growing costs of living. In addition, structural pressures such as population aging, technological progress, and global trade are transforming Singapore's socio-economic system.

While this shift in social needs has been constantly at the center of policy formulation, Singapore's political authorities have kept their priorities firm and clear. Singapore's political system is embodied by the People's Action Party (PAP) which assumed power in 1959 and has governed the city-state in what has been defined as an authoritarian, technocratic, and paternalistic style of government (Tan, 2008). The PAP operates in a multi-party system with the aim of formally qualifying Singapore as a democracy, where the term democracy should be considered in its wider sense (Schmitter, 1991). Interparty competition has, however, been essentially nonexistent in practice, and the PAP has secured its position as the main party in power for more than sixty years. In general, opposition leaders condemn the Singaporean government's continued authoritarianism and demand that economic policies be changed to be more benevolent toward the more disadvantaged. The Singapore Democratic Party, with its straightforward and consistent program that includes goals like the minimum wage, universal pensions, and more extensive redistribution, is perhaps the party that is most in opposition with the PAP. However, the oppositions' voices are hardly heard in the city-state. The SPD, indeed, last held a seat in parliament in the 1991³ elections.

According to the Democracy Index 2022⁴ Singapore ranks 70 overall, with extremely low scores in two indicators: *Electoral Process and Pluralism* (4.83) and *Political*

² Source: https://www.mti.gov.sg/-/media/MTI/Newsroom/Press-Releases/2023/01/AdvEst_4Q22.pdf

³ In the 1991 general elections the SPD won 3 out of the 81 seats in parliament.

⁴ Source: <https://pages.eiu.com/rs/753-RIQ-438/images/DI-final-version-report.pdf>

Participation (4.44). These data granted Singapore the status of “flawed democracy”⁵. Nonetheless, Singapore is formally a democracy, and its electoral system does not prevent secondary or smaller parties from challenging the PAP in the periodic popular elections that are held with mandatory voting. However, the system is undoubtedly flawed as the PAP gained every seat in parliament in the general election of 1968, and they kept doing so in the three elections that followed. Moreover, since the 1981 by-election, the opposition has rarely had more than four representatives present during a single parliamentary session.

This stability and continuity in time gave the PAP the chance to maintain vivid their own narrative on the driving principle of development: meritocracy. As a matter of fact, in Singapore there is general consensus on the notion that meritocracy, combined with other circumstances such as a forward-looking governance, peaceful labor relations, and an engaged and unified community can be lauded as the cornerstone of the striking developmental success (Dimmock, 2011). Nonetheless, I will argue that the Singaporean model of development coupled with meritocracy as a state-sponsored narrative is now being blamed for establishing structural barriers to mobility, for having an extremely limited definition of success, and for having a growingly self-centered elite that the public perceives as condescending and dismissive to their needs. If on the one hand a great portion of Singaporean society has benefited from the exponential growth of the last century, on the other hand surveys and statistics have shown how income inequality is still rampant in the Asian city-state and how social mobility is being affected by the governments’ meritocratic narrative. The question then is: is this model of development sustainable in the long-run and is the government not only willing but also capable of reacting with adequate policies to this largely undiscussed societal problem? And then, are these policies socially inclusive?

In this dissertation the aforementioned questions will be answered through: a description of Singapore’s model of development in comparison with other theoretical approaches; an analysis of Singapore's performance in equality and mobility reports; an assessment of meritocracy as a state-sponsored narrative and its effects on social mobility; and overall a review of what has been done, as of today, in Singapore in terms of policies and policy directions aimed at leveling out the socio-economic barriers that are behind the city-state’s social stratification and what the government has instead left unaddressed.

⁵ *ibid.* According to the Economist Intelligence definition: “These countries also have free and fair elections and, even if there are problems (such as infringements on media freedom), basic civil liberties are respected. However, there are significant weaknesses in other aspects of democracy, including problems in governance, an underdeveloped political culture and low levels of political participation”.

Chapter 1

1.1 Institutions and development

In the wide framework of the literature on the economics of development there exists a substantial consensus on the notion that institutions, formal and informal, are the main determinant of the difference in developmental outcomes among countries and regions.

Starting from the peculiar case of North and South Korea, Daron Acemoglu (2008) managed to efficiently prove how geography, luck and culture may not be the main drivers of development. These two independent nations established entirely distinct systems of economic and political institutions and structured themselves in dramatically different ways. On the one hand, in order to eradicate private ownership of land and capital, the North adopted the socialist principles of the Soviet Union and the Chinese Revolution. The communist state, not the market, mediated economic choices. The South, on the other hand, kept its system of private property and market-based economic structures, modeled on the United States' economic structure. Notably, any difference in developmental outcomes between the two countries may be attributed to the different institutional frameworks adopted after independence.

However, North (1994, p. 360) defined institutions (political and economic) as “the humanly devised constraints that structure human interaction”. According to North, economic performance may be attributed to the sum of formal rules, informal norms and enforcement strategies, suggesting that each country's performance cannot be turned merely with an overnight change of rules, because underlying informal norms will still have their effects on the economy. Williamson's (2009) findings look thoroughly at the role of informal institutions in developing countries, arguing that the adoption of a new set of institutions may only be successful when the leaders are able to efficiently map the presence of informal rules in the country and thus build upon those. A lack of attention on informal institutions may render developmental efforts vain.

Singapore's state-sponsored narrative of meritocracy suitably exemplifies a case of informal norm that persists in many different areas of Singaporean society, offsetting any external influence that might act against it. Meritocracy (see Chapter 3) shaped Singapore's path to prosperity and has been reasonably promoted by many leaders around the world as a successful development catalyzer. However, if we take into account the position of those scholars that criticize “one-size-fits-all” approaches and we think about meritocracy as an *informal institution*, a totalitarian state-sponsored meritocracy might turn out to be fairly inapplicable in other sociocultural contexts.

1.2 Developmental state theory and Singapore's peculiar characteristics

Even though development is commonly understood through economics, I will argue that institutions and politics i.e. meta institutions play a huge role in the final outcome of a country's path to prosperity. If we look at the countries that achieved rapid economic development in the last fifty years we do not see a commonality of regime or government type among them. Instead, we see a political system that is characterized by the same features, such as strong state interventionism in terms of extensive regulation and planning. Chalmers Johnson was the first scholar to introduce and define the concept of 'developmental state' when he was analyzing Japan's developmental path. Johnson used the term *developmental* to characterize a state that has economic development as its main concern and that actively takes part in the formulation and implementation of industrial policies (Johnson, 1982). A developmental state is a state that has a highly skilled and efficient political workforce that is able to set the stage for the country's development (Chang, 1999) and where power has been in various degrees centralized in order for the elites to have more control on the economic policies. This control is exercised through a strikingly close relationship between the bureaucrats and the private sector. The intimacy that characterizes this kind of public-private sector linkage is what sets apart a developmental state from other forms of centralized systems.

In his seminal work Adam Leftwich (1995) highlights six peculiar features that characterize the developmental state model:

- I. a determined developmental elite;
- II. relative autonomy;
- III. a powerful, competent and insulated economic bureaucracy;
- IV. a weak and subordinated civil society;
- V. the effective management of non-state economic interests;
- VI. and repression, legitimacy and performance.

These features did manifest themselves in various degrees according to each country's socio-cultural and historical background. Feature number six appears to be of utmost importance in our discussion as Singapore has proven itself to be a combination of a rather harsh suppression of civil rights, a formally widespread legitimacy and a statistically proven performance in reaching developmental objectives. These three dimensions are inevitably linked and when counterposed with liberal standards they highlight the frequently unspoken societal condition that characterizes the city-state. As a case in point, in Singapore, government stances on dissent and resistance haven't always been tolerant, as Lee Kwan Yew stated in

1982: “Every time anybody starts anything which will unwind or unravel this orderly, organized, sensible, rational society, and make it irrational and emotional, I put a stop to it and without hesitation” (reported in Harris 1986, p.61). This gives us a first framework for the analysis of Singapore from a more critical point of view, trying to highlight what mere economic analyses of the city-state’s developmental path may not always point out.

Commonly, the notion of developmental state has been used to contrast another model of development, the regulatory state. Majone (1994, 1997) did not give a definition of the regulatory state but he used the United States as the perfect example of this model. The regulatory state, in fact, emphasizes rules and procedures, limiting the bureaucracy in its administrative capacities. Here rules and regulations must be understood more in a procedural sense rather than a substantive one (Levi-Faur, 2014). From a comparative perspective the regulatory state can be presented as a *non-interventionist* and at the same time *neoliberal* institutional arrangement.

Singapore inserts itself in this apparently polarized picture by providing a formal alternative between the two options of “the market” and “the plan” (Huff, 1995). If on the one hand the definition of developmental state fits in all of its features to Singapore’s developmental path, on the other hand the city-state has effectively put forward a more market-oriented type of economy compared to its neighboring Asian countries. The reason behind this positioning in the spectrum of the different forms of state systems can be found in Singapore’s socio-cultural background, historical past but also in its present geopolitical role. Doner, Ritchie and Slater (2005), three American scholars, have argued that the political origins of developmental states like Singapore can be located in conditions of *systemic vulnerability*, meaning the simultaneous interaction of three separate constraints: broad coalitional commitments, scarce resource endowments, and severe security threats. The authors further note that these conditions must be simultaneous in order to achieve institutional reform and eventually the country’s developmental performance. The challenge elites face when their country is experiencing high levels of systemic vulnerability is the need to simultaneously improve living standards and promote growth by continuously upgrading local resources. Here institutions come into the picture since policy implementation under these severe conditions requires institutions able to formulate broad developmental objectives: to monitor firms’ performance but also to be credible in terms of both commitment to economic policies and willingness to sustain the achieved objectives.

Other scholars have looked at the formulation of a hypothesis on the Asian Tigers’ economic success from other angles. As a matter of fact, it has been argued that ethnic

homogeneity, domestic investment and colonial legacy may have been leading causes of this rapid growth (Holliday & Wilding, 2003; Jesudason, 1989). However, Singapore defeats all of these hypotheses since the city-state cannot be compared through any of these lenses to Taiwan, South Korea or Japan.

1.3 The “Singapore consensus”

The Singaporean system is one that is based on specific traditions and ideals, i.e. informal institutions. There is a strong reliance on the notion of a *competitive meritocracy*, which turns into a rejection of universal welfare and a preference for human resource management methods based on merit. The public has come to accept the concentration of power in the hands of technocrats who are specifically selected to supervise the government machinery because they recognize that Singapore’s economic success has been based on a system of technocratic elitism. Overall, Singapore's system may be characterized as a semi-democratic, developmental state with capitalism at the heart of its political standpoint.

Singapore’s ruling party, the People’s Action Party, is aligned with many other conservative parties globally in its pro-business, fiscally conservative, and economic growth orientation. In addition, every Singaporean can bear witness to the PAP's continued adherence to stringent legal restrictions on individual lifestyle choices, which has been collectively regarded as socially conservative.

One main premise that must be explicit before a description of Singapore’s economic model, is that most of the political directives that still exist to this day have been *personally* shaped by Lee Kuan Yew himself. Even though critics to its persona have been coming from all over the world, LKY’s legacy is still rampant in Singapore with its influence spanning well over the 31 years he actually governed. Notably, Singapore’s current Prime Minister Lee Hsien Loong, LKY’s son, sought his father’s counsel until his very last day, proving his immortal legacy.

Cheang and Choy (2021) outlined three main broad operational strategies that the PAP, and thus Singapore, has been following since the city-state’s independence in 1965. First, the state’s restricted role in redistribution and welfare policies, a focus on the principle of self-responsibility and a constant propulsion on incentives to work. Second, policies created through paternalistic lenses to limit the citizens’ individual lifestyle choices, such as convictions and death penalty for a vast array of crimes such as drug consumption and trafficking and a stark resistance to reform LGBT rights. Third, renowned censorship practices on civil liberties, independent media agents and agencies and civil society activists.

In terms of economic policies, the reliance on the price mechanism or its substitution with government intervention represents the main distinction between a market system and a planned economy. In Singapore government intervention comprised a series of incentives, deterrents and stimuluses to direct the economy towards prosperity. These measures replaced the price mechanism in three main areas: the labor market; the role of state-owned enterprises in the control of the market; and the forced savings scheme imposed on the citizens, the Central Provident Fund (Huff, 1995).

Notably, discussions and evaluations on the Singapore model of economic development have been constrained overtime by the lack of official documents declaring the government's strategies, indeed primary documents have been kept secret from the start. Nonetheless, the Singaporean strategy is clearly not based on objectives set in stone, but it gives pivotal importance to the competitive reaction to the international market and the need for flexibility in order to assure a fast and effective response to changes in the world arena (Huff, 1995).

Ortmann and Thompson (2016) analyzed the peculiar relationship that exists between China and the Singapore model of economic development. The so-called “Singapore fever” that has been affecting Chinese governmental elites can be attributed to Singapore being the only country in the region that has been able to achieve high economic industrialization without going through significant political liberalization. As a matter of fact, Singapore first brought to the contemporary world scene a case of modernity combined with authoritarianism, where the general public is almost constantly in agreement with the government while the government simultaneously restricts its citizens’ social rights and freedoms. With Singapore’s active efforts to promote its model overseas, mainly in China, we see how this model is not only a peculiarity of a small and overall “minor” country in the world scene, but rather this model is being actively proposed as a counter alternative to the overly legitimized liberal-democratic model of economic development.

1.4 Defeating the Washington Consensus

John Williamson (1990) first used the phrase "Washington Consensus" to refer to ten policy changes for Latin American countries that institutions in Washington could agree were useful to achieve development. Even though these policies enjoyed considerable success in the scholarship on development economics, they were never taken on in full terms by any country, often being remodeled to each country’s context. These were classified by Williamson as prescriptions and further studies in the field showed that countries that did conform to these recommendations did not present greater levels of economic growth, rather there were cases of

lower growth compared to countries with other strategies (Rodrik, 2006). Thus, we may reconduct this to North's (1994) argument that a set of rules cannot be automatically transferred to another country's context with the assurance of success, because underlying informal norms will still be present. As a matter of fact, among the main critics of the Washington Consensus Rodrik (2007) reaffirmed that a one-size fits all approach has no reason to be successful as each country has its own background.

The main concepts expressed by the Washington consensus are: privatization, deregulation and market liberalization. As mentioned earlier, Singapore's major paradox in its success story is the heavy hand of the government in guiding free markets without undermining the market and without the alleged adverse consequences that frequently accompany government intervention, indicating that a centralized state and a healthy market are not mutually exclusive. According to Nolan (1990, p.59), Singapore exemplifies a *rational dirigisme* "which combines plan and market in a creative partnership". Through this lens we can argue that Singapore's developmental strategy is both in agreement and disagreement with the Washington Consensus. The areas of agreement are several, to mention a few: constant efforts to attract FDI and international firms; a cautious fiscal policy focused on the accumulation of reserves through land sales, compulsory savings and overall innovative revenue sources (Peng & Phang, 2018); a monetary policy target to price stability and the careful regulation of the financial sector; domestic savings and investments directed to the creation of infrastructures. However, the areas of disagreement are equally numerous with the most notable being: industrial policies coming from the active market guidance of the government; state-owned enterprises monopolizing certain areas of the market; labor regulation; a state-managed exchange rate and a compulsory savings scheme (the CPF).

Notably, the role of state-owned enterprises (SOEs) in Singapore's economy is explicative of the government's action plan. These are used to lead Singapore's industrial policies through investments in infrastructure, financial sector and telecommunications. Investments in these areas have as the final aim the facilitation of MNCs' intervention in Singapore and eventually gaining their endorsement (Tan & Bhaskaran, 2015). Nevertheless, Tan (2016) finds Singaporean SOEs to be more lucrative and appealing to capital than non-SOEs, in contrast to the assumption that SOEs are inefficient and development inhibitors (thus why the Washington Consensus recommended privatization in the Latin American arena). Tan suggests that the Singaporean strategy differs in that it employs competent and trustworthy individuals to run SOEs under the supervision of reliable regime members such as senior or

former public employees. Singapore Airlines⁶ is arguably one of the best examples of this strategy, being one of the top airlines in the world and one of the leading travel and leisure businesses in the Asia-Pacific region.

The Singapore development model shows us that companies can be successfully managed and profitable when they are organized through a form of political entrepreneurship. Notably, the city-state's government had the benefit of starting from scratch with public ownership in order to accomplish this goal rather than nationalizing businesses that were already incurring losses.

Lastly, pivotal to our discussion is social policy, which the Washington Consensus considered parallel to economic development, while Singapore actively used to gain support for its growth-enhancing policies, which would have otherwise caused revolts from the civil population. Social policies, just like any other policies in Singapore, have been aimed at pragmatism and efficiency, thus the government's long-term plan is that of eliminating, as much as possible, any kind of subsidies and with that any form of demand for social assistance, allegedly eradicating the "free rider problem". On the same note, welfare and equality have never been at the fundamental core of any governmental commitments, this to prevent any possible clash with the developmental objectives, the state's top concern and priority (Khan, 2001). The repercussions of this system of social and economic policies will be further analyzed in the following chapter.

1.5 The present state of the "Singapore Consensus"

If for several decades the Singapore model prospered without significant questioning by the general public, now the scenario appears to be transforming. Even though seats in Parliament are still not evenly distributed⁷, challenges to many aspects of the model have been coming from both national and international scholars and activists. As Low and Vadaketh (2014) point out, the 2011 elections were a turning point in Singapore's political discourse, shining light on that fraction of civil society that has been actively opposing the PAP's rule and advocating for a shift in the city-state's political direction. As of today, the only two parties that have managed to gain seats in the current Parliament are: the Workers' Party and the Progress Singapore Party. The main vision that these parties advocate for is a welfare model

⁶ The majority owner of Singapore Airlines is Temasek Holdings, Singapore Government's investment and holding company. SIA reported a net profit of \$628 million in the third quarter of its financial year ending March 30, 2023, adding up to a record \$1.56 billion net profit for the nine months between April and December 2022..

⁷ Out of 103 seats in Parliament the PAP has 83 of them while the opposition managed to gain 11 (9 for the Workers' Party and 2 for the Progress Singapore Party). 9 seats are assigned to non-partisan members.

that is based on a universal entitlement principle of redistribution rather than a meritocratic one.

However, each of the two schools of thought in Singapore's political scene, the ruling party and the opposition, refrain from questioning the extent to which the government should intervene in society and in the market, both of them assuming that the authority of the state is vital and unavoidable in the central planning of both the society and the economy. On the one hand the PAP advocates for the retention of power in the hands of the central government aiming at the restriction of lifestyle choices, monopoly of the industrial sectors, censorship of the media and other economic and socially “conservative” measures. On the other hand, the recently formed opposition believes in the empowerment of the central government to achieve greater levels of economic and social equality, through, for example, extensive redistributive policies. Cheang and Choy (2011) argue that the attainment of power for this new generation of leaders marks the shift from political authoritarianism to economic authoritarianism, insofar as strict central power would not undergo any form of questioning.

Democratization in Singapore is arguably not in the political plans of any major party. In the Asian context indeed the economic boom undergone under non-democratic regimes is the main deterrent for democratization and the reason for the high levels of legitimation that the ruling parties have. Grassi (2011) suggests that economic development helps democratization only when it creates a significant middle class that is, at least to some extent, independent from the central political power. However, in the Asian context, and thus in Singapore, this did not happen as middle classes saw the slowdown of development rates as politicians were attempting to introduce democratizing policies. Benevolent autocracies, as they have been defined by many (Chukwusa, 2018), do indeed show unmet levels of legitimacy. A benevolent autocracy's legitimacy frequently stems not from electoral success but rather from the capacity to produce concrete benefits in the lives of its citizens. In a democracy, political opponents frequently keep leaders too distracted, preventing them from formulating sound economic strategies. Leaders regularly lose re-elections before they get a chance to carry out their objectives. Politicians often make election-winning short-term commitments that don't necessarily make long-term economic sense, such as lowering taxes while enhancing benefits. Thus, this may provide one possible reasoning to explain why as of today Lee Kuan Yew's legacy and Lee Hsien Loong's legitimacy in Singapore are still substantially rampant. What Betsley and Kudamatsu (2007) suggest, and evidence confirms, is that benevolent autocracies tend, sooner or later, to expire. They either are not anymore autocracies, like what happened in South Korea and Chile, or they altogether stop being

benevolent. If the hypothesis holds true, as we approach the decade anniversary of LKY's death the survival chances of his government style may be fading.

Chapter 2

When studying the impacts of developmental policies on the population's wellbeing there are two main concerns that come up from the data on developing and developed countries: income inequality and social mobility. These two concepts are closely linked and their analysis can paint the full picture of a country's overall socio-economic conditions. Singapore exemplifies the paradox that exists in many realities around the world: a country with astonishing performances across international benchmarks of economic development that disguises under this facade an alarming trend of social stratification and stagnation. This evidence may form part of the answer to the issue of the Singapore model's sustainability over time.

2.1 Income inequality and the relationship between economic development and equality

The relationship between equality and development is a highly debated one, where scholars have held both positive and negative views. Overall, the debate can be divided into two main camps. The first one is driven by the hypothesis that, at least in the beginning, growth and progress somehow necessitate greater inequality. This has motivated Anand and Kanbur (1993) to several attempts to establish a mechanical link between inequality and the rate of development and other scholars to ascertain whether higher or lower inequality is necessary for quicker growth, thus exploring the link between velocity of growth and equality. The second camp of scholars has tried to independently pinpoint the causes that shape growth and inequality. This literature has extensively examined either growth or inequality (Li et al., 1998), but it hasn't attempted to determine the variables that may concurrently affect both.

As a matter of fact, on the one hand, the scholarship that analyzes growth and inequality together, with Kuznets (1955) as its main proponent, has linked them in a mechanistic way that tends to downplay or neglect the causality of other agents (e.g. policies). On the other hand, the scholarship encompassing the causal link with factors like policies has generally discussed growth and inequality on their own and not in correlation with each other. On this note, Lundberg and Squire (2003) have argued that policymakers face the burden of this lack of scholarship because of their need to evaluate the policies' positive and negative effects on both economic growth and inequality in order to maintain legitimacy and eventually achieve reelection.

The Lorenz Curve has been widely used overtime to measure income distribution and it is also the starting point for the equally essential Gini Coefficient. A detailed description of the model can be found in Appendix A.

2.2 The Kuznets Curve

The question of the current status of inequality in Singapore can be answered through a myriad of different hypotheses and theories, the Kuznets Curve is one of the most common ones. Kuznets' (1955) claim is that the graph that best represents the relation between economic growth and inequality is an inverted-U curve.

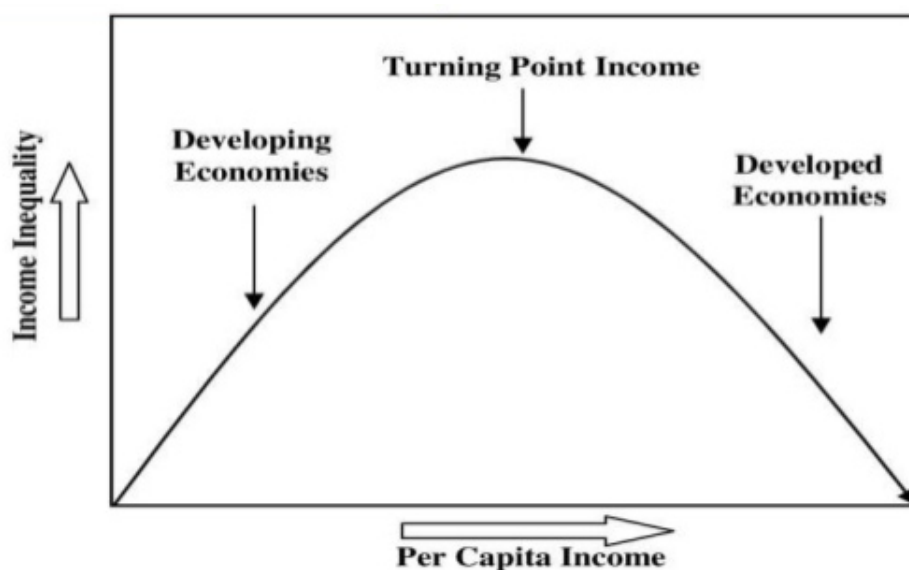


Figure 1⁸ The Kuznets Curve

As Figure 1 shows, the curve tells us that at the initial stages of growth inequality rises, eventually reaching a threshold level of total income where the correlation is inverted and inequality falls as income continues to rise. This groundbreaking hypothesis found an initial enormous success in the debate on these two factors' correlation. Nevertheless, as of today its relevance has been questioned on the lack of sufficiently long time series that can test the appropriateness of the hypothesis (Deininger & Squire, 1996). Scholars such as Li et al (1998) have even argued a counter hypothesis, where the graph representing the correlation between inequality and growth would be U-shaped, with inequality rising in the final stages of development.

⁸ Source: <https://www.iasgyan.in/blogs/important-economic-curves-for-upsc>

With regards to the Asian context, the relationship between the two factors has often been framed in a different manner. Ota (2017) suggested that the inverted-U curve had to be considered accurate exclusively for countries in the income range up to the lower level of high income. Through a survey carried out on over 20 Asian countries, Ota argues that as income increases over a defined threshold and countries enter in the high-income group, income inequality doesn't seem to decrease following the inverted-U shaped Kuznets Curve. This pattern variation in high income countries could stem from the stark differences in terms of adopted policies and economic conditions among them. Furthermore, Stiglitz and Uy (1996) argue that the correlation works in the opposite way in the Asian context. The claim is that equality and growth are positively correlated in Asia because the unprecedented growth rates of the 20th century supplied resources to be used in equality promotion, but also higher equality was able to uphold over time the high growth rate.

Even though each of these aforementioned frameworks are to be considered valid, the data that will be presented in the following sections empirically show how Singapore should be analyzed through Ota's argument: that countries in the high-income level group do not present a systematic and constant decrease of inequality as growth increases, thus making the inverted-U curve model not applicable.

2.3 A more comprehensive evaluator: social mobility

Equality cannot only be measured and assessed in strictly economic terms but concepts such as social mobility allow a more comprehensive evaluation of the status quo. With social mobility⁹ scholars usually denote the movement of one or more individuals from one social status to another, thus social mobility indicates the flexibility level of society's social stratification. According to Miller (1960, p.4): "Social mobility can refer to a change in income, political power, social relations (social distance or deference), skill or occupational prestige". The transition in the person's social status can be either *inter-generational* (as compared to their parents) or *intra-generational* (across their lifetime). Even though studies on *intragenerational* mobility have been carried out, especially by scholars researching on career patterns, the study of social mobility has focused primarily on the examination of *intergenerational* movement: what are the life prospects for a person whose father has a specific occupation? Likewise, unless otherwise specified, sociologists' claims on social

⁹ In this paper the attention will be focused on economic mobility but I will adopt the common approach of interchangeably using the terms economic mobility, social mobility and mobility.

mobility nearly always refer to the relative shift from sons to fathers. This stress is due, in part, to the fact that it draws attention to the family's critical position in the stratification system, which scholars widely agree on.

In his seminal work “*The Forms of Capital*” Pierre Bourdieu (1986) introduced the three forms of capital that he developed to describe what sets individuals apart from each other. *Economic capital* covers economic resources in terms of assets that a person can dispose of. *Social capital* is based on the networks that someone has and the social groups that he is part of, which he may benefit from. Lastly, *cultural capital*, which was first discussed in Bourdieu’s groundbreaking theory, consists in the educational level and skills that set an individual apart in society and gives them a comparative advantage in the social ladder. These different forms of capital have been used over time to quantify the overall level of chances that individuals have to succeed in life since a change in one of them marks the movement from one social status to another. Furthermore, the social classes of modern societies, as theorized by Bourdieu, stratify along this division of capitals where individuals with the same level of capital form distinct groups, with common life objectives and means.

Education, race and gender have been identified as some of the main means through which social mobility may be propelled or hindered. Each of these variables is extremely country-specific and many societies only experience social stratification along the lines of one of these indicators. Since race and gender are arguably the two most discussed forms of discrimination and stratification in modern developed societies, the debate is certainly not new to the public opinion, even though it's equally far from being over. Education instead has been drawn to public attention more recently as a driver of social mobility. Neelsen (1975) claims that educational policies caused the level of stratification that modern societies witness as of today, with some performing better than other thanks, indeed, to the achievements in educational opportunities. A more detailed analysis of the effects of education on social mobility, social stratification and inequalities in Singapore will be carried out in Chapter 3.

2.3.1 Measurement issues

Occupation is the most widely accepted indicator of social status and thus occupational prestige has been used to measure social mobility in many different case studies. The methodology of these studies is often analogous and is made up of two sections: first there is the formation of a scale of jobs according to their occupational prestige; then respondents in the analyzed population sample allocate their fathers and themselves in the presented scale of

occupations. According to Treiman (1977) occupational prestige is a stable indicator insofar as the division of labor in modern developed societies is almost identical and the value that is given to each social status is consequently equal.

Still, intergenerational mobility studies based on occupational prestige may face two main methodological issues:

- I. the time frame chosen for the comparison between fathers' and sons' occupations;
- II. intrinsic shortcomings of the dyadic model father-son (Kaistha 1987).

Regarding the first issue, the time dimension of the comparison is crucial as each job a father has had in his lifetime may compare, in terms of mobility, in a unique way to each job a son has or will have in his lifetime. The age gap between father and son must also be taken into account insofar as the father may have experienced intragenerational mobility having benefited from additional time in the workforce, compared to the future opportunities that a son has and that cannot be fully estimated. Issue II, suggested by Kaistha, warns against the shortcomings of the dyadic model father-son. When a father has multiple sons the selection of one specific son may deeply influence the results of the analysis. As a matter of fact, some children may not experience mobility while others of the same family may experience it, thus why the selection of one of them may produce an inaccurate depiction of the selected society's mobility level.

2.4 The Great Gatsby Curve

Even though economic inequality and social mobility are two separate concepts they do have a strong link. The Great Gatsby curve can be considered as the bridge between economic inequality and social mobility. The graph of the Great Gatsby curve plots, for a specific country or set of countries, the Gini coefficient, measuring income inequality, (on the x-axis) against the intergenerational elasticity of incomes, measuring social mobility (on the y-axis). The result of such plotting is an upward sloping curve indicating that greater levels of income inequality are associated with lower levels of intergenerational mobility. The first to theorize this relation was Alan Krueger (2012), the then US President Obama's Chairman of the Council of Economic Advisers, in a speech at the Center for American Progress in early 2012.

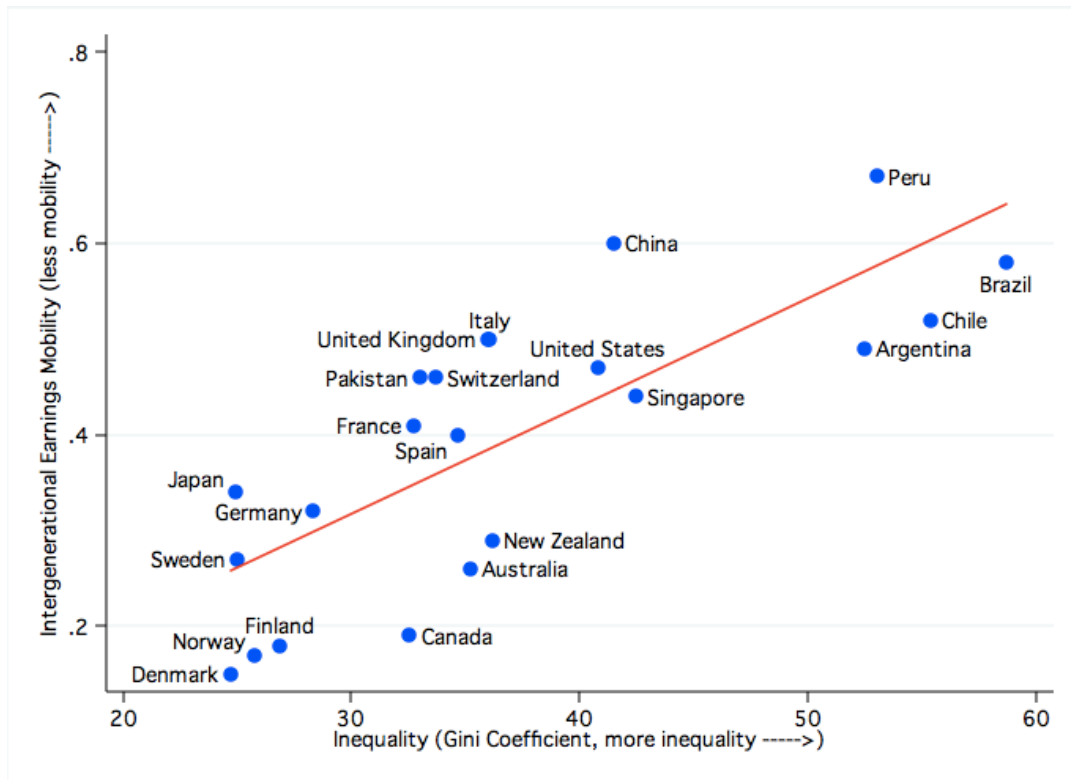


Figure 2¹⁰ An example of the Great Gatsby curve for a set of 21 countries

If we take a look at Figure 2, countries located in the left side of the graph display a more even distribution of wealth and income among citizens. Instead, nations situated on the right side are those where wealth is concentrated in the hands of a considerably small percentage of the country’s population. Vertically, the higher up on the y-axis a country is located, the stronger the link between the fathers’ income and their children’s. The graph then suggests that in those countries situated in the bottom left corner, individuals from lower-income households have greater chances to move up the socioeconomic ladder as they grow up. On the other hand, countries in the upper right section are high-inequality low-mobility countries. Some have pointed out how the term ‘curve’ may be misleading as data from developed countries shows a fairly straight line marking this correlation.

Even though correlation does not imply causation, many scholars, such as Krueger himself, have advocated for greater initiatives for the mitigation of income inequality and in turn boost intergenerational mobility. In one of their works Kearney and Levine (2014) have proposed and investigated one possible factor that causes lower levels of mobility from high levels of inequality. They suggest that this factor is human capital investment insofar as

¹⁰ Source: <https://mileskorak.com/2012/01/12/here-is-the-source-for-the-great-gatsby-curve-in-the-alan-krueger-speech-at-the-center-for-american-progress/>

adolescents from lower income families negatively perceive the returns of investments in education. The authors coined the term *economic despair* (Kearney & Levine 2014, p2). The hypothesis here is that greater gaps in the stratification of society lead to a feeling of economic marginalization which in turn leads to this misrecognition of the benefits of achieving greater levels of education and eventually to individuals dropping out of the education system. This kind of decision-making is altogether in line with the standard framework of human capital decision-making: if the social conditions of the individual are so unequal that he has no reason to believe that he can climb up the society's ladder then his perception of human capital investments will inevitably deteriorate. However, the scholars add, if young adults drop out of school as a reaction to the levels of inequality in the society then economic immobility would be perpetuated, causing a decrease in the society's overall level of mobility. Here lies their hypothesis on the causal link between inequality and mobility.

Notably, the Great Gatsby curve has received significant political attention especially in the United States, becoming part of President Obama's political agenda. On the one hand the Great Gatsby curve can be considered as a framing for public policy discussion and on the other a framework for pursuing research interests that can better inform public policies. The reasons behind this public attention can be explained through many lenses, one of them being redistributive policies. The Great Gatsby curve may strongly concern political leaders as the voting preferences regarding redistributive policies are undoubtedly influenced by voters' socio-economic conditions, which in turn are influenced by the society's inequality level. As inequality rises, the median voter becomes poorer and thus requests higher and more universal redistributive policies.

Politicians around the world have often suggested that people should get more education to boost their skills and take advantage of this globalized and technologically developed economy we live in. However, this conception is arguably utopic as if the country's level of inequality is high then unequal starting positions will not allow enough opportunities for people in the lower strata of society to climb up the economic escalator, unless directly supported by the central government. The American Dream exemplifies this misconception existing on the relationship between equality of opportunity and social mobility and the concrete possibility for children to be better off than their parents. Notably, levels of inequality in the top percentages of income, especially in the United States, suggest how much mobility is actually unfeasible for both the lower, middle and upper classes.

2.5 How is Singapore performing?

Singapore's economic miracle is, as of today, one of the best case studies to examine how rapid growth supported by an interventionist government affects the living standards and life chances of the population, in terms of both equality and social mobility.

2.5.1 Income inequality

Data on Singaporeans' economic status is often reported to be in the highest income groups among developed countries, but this applies only to a stratum of society.

Even though income and wealth are two different concepts, they are closely linked, with wealth commonly defined as total assets minus total liabilities. In terms of wealth, there are 298,650 millionaires in Singapore¹¹, whereas 16.2% of the adult resident population, roughly 792,000 people, have a net worth of less than \$13,500¹².

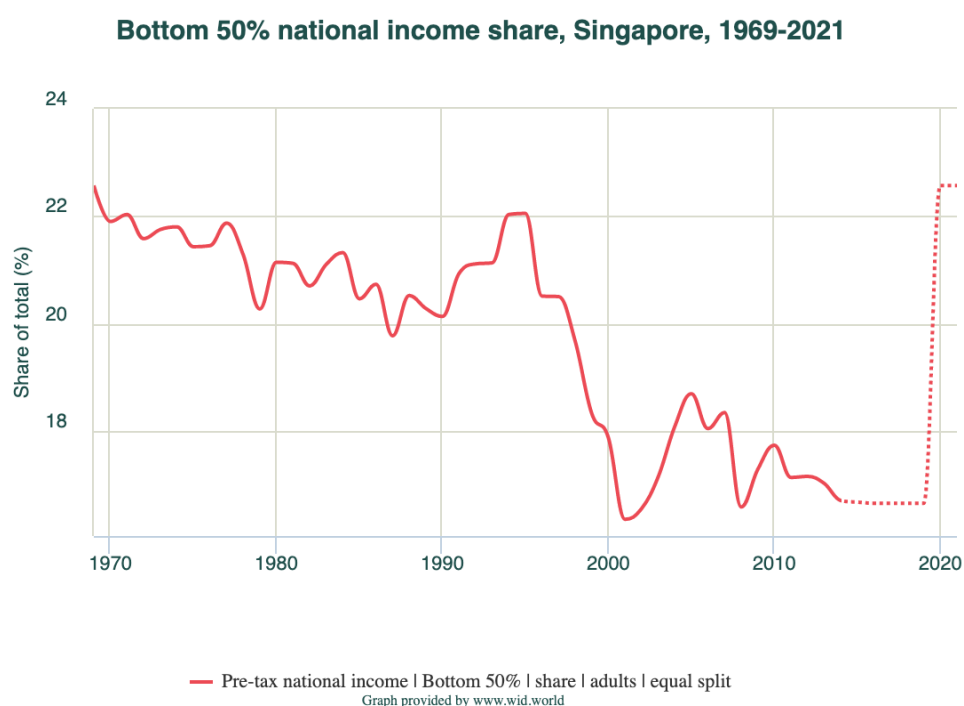


Figure 3¹³ Bottom 50% national income share, Singapore, 1969-2021

As a case in point, if we take a look at Figure 3 we can graphically see how the bottom half of the population has been significantly affected over time in their share of the national income, where only in the predicted values for 2021 an increase has been signaled.

¹¹ Source: <https://smartwealth.sg/number-of-millionaires-singapore/> Published 13 January 2023

¹² Source: <https://smartwealth.sg/income-inequality-singapore/> Published 22 January 2022

¹³ Source: <https://wid.world/country/singapore/>

Income inequality, Singapore, 1969-2021

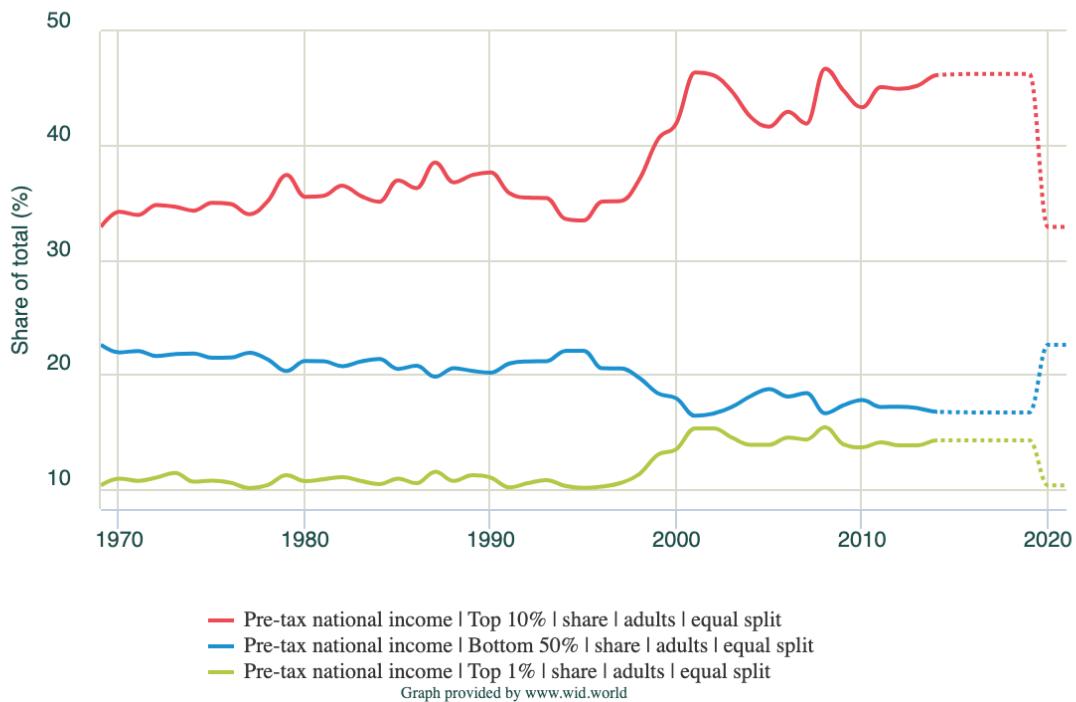


Figure 4¹⁴ General picture of income inequality in Singapore, 1969-2021

When data from Figure 3 is compared with data from the top 10% and top 1% 's share of national income, the contrast is stark, and Figure 4 graphically reports this scenario. While, as mentioned earlier, the bottom half of the population has seen a decrease over time in their share of total income, both the top 1% and 10% have witnessed an overall increase of their shares. Even though this graph predicts the pandemic's negative effects on higher income groups, it is rather fundamental to report the general trend that income share has had over the last sixty years, as this can shine light on how economic growth, which sparked in those decades, affected equality and in turn social mobility, if the hypothesis on their causal link is accepted.

This picture of inequality has undeniably been acknowledged by the government and data on the variation of the Gini coefficient over the last decades shows a marginal narrowing of income inequality in the city-state.

¹⁴ Source: <https://wid.world/country/singapore/>

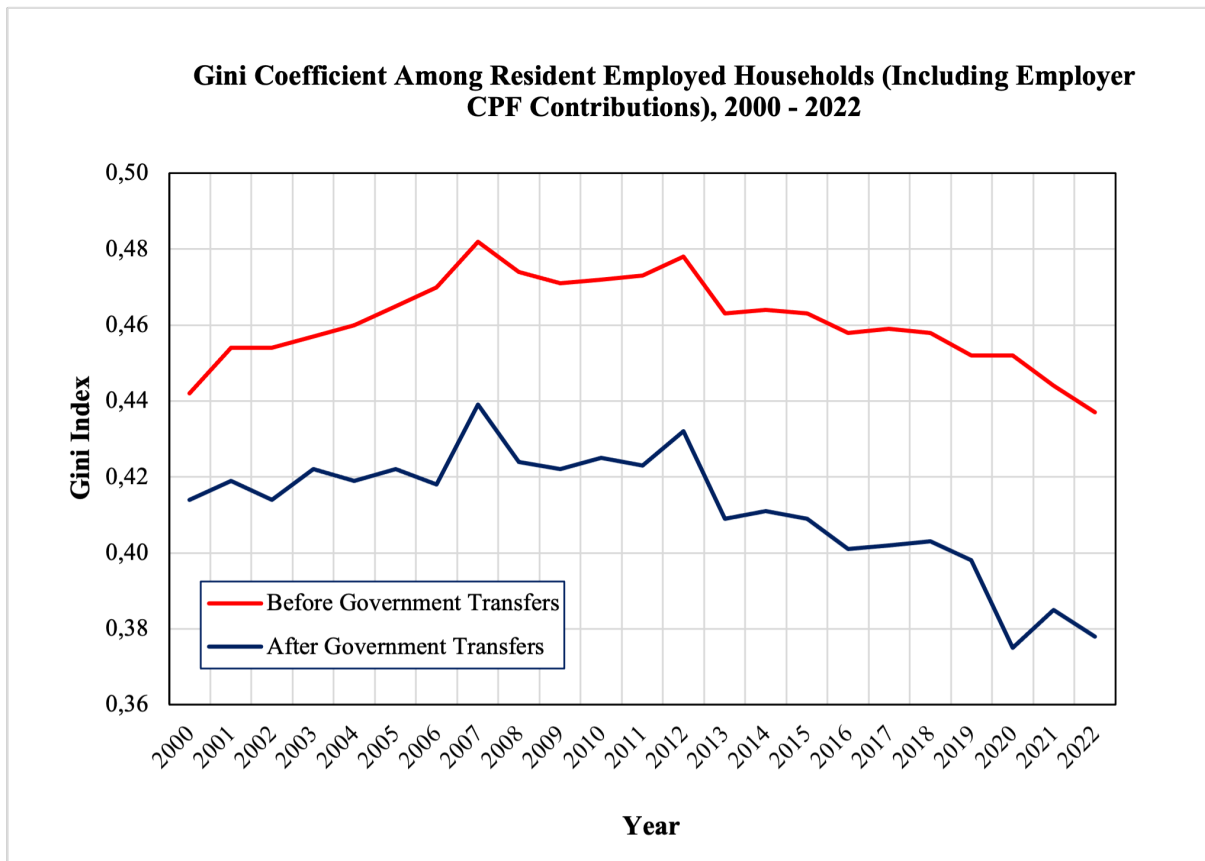


Figure 5¹⁵ Gini Coefficient Among Resident Employed Households¹⁶ (Including Employer CPF Contributions), 2000 - 2022 (Household Income From Work, Annual)

The value of the Gini coefficient in Singapore has been for several years over the 0,4 threshold which according to the UN is “the international alert line for income inequality” (Smith et al., 2015). Even though the coefficient has been decreasing, looking at data in Figure 1 it can be argued that the narrowed income inequality gap is not set in stone as the yearly variation in years 2020, 2021 and 2022 oscillated and did not have a constant fall.

When we turn to the analysis of the Gini Coefficient *after taxes and government transfers* one further point must be taken into account. According to Jeumard et al. 's (2013) report, despite significant cross-country disparities in the magnitude of the tax burden and the progressivity of the tax system, the redistributive impact of taxes does not vary significantly across nations. Some nations have chosen to have a large tax take but minimal progressivity since they tax almost all residents. Others have a more progressive tax structure with a smaller tax base. On the other hand, transfers' redistributive effect shows significant cross-country variations.

¹⁵ Source: Singapore Department of Statistics; Data last updated: 09/02/2023

¹⁶ A resident employed household refers to a household where the reference person in the household is a Singaporean citizen or permanent resident, and where at least one person is employed.

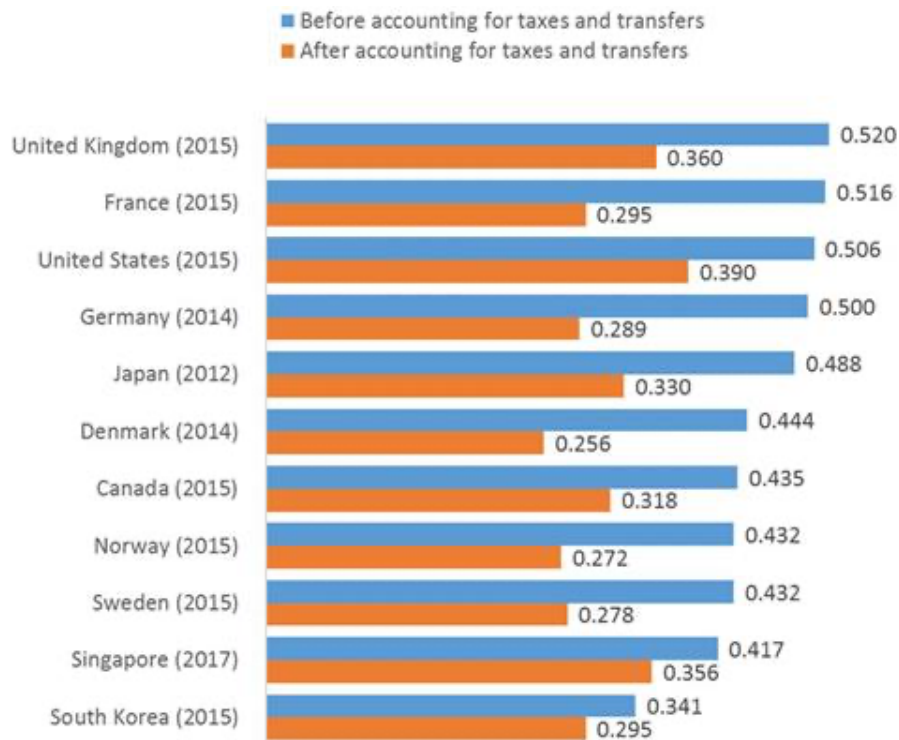


Figure 6¹⁷ International comparison of Gini coefficients *before* and *after* accounting for taxes and transfers (latest available year)

Looking at Figure 6, Singapore is one of the worst performers in terms of reduced income inequality through taxes and transfers and several nations have lower Gini coefficients than Singapore does after taxes and transfers. This is because, in order to pay for significant social assistance, they often levy higher total taxes on the working population, with a focus on the middle class. Singapore's strategy, in contrast, is to keep the tax burden low and offer targeted assistance to the lower income groups (see 2.7.1). Moreover, the entire spectrum of government policy initiatives that are specific to the Singapore environment are not taken into account when making comparisons based on the Gini coefficient. For instance, a large number of Singaporeans benefit from sizable subsidies for the ownership of HDB¹⁸ flats, which has enabled them to buy houses with high-quality living conditions.

Moffit (2011) argues that most analyses make the assumption that taxes and transfers have no impact on economic behavior when analyzing the effect of the tax and transfer system on income distribution. As taxes and transfers often have an impact on incentives to work and save, the assumption that "no behavioral reaction" would occur will probably overestimate the

¹⁷ Source: <https://www.mof.gov.sg/news-publications/parliamentary-replies/before-and-after-taxes-and-transfers---singapore-s-gini-coefficient>

¹⁸ Singapore's public housing is regulated by the Housing Development Board <https://www.hdb.gov.sg/about-us/our-role/public-housing-a-singapore-icon>

magnitude of redistribution. Moreover, it implies that redistributive policies' efficiency costs are not taken into consideration. The way people and businesses react to a change in relative prices is a critical factor in determining the overall impact of taxes and transfers. The stronger the responsiveness, the more probable it is that a transfer will benefit someone else or that someone else will pay the tax burden.

The aforementioned data corroborate Ota's argument: the inverted-U curve model of the Lorenz Curve is inapplicable to the Asian context, and in Singapore specifically, insofar inequality in high-income nations does not diminish consistently and systematically as growth accelerates. Thus, we can reassert the initial speculation that even though Singapore economically overperforms nearly every country in the world, the benefits of this exponential growth are still not enjoyed by the entirety of the population.

2.5.2 Social mobility

Singapore cannot be considered a socially stagnant country as the rapid economic growth of the last decades inevitably lifted thousands of people from conditions of extreme poverty to a safer and more prosperous economic condition. Nonetheless, the main concern is that this socio-economic escalator is slowing down, or perhaps is even broken. In 2020 Singapore ranked 20th out of 82 countries in the World Economic Forum's *Global Social Mobility Report*¹⁹. Even though the overall ranking is undeniably high, there are some indicators in the report that highlight some alarming trends. Singapore underperforms in two decisive areas when it comes to the social mobility assessment: *Lack of a Fair Wage Distribution* (ranked 51st) and *Lack of Social Protection* (ranked 61st). The first alarming indicator has been included in the report as it has been proven that labor market factors are correlated with social mobility and even though Singapore has high levels of employment there is still no minimum wage and, as reported earlier, the distribution of incomes is not even. The importance of labor market factors for social mobility has been established insofar as individuals need to be able to safely convert their skills into earnings if they seek to experience mobility. The *Social Protection* indicator measures how the country safeguards its citizens from unemployment risk and helps them in the transition from one job to the other. Social protection mechanisms are thus intended to mitigate the plausible negative effects that individuals in lower SES might experience in times of economic transition. Having analyzed

¹⁹ Source: https://www3.weforum.org/docs/Global_Social_Mobility_Report.pdf. The country report for Singapore can be found at page 170.

the results of this report, Singapore’s underperformance in the aforementioned indicators suggests that the socio-economic escalator might indeed be slowing down and individuals might be better off not because of their merits but because of some entrenched privileges they can benefit from. Deputy Prime Minister and Minister for Finance Lawrence Wong in his speech from 28 June 2022 warned:

“(…) Domestically, too, we have to deal with a number of social trends with long-term consequences, a rapidly aging population, a concern that social mobility is slowing, with those who have done well pulling further ahead of the rest due to their entrenched advantages, and with that, mounting anxieties among many of being displaced by others.”²⁰

As this statement confirms, the government is actively searching for better strategies to tackle this alarming trend in social mobility. Furthermore, a recent study²¹ by the Institute of Policy Studies²² (IPS) has shown that Singaporeans between the ages of 21 and 34 are less likely to have seen their social status rise if compared to those who are older. The study surveyed 1010 adult Singaporeans aged 21 to 84 and was based on the MacArthur’s Social Status Scale²³. The surveyed individuals were presented with an image of a 10-stepped ladder and asked to position themselves according to their perceived rank in society now and in their teenage years. Roughly 70% percent of the respondents aged 55 and above did experience an upward mobility while only 52% of the respondents in the 21 to 34 age group reported an upward mobility trend. Even though some have argued that time in the workforce does explain this difference in experienced mobility, the survey does confirm the hypotheses and concerns expressed by governmental authorities that the social escalator is indeed slowing down and that the opportunities that older generations could benefit from are no longer available for younger Singaporeans.

²⁰ <https://www.pmo.gov.sg/Newsroom/DPM-Lawrence-Wong-at-the-Launch-of-the-Forward-Singapore-Exercise>

²¹ Published on 16 January 2023. Can be accessed at <https://lkyspp.nus.edu.sg/docs/default-source/ips/sp2023-presentation-findings-from-the-ips-survey-on-future-of-work-singaporeans-want.pdf> .

²² The IPS is an autonomous research center of the National University of Singapore that studies and elaborates public policies in Singapore.

²³ The MacArthur’s Social Scale assesses an individual’s perceived rank relative to the other members of the analyzed group.

2.6 The PAP's false myths

The data analyzed in the previous sections point to a slowly deteriorating condition for individuals in the lower strata of Singaporean society. Lower classes not only live on wages that are dramatically low, in relative terms, in the most expensive city on the planet, but also do not have equal opportunities to climb up the social ladder and experience that social mobility that has long been advertised by Singaporean elites as the core of the “Singaporean dream”. Undeniably, the government is aware of the current picture of Singapore’s stratification but, clearly, fighting inequality and immobility is not among the top priorities of the government. Vadaketh and Low (2014) suggested that the PAP has been spreading four false myths on inequality in Singapore and has been drawing on them to dismiss any compromise on welfare reforms. These myths have gained a significant consensus both nationally and internationally but each of them can also be deeply criticized as they only try to cover up the current status of disparities in the city-state that seems to not concern the international public opinion.

- I. Myth I is that inequality is an inevitable counterpart of economic development and a necessary element for competitiveness. In this argument, policies aimed at reducing inequality would diminish the incentives for people to work and thus affect the overall productivity level and competitiveness of the country. However empirical evidence does not confirm this theory. Developed countries that spend less on welfare, such as the US, are not necessarily more performing than those that spend more and in turn the latter are not automatically less competitive than the former. No economic law suggests that governments should exclusively pursue higher GDP levels in spite of other wellbeing performance indicators: if countries do so it is the result of their own political and cultural beliefs rather than the product of economic theory.
- II. Myth number II is connected to one very well-known economic theory: the *trickle-down theory*. The common assumption is that the economic pie needs to be enlarged before it can be redistributed to the poor. The PAP, arguably, believes that those who invest, exploit opportunities and create jobs are the rich, and higher tax burdens to the rich would discourage them from investing and in turn affect the whole economy. Evidence on this hypothesis is mixed as each country reacts differently to these kinds of policies. When it comes to Singapore, the tax system has become less progressive over time with the reduction of personal income taxes and the doubling of regressive taxes like the Goods and Services Tax (GST). This kind of tax policy could have been positive

if the benefits of the achieved growth would have been redistributed to the lower segments of the society. The bottom line is that trickle-down economics may be plausible if the benefits derived from economic growth do in fact trickle down. Nonetheless it is confirmed that the economy doesn't trickle-down if left to market forces, and countries that spend more on welfare and redistributive policies such as Denmark or Norway achieve greater levels of income distribution.

- III. With Myth III the argument is that as long as there's no extreme poverty and incomes are increasing for everyone, inequality should not really be a concern. Individuals should be satisfied with their income rising and not concerned with the others' performance, thus looking at their absolute income rather than their relative. Social mobility will levigate the income gap, giving everyone the same opportunities. Yet, as in the other myths, this reasoning appears to be flawed. As previously mentioned, a more unequal society finds it harder to achieve genuine equality of opportunity and social mobility than a more equal one and the Great Gatsby curve clearly demonstrates that (see 2.4). Equality of opportunity cannot be separated from equality of outcomes, it's a false dichotomy, especially in a country like Singapore where unequal resources do prevent individuals from accessing opportunities like top-ranked universities. Thus, governments should take inequality seriously even when individuals' incomes are rising in absolute terms and redistributive policies should be used to counteract market forces that marginalize the lower strata of society.
- IV. The last myth regards the labor market and argues that high levels of inequality are the result of the differences in people's abilities insofar as pay is tied to ability. As a matter of fact, economic theory tells us that, in a market economy, workers are paid according to their *marginal productivity* (Robinson, 1967). Yet, it would be too simplistic to affirm that the labor market is only regulated by the abilities of the country's workforce as evidence shows that many other factors play a role. Immigration rates in Singapore have long been affecting the wages of blue-collar workers who must adapt to the lower wage standards of immigrants coming from underdeveloped countries (see 2.7). Other developed countries regulated immigration also to prevent this phenomenon from happening while Singapore only praised the benefits that immigration provided to the economic growth of the country. A country's openness to immigration

does indeed have effects on its labor market and in turn on its inequality rates (Johnson, 1980).

2.7 The most plausible causes of income inequality and social immobility in Singapore

Causes and consequences of policy actions, geopolitical conditions and country-specific factors tend to mix among each other and, as previously mentioned, the causal link between inequality and mobility is still not empirically proven to apply to every country in the world. Regardless, Singapore has risen up a couple of positions in Oxfam's *Commitment to Reducing Inequality Index*²⁴ for 2022. In the report Singapore was ranked 79th, settling behind several developed countries. Even though, as mentioned earlier, Singapore's government managed to draw out of poverty the near entirety of the population, inequality is still alarmingly present in the city-state and the causes behind it are still blurred and clearly unsettled.

Two of the most commonly accepted causes of income inequality and social immobility in Singapore are both economic policies designed to achieve high growth rates, such as the debate on the minimum wage and the taxation system, and the persistence of meritocracy. The discussion on meritocracy will be further developed in the following chapter. What needs to be pointed out is that even though meritocracy was most certainly one of the main driving factors of Singapore's rapid economic development, its role as a state-sponsored narrative caused deep fractures in the civil society and must be questioned as what is preventing Singapore from achieving higher equality and social mobility standards.

When it comes to Singapore's growth enhancing policies it is undeniable that the government's economic dirigisme allowed the city-state to experience unprecedentedly long periods of high growth rates. By strategically reorganizing its economy and capitalizing on Singapore's advantageous location on a key maritime route, the Singaporean government managed to transform the city-state into one of Southeast Asia's financial hubs over a period of few decades. The Singaporean authorities put a great deal of effort into developing and modernizing their economy to be competitive and keep up with global markets. This mainly entailed switching to higher value-added manufacturing and, later, in the 1990s, to a knowledge-based economy. Although these improvements clearly played a role in Singapore's economic success, some have argued that the rate and magnitude of these reorganizations may

²⁴ The Commitment to Reducing Inequality (CRI) is a ranking of 161 governments worldwide on the extent to which they are taking steps to reduce inequality. The index ranks governments' efforts based on actions in three areas or pillars vital to reducing the level of inequality: social spending, taxation, and labor. Source: <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/621419/rr-cri-2022-111022-summary.pdf?sequence=6>

not have necessarily helped all socioeconomic groups. Despite the governmental attempts to encourage skill upgrades, many have contended that Singapore's economy was pushed to develop faster than local people could upgrade their skill sets, and that some remained unemployed due to their obsolete skill sets (Smith et al., 2015). Meanwhile, as Singapore's economy continued its climb up the developed countries rankings, more workers with the necessary skills were needed in new areas. Businesses had to hire from abroad since a large portion of the local population was unable to produce a workforce suitable for the ongoing economic upgrading. As a result, Singapore started to see significant numbers of foreign workers across both ends of the income ladder: the so-called “foreign talents” at the high end and the “low skilled foreign workers” to work at the low end, doing jobs for which many Singaporean citizens would have demanded higher wages. Even though foreign labor helped Singapore achieve its economic objectives and maintain its high growth rates, some have argued that the large inflow of overseas workers has caused adverse externalities. Undeniably, workers at the bottom end of the income scale have depressed salaries for the local labor. Furthermore, there are indications that some Singaporeans believe that those at the top of the economic scale have inflated housing costs, filled local schools, and taken positions that ought to be accessible to Singaporeans. Even though over the past few years the government has been trying to lower the impact of foreign workers over the national labor market, there still needs to be a real compromise between the needs of the rapidly expanding new businesses and the safeguard of Singaporean workers and professionals.

2.7.1 Growth enhancing tax policies

Economists agree that Singapore’s taxation policy has been designed since the early stages as a support mechanism for the intensive growth policies envisioned by the government elites (Asher & Nandy, 2008), and the recent trends confirm this hypothesis. For instance, the changing rate of the corporate income tax may be an indicator of this trend as it has been decreased by the government from over 40% in the 1960s to a flat rate of 17% today²⁵. Insofar as it applies to both local and foreign companies, this significantly low rate of corporate income tax stimulates businesses to settle in Singapore. Moreover, Singapore has never had a capital gains tax, thus creating a great appeal for wealthy citizens to retain their liquidity in the city-state rather than moving it abroad.

²⁵ Source: <https://www.iras.gov.sg/quick-links/tax-rates/corporate-income-tax-rates>

Despite having low rates of personal income tax overall, many claim that Singapore's tax system, encompassing direct and indirect taxation together with the Central Provident Fund (CPF) scheme, favors the wealthier disproportionately and is a critical contributor in the country's significant level of inequality (Dhamani, 2008). The debate on Singapore's system of tax policies largely focuses on those types of taxation that directly impact the taxation-inequality link. In the first place, Singapore's direct income tax has been praised by many as being one of the lowest in the world. Then, Goods and Services Tax (GST) and property tax make up a considerable part of indirect taxation. Lastly, Asher and Nandy (2006) and other scholars suggest that the CPF scheme, even though it's not properly a tax but rather a social security system, should nonetheless be inserted in any discussion on the tax system. What Asher and Nandy claim is that the CPF may serve as a tax because it has an effect on Singaporeans' salaries and purchasing power, and it has different effects on individuals who have higher and lower income levels.

As of today, if on the one hand direct taxation has been decreasing over time, on the other hand, according to Dhamani (2008), the substantial rise in indirect taxation rates has overly affected lower class Singaporeans. When it was first introduced in 1994 GST rate was 3%, now the government planned a two-stage increase that took the rate to 8% from January 2023 and will then be further incremented to 9% with effect from January 2024²⁶. By definition the GST is inherently regressive since it is a fixed consumption tax, a characteristic that the Singaporean government also recognizes. Thus, as a result of having less disposable income, the lowest income groups are disproportionately impacted by this rate, which is the same for all social classes. GST coupons provided by the government to low-income citizens help to reduce some of this uneven burden, nonetheless the constant increase in rate doesn't signal a transition towards a progressive system of taxation, at least in this camp. If in the area of property and vehicle owning the tax system is shifting towards more progressive standards, the GST has undeniably propelled the considerable level of economic inequality in Singapore.

2.7.2 The case for minimum wages

As for minimum wages, carefully designed policies setting a minimum wage have, as of today, gained huge consensus on their role as boosters of higher pays, equality, and gender gap narrowing without any significant effect on employment (Belser & Rani, 2015). However,

²⁶ Source: <https://www.customs.gov.sg/businesses/valuation-duties-taxes-fees/goods-and-services-tax-gst/#:~:text=The%20current%20GST%20rate%20is%208%25>

scholars have argued, mainly in Neoclassical theory, that minimum wages harm employment in at least some areas of the economy. According to Neumark: “a minimum wage mandates a movement up the labor demand curve, towards higher wages and lower employment. This policy clearly presents a trade-off between higher wages and lower employment, unless the labor demand curve is perfectly elastic” (2008, p. 41). The newly formed consensus defeats this hypothesis through empirical data that confirms the unpredictability of the effects of minimum wages on employment, shifting the focus on the distributive role of minimum wages. Belser and Rani (2015) argue that through the assurance of set minimum incomes those at the latter sections of the income scale will witness a sensible narrowing of the country’s income inequality.

When it comes to Singapore, due to the high proportion of foreign workers compared to local workers, the city-state does not fit the scenario where a minimum wage would lead to job losses and greater unemployment (Hui, 2013). Aiming at reducing inequality, Singapore has opted to replace unemployment insurance and minimum wage with schemes such as the Workfare Income Supplement (WIS) and Progressive Wage Model (PWM). A Progressive Wage Model is arguably a valid alternative to minimum wages, whereas it allows workers to earn more as they upgrade their skills, boosting, at the same time, their career progression. However, the PWM has been strongly criticized by Hui (2013) because of its application to only a few selected industries.

Chapter 3

Building on section 1.1 on the role of institutions on economic development, it has been argued that shared cultural values can be treated as *informal institutions*. The relationship between formal institutions and culture is rather clear. Both have an impact on personal conduct and are crucial incentive-determining factors. Yet, a significant distinction between the concepts included in these two classes explains their separation: culture is a set of belief systems that have developed over time and are not directly under the control of individuals, unlike institutions, which are directly in the hands of society's members who can shape them by changing how resources are distributed, laws are written, and policies are implemented. Even if in practice changing institutions may be challenging, changing a society's culture is far more difficult, making any suggestion to do so essentially meaningless.

Many cultural beliefs are nonetheless socially constructed and they have been long used by governments and elites to shape a society's culture, with often very successful outcomes. One case in point might be *nationalism*, a socially constructed political ideology that calls for a strong identification of an individual, or group of individuals, with its motherland. Ideologies like nationalism played crucial roles in the economic development of East Asian nations like Japan or South Korea since it motivated people to commit to industrial policies created for the "benefit of the nation".

Looking at Singapore's case, meritocracy is the primary backbone of Singapore's governance. Many academics have discussed how Singapore's development policies have been influenced by the objective of establishing a meritocratic society, how this has had a significant impact on how society is organized, and how it has helped to shape how Singapore's diverse communities view each other and society as a whole. As a result, the concept of meritocracy has had a tremendous effect on economic policy, the design of the educational system, and public expectations (Tan, 2008; Khan, 2001).

Meritocracy, in a broad sense, is the belief that a person's degree of success will be determined by their individual merit, whether that achievement is measured in terms of their education, profession, mobility, recognition, or status (Tan, 2008). This is an ideology that many feel offers equitable possibilities for people from all socioeconomic levels since it claims that those who are genuinely competent and hardworking are rewarded appropriately. Yet, a number of academics have claimed that Singapore's meritocratic system has hampered many areas of society, either because the ideology is inherently flawed or insofar it hasn't been correctly implemented in the country (Moore, 2000; Tan, 2008). As a matter of fact, the

overriding consensus of scholars agrees on regarding meritocracy as an unassailable principle that when converted into a *system* can, over time, create tangible biases.

3.1 The link between meritocracy and mobility

Before looking at Singapore's case in the use of meritocracy as a state-sponsored narrative, we shall examine the link that exists between meritocracy and mobility.

Social and economic mobility is a pivotal component of meritocracy, insofar meritocracy claims that the rise to the top is permitted only to the competent individuals, while the others will fall. As Brown and Tannock (2009, p. 389) suggest, meritocracy aspires to build a society where “the *best* and *brightest* are enabled to rise to the top while the rest can be legitimately left to fall off behind”. Thus, this narrative implies that the top cannot exist without the bottom. Achievements or failures may be wrongly attributed to a group's merit or work ethic if a society accepts that the meritocratic system is the primary factor that determines who succeeds. Yet, accomplishments that are attributed to merit might in fact be mostly the result of social advantage (Tan, 2008; Moore, 2000).

One of the main issues with meritocracy is that it serves as an ideological illusion to disguise social and economic inequality and the responsibility it plays in constraining it. For instance, McNamee and Miller (2009) have argued that the term *meritocracy* is damaging and misleading in the USA and that its use legitimizes power and privilege disparities through “claims of merit that are demonstrably false”. One of the big themes of this ideological illusion is that social and economic status are not taken into account or rather overlooked in favor of “effort”, which in a meritocratic society combines with “talent” to generate merit.

According to these hypotheses on meritocracy, we can infer that a meritocratic system that calls for the creation of an *elite* produces a class stratification of society that is severely static. The steadiness of these barriers is due to the discourse of legitimacy attached to a meritocratic system. First off, those at the top can assert that they are deserving of their status since they rose to the top of a just, meritocratic society as a result of their inherent abilities. Then, they have little motivation to admit that the system might be dysfunctional since this would jeopardize their rank as well as their children's.

Furthermore, the steadiness of society's stratification is likewise applicable, with far more concerning results, to the lower strata of society which thus tend to be blamed for their own position in society. Such a view fosters the popular belief that poverty, and inequality in

general, is an individual shortcoming rather than a structural one (Wright, 1993), and Singapore exemplifies the status quo of this narrative.

3.2 Meritocracy in Singapore and its byproducts

In an extremely resource constrained nation like Singapore human capital undoubtedly represents the key to success. Thus, meritocracy, as a governance pillar, works extremely well as a productivity and development booster in Singapore's multiethnic and culturally diverse demography. As a matter of fact, we need to recall that Singapore has had a one-party rule since its birth and thus the PAP has been in constant need for national consensus to mitigate the risk of social unrest. However, it is vital to assess whether meritocracy's undeniable benefits at the country-level have been spread evenly across individuals.

According to Teo's (2019) unprecedented survey on Singaporeans' perceptions of meritocracy, while the principle behind it has been widely viewed as desirable, meritocracy is seen as operating unevenly among groups and ethnic minorities, especially within employment practices in the private sector and several state policies. Although meritocracy is commonly seen as a positive concept and one that is connected to Singapore's national character, the commitment to this value is not necessarily accompanied by a firm conviction that meritocracy really exists in practice to guarantee structural justice. Instead, interviewees' reported restrictions reveal a clear awareness of racial discrimination, particularly against ethnic minorities. Interviewees voiced the highly debated "Chinese privilege" in regard to racial disparities in job opportunities and the insufficient awareness of discrimination among Singapore's ethnic majority. The rationalization of inequality echoes Young's (1990) definition of *cultural imperialism* as the process through which the privileged access of one ethnic group to social norms, in practice, distorts perceptions and communication. As a result, members of dominant groups frequently subtly spread their experiences, beliefs, and values throughout society as universal guidelines. People from underrepresented groups are then made invisible in society, fostering the hypothesis of the unevenness of meritocracy's benefits.

3.2.1 Technocratic Elitism

The "government knows best" mentality, which frequently appears in the remarks made by government authorities and political leaders, is a significant byproduct of meritocracy. The meritocratic system has thus given rise to the paternalistic attitude of Singapore's political elite. As can be seen from one of Lee Kuan Yew's declarations: "*I am accused often enough of interfering in the private lives of citizens. If I did not, had I not done that, we wouldn't be here*

today" the paternalistic attitude has led to government involvement in almost every aspect of life (e.g. marriage, reproduction, education).

The belief in technocratic elitism is essentially the assumption that certain members of society are inevitably more intellectually capable to rule over the rest of society. In Singapore, elites were selected similarly to British education standards, which had become centered around standardized tests, and Chinese traditional educational practices. Exams were a pragmatic way to recognize talent and eliminate corrupt and crony practices that were not based on merit. The elites of Singapore had to prove themselves by academic achievement, public examination performance, and greater general education levels provided the average Singaporean an incentive to support the government. Administration by honest and capable meritocrats was necessary for the ongoing infrastructure upgrades, competent public financial management to keep taxes low, and the creation of a sovereign money fund to make the government's promises of future assistance plausible.

This approach has often faced criticism for being anti-democratic, violating people's civil freedoms, and having a condescending intellectual attitude (Rahim & Barr, 2019). In their work Cheang and Choy (2021) demonstrate how this technocratic mindset has not diminished through time but has rather intensified in recent decades as a consequence of the emergence of the domain of behavioral economics and new big data technology. However, the strong relevance of technocratic elitism in Singapore is not surprising at all, insofar it is the result of the government's extensive role in the elaboration of meritocracy's rules and parameters.

The issue with technocratic elitism is that such narrowing of who can access to power may lead to a lack of plurality in ideas and restricted public involvement in decision-making processes, potentially resulting in a gap between the government and the citizenry. The effects of such detachment of elites from the general public is especially alarming for minorities and marginalized groups which tend to be severely underrepresented in technocratic forms of government.

3.3 Focus on the education system and its effects on social mobility

Several scholars have agreed that Singapore can be defined as a *knowledge-based economy* (KBE) thoroughly involved in the dynamics of globalization (Reyes & Gopinatham, 2015). The KBE is a system highly focused on intellectual capital that, as a matter of fact, posits great value on its intangible assets like its workers' skills and knowledge and its citizens' education. Singapore continues to make sure that its investments in human capital remain at the forefront of the country's policy options in light of the constant worldwide struggle for

countries to become KBEs. The PAP-led administration is aware that for Singapore to continue to score highly as a globally competitive economy, its workforce must welcome lifelong learning and, at the same time, retool themselves to gain higher-level skills.

The Singaporean government has persistently deployed education as a strategic means for achieving both economic objectives as well as social cohesion and nation-building aspirations. In Singapore, primary and secondary education are not only compulsory, but also very strict and rigid. There are standardized national testings made throughout schooling years starting in grade six. This system is organized at a low overall cost, insofar the city-state only spends 2.8%²⁷ of its GDP in education, which is considerably lower than the other Asian Tigers of South Korea (4.7%²⁸) and Hong Kong (4%²⁹) and the overall OECD mean for 2020 which was set at 5.3%³⁰ of GDP. Still, Singaporean students excel globally, frequently ranking first in the world in science, reading, and math, as shown by the results of the PISA rankings from 2009 until today.

The educational system monitors the progress of outstanding scorers early on and enrolls individuals with strong primary grades in prestigious secondary institutions. Scholarships for higher education, including possibilities to study overseas, are awarded to students with excellent grades in high school in exchange for the commitment to return to Singapore and work for the institutions that sponsored them, such as government agencies. Unfortunately, the scores of early-testings do not reveal late-bloomers, whose true potential does not manifest until a later age.

The impact of environmental influences in determining cognitive test scores decreases with age (Bouchard, 2013) and, as a matter of fact, the influence of family background on school placement increases with earlier testing. In the analysis of education policies there exists a so-called *Socioeconomic Achievement Gap*, which is the disparity in academic achievements between students from lower or higher socioeconomic status (SES). According to Cmielewski's (2019) empirical findings there is an increasing SES achievement gap in Singapore, following the 2018 PISA rankings. Lam and Zhou's (2021) study reveals that, even though the culture of cognitive testing is widely spread all over East Asia, there are stark differences among each country's system that reflect the varying SES achievement gaps. The authors thus explain that the widening SES achievement gap in Singapore might be associated

²⁷ Source: <https://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS?locations=SG>

²⁸ Source: *ibid.*

²⁹ Source: *ibid.*

³⁰ Source: *ibid.*

with the heavily unbalanced design of the city-state's education system which, as previously mentioned, assists and promotes the students that have already proved their academic merit.

After grade 10 or grade 12 tests, Singapore reassigns certain students to fix inaccurate test results and to make room for "late bloomers". Yet, these students will need to put in extra effort to catch up. Many manage to complete one track and move thereafter on to another. For instance, around 30% of university students are graduates from Singapore's polytechnics³¹ who are technically going backwards in their education to re-track themselves. Yet, these track adjustments are detrimental to misclassified students as they impose substantial costs and postpone their entry into the workforce as efficient workers. Both tolls are extremely pernicious.

Early tracking can demotivate students who scored poorly. Lesser accomplishments may result from lowered aspirations, which might further weaken personal ambitions and expectations. On the other hand, high test scores may also significantly enhance a student's skills and abilities as a result of the boost in self-confidence and aspirations. The student's possibilities and chances of future successes will increase if the resources coming from a high test score truly strengthen its innate talent. This positive feedback loop is essentially the opposite of the negative feedback loop that discouraged students may face. However, given that Singapore is a small city-state lacking multidimensional developmental pathways and a knowledge-based economy that grows thanks to its human capital, these dynamics might become significant concerns. As a matter of fact, any misallocation brought about by inefficient tracking may come at a large overall opportunity cost. Faulty tracking will inhibit Singaporeans' aspirations and consequently hinder the country's potential. Furthermore, excessive self-confidence does not create sympathetic, responsive and people-centered public servants.

Prestigious colleges, degree courses, and universities all provide quality certifications that may influence judgments on admittance to other educational programs as well as employment and remuneration outcomes. For instance, due to their focus on Chinese culture, several elite colleges in Singapore, such as the Special Assistance Plan schools (SAP), cater solely to the Chinese ethnic population, while other elite schools focus on the creation of graduates who are positioned on a specific track that boosts their chances of landing top leadership positions (Quah, 2010). The kind of self-reinforcing feedback loops outlined above

³¹ Polytechnics in Singapore are post-secondary institutions that provide hands-on practice-based learning experiences.

can persist if access into the elite path at a young age is dependent on family assets and societal standing and insofar these schools and programs actually invest more resources in fostering the skills and abilities of their students. In a way, the weaker talents of the upper classes are enhanced to the neglect of the stronger talents of the lower classes. Elite schools' educational qualifications continue to be reliable indicators of competence and capacity, but the outcomes of such a system fall short of our ideal conception of a meritocracy. Initial stratification allocates resources inefficiently, compromising the aggregate talent accessible to society. Clearly here the argument is not that all wealthy students are less talented, but rather that less talented wealthy students are more likely to be prevented from a downward-mobility trap.

3.3.1 Has Singapore become a *parentocracy*?

Given such characterization of Singapore's education system and keeping in mind that Singaporeans have long been described as deeply attached to prestige and status, what are the prospects of this loophole in the allegedly meritocracy-based city state? Exam-based meritocracies lead to a tournament-style competitiveness if parents are able to enhance their children's test results by spending cash on enrichment classes, private tutoring or exam-preparation schools. Each parent's spending influences how much the other parents must spend to outperform their competitors. The private investment war is analogous to Veblen's (1899) theory of *conspicuous consumption* in that one's previous expenditures become worthless when others spend more, and when a consumer invests on a good only for the sake of displaying wealth. In the end, the parents who have the greatest assets will keep raising the bar the longest until they eventually eliminate competition (Lareau, Evans & Yee, 2016). Thus, national exam results could evolve into a reflection of family wealth. Furthermore, if obtaining high test scores is not consequently linked to generating new knowledge that is applicable in real life, the aggregate of parents' investments on enrichment classes, private tutoring as well as other exam preparation costs will translate to an overall capital loss insofar it neither benefits individuals nor society. Jason Tan (2018) does assert that Singapore's meritocracy has evolved into a *de facto* parentocracy.

3.4 Concluding remarks on the relevance of education policy in our assessment

Evaluation of a nation's economic system and development model needs to take into account its education policies. A well-developed framework for education policy supports the growth of human capital, integrates the educational system with industry demands, enhances social mobility and inclusive growth, and supports innovation and research. Policymakers can

implement policies that encourage sustainable economic growth and enhance the general well-being of their citizens by understanding the relationship between education and economic outcomes.

In the first place, human capital is a crucial determinant of a country's economic growth and global competitiveness (Schultz, 1961), especially when it evolves into a KBE. A thoroughly developed and sound education policy that focuses on quality education and equitable access can drive the development of a skilled and productive workforce, fostering innovation, productivity, and the upgrading of economic activities (Hanushek & Woessmann, 2012).

Then, social mobility and equal access to opportunities are significantly impacted by education policy. A government may alleviate structural inequities and promote inclusive growth by offering equitable educational opportunities to all societal groups. An education system that recognizes socioeconomic inequalities and fosters educational equality helps to reduce poverty, strengthens social cohesion, and supports long-term economic growth (Psacharopoulos & Patrinos, 2018).

Conclusion

The analysis of a specific model of economic development requires to consider the complex interactions among institutional and sociocultural factors. Even though this assessment has been circumscribed to two socioeconomic outcomes resulting from these interactions, i.e. inequality and mobility in Singapore, it suggests that Singapore exemplifies the paradox that exists in many realities around the world: a country with astonishing performances across international benchmarks of economic development that disguises under this facade an alarming trend of social stratification and stagnation. Thus, the reported evidence may form part of the answer to the dilemma of the sustainability of the “Singapore consensus” over time.

Chapter 1 has provided a broad report on the existing literature on the relation between institutions and development and on development models like the *Developmental State* and the *Washington Consensus*. Then, Singapore has been placed in the middle in the debate between “the plan” and “the market” (Huff, 1995; Nolan 1990). The country’s singular place in the aforementioned debate is not the only reason for its global relevance. As a matter of fact, this model that may be regarded as only a peculiarity of a small and overall “minor” country in the world scene, has been rather actively proposed as a counter alternative to the overly legitimized liberal-democratic model of economic development. The so-called “Singapore fever” that has been affecting Chinese governmental elites can be attributed to Singapore being the only country in the region that has been able to achieve high economic industrialization without going through significant political liberalization. Indeed, Singapore first brought to the contemporary world scene a case of modernity combined with authoritarianism, where the general public is almost constantly in agreement with the government while the government simultaneously restricts its citizens’ social rights and freedoms.

After having duly reported and analyzed the data and statistics on Singapore’s performance in international reports in Chapter 2, I can argue that the Singaporean model of development coupled with meritocracy as a state-sponsored narrative has been justifiably blamed for establishing structural barriers to mobility that the PAP government has been trying to cover up as necessary elements for growth. Even though there isn’t any general academic consensus on any of the PAP’s arguments (the so-called “false myths”), nor on the counterarguments, I reckon that this analysis has provided an outsider’s point-of-view in the assessment of the current status quo.

The causes of Singapore's rather poor scoring in international reports and in measures of inequality and mobility has been correlated to numerous variables. This dissertation has focused on three major variables: growth-enhancing tax policies, the ongoing debate on minimum wages and, to a greater extent, meritocracy. If on the one hand the first two variables are beyond any doubt linked, in the overriding academic consensus, with significant inequality and poor mobility records, the case for meritocracy is a highly controversial one, which strongly depends on country-specific factors that must be taken into account.

Competitive meritocracy, as the PAP usually calls it, has been regarded in this dissertation as an *informal institution* that *does* influence developmental outcomes. Meritocracy worked extremely well as a development-booster narrative in Singapore, and the data on Singapore's exponential growth definitely confirm this hypothesis. Yet, a number of academics have claimed that Singapore's meritocratic system has hampered many areas of society, either because the ideology is inherently flawed or insofar it hasn't been correctly implemented in the country (Moore, 2000; Tan, 2008). As a matter of fact, the overriding consensus of scholars agrees on regarding meritocracy as an unassailable principle that when converted into a *system* can, over time, create tangible biases. According to these hypotheses on meritocracy, we can infer that a meritocratic system that calls for the creation of an *elite* produces a class stratification of society that is severely static. The steadiness of these barriers is due to the discourse of legitimacy attached to a meritocratic system.

Gender and race have long been put at the heart of the debate on the causes of inequality, immobility and stratification. Education instead has been drawn to public attention more recently as a driver of social mobility. Education is a fundamental policy area in every country, but it holds an even more significant role in those countries deeply focused on human capital. Thus, given that Singapore is a small city-state lacking multidimensional developmental pathways and a knowledge-based economy that grows thanks to its human capital, Chapter 3 has suggested that meritocratic dynamics in education might become significantly concerning. As a matter of fact, any talent-misallocation brought about by inefficient tracking and testing of students may come at a large overall opportunity cost. Faulty tracking will inhibit Singaporeans' aspirations and consequently hinder the country's potential.

Lastly, Jason Tan (2018) does assert that Singapore's meritocracy has evolved into a *de facto* parentocracy, meaning that in education, but also in other areas of society, privilege is key and parents' wealth deeply affects children's opportunities in society, and meritocracy does legitimize these dynamics.

As a concluding remark, if on the one hand a great portion of Singaporean society has benefited from the exponential growth of the last century, on the other hand, through surveys, statistics and theories this dissertation has shown how income inequality is still rampant in the Asian city-state and how social mobility is being affected by the government's meritocratic narrative, especially in the area of education policy.

Appendix A

The Lorenz Curve

The Lorenz Curve, as formulated by Lorenz in 1905, is arguably one of the most used and academically recognized instruments to measure and graphically represent income distribution and thus income inequality. The curve shows the cumulative percentage of income earned by the cumulative percentage of the population.

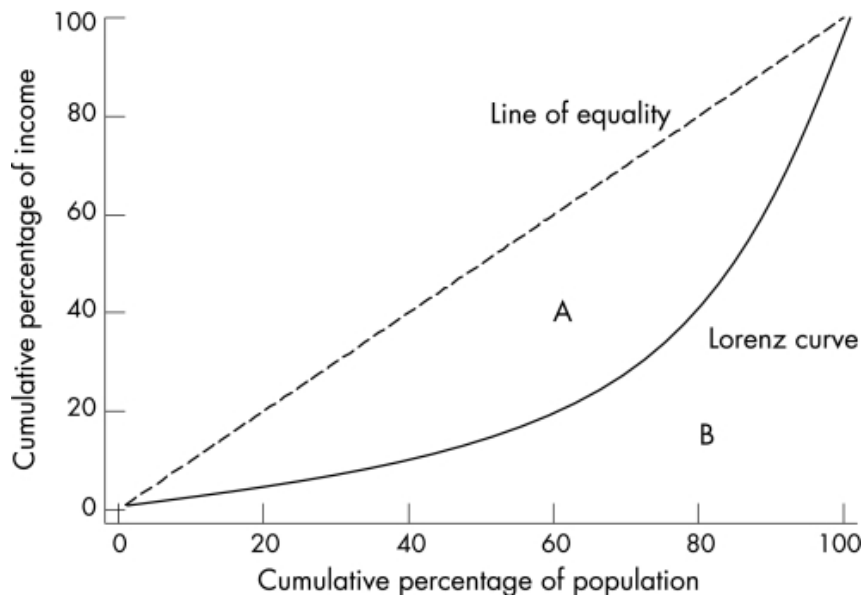


Figure 0 The Lorenz curve framework (hypothetical data).

Figure 0 shows that the percentage of income is plotted on the y-axis, whereas the percentage of the population is plotted on the x-axis. The graph is commonly read as ‘the bottom x-percentage of the population possesses the y-percentage of the cumulative income’. If the analyzed society is in perfect equality then the bottom 40% of society would earn 40% of the cumulative income, the bottom 60% would earn 60% and so on. In this scenario the Lorenz Curve would assume the 45° slope that can be labeled “Line of Equality”. The more the Lorenz Curve is deviated from the path of the Line of Equality the more the cumulative income is unevenly distributed, thus the society is unequal.

The most used representation of income distribution, the Gini coefficient, is derived from the Lorenz Curve graph. The Gini coefficient can be calculated as the ratio of the area between the Line of Equality and the Lorenz Curve divided by the total area under the Line of Equality. If we refer back to Figure 1 the coefficient will be Area A divided by Area A + Area B. The values that the coefficient can take range from 0 to 1 and can also be reported as a percentage. The greater the deviation of the Lorenz Curve from the Line of Equality, the closer the value of the coefficient will get to 1, thus the society will be more unequal. When the

coefficient takes the value 0 then the society is perfectly equal, whereas when it takes the value 1 the society is perfectly unequal and one individual will own 100% of the cumulative income.

Bibliography

- Abshire, J. (2011). *The history of Singapore*. ABC-CLIO.
- Acemoglu, D. (2008). *Introduction to modern economic growth*. Princeton university press.
- Anand, S., & Kanbur, S. R. (1993). The Kuznets process and the inequality—development relationship. *Journal of development economics*, 40(1), 25-52.
- Asher, M. G., & Nandy, A. (2006). Health financing in Singapore: A case for systemic reforms. *International Social Security Review*, 59(1), 75-92.
- Asher, M. G., & Nandy, A. (2008). Singapore's policy responses to ageing, inequality and poverty: An assessment. *International Social Security Review*, 61(1), 41-60.
- Bellows, T. J. (2006). Economic challenges and political innovation: the case of Singapore. *Asian Affairs: An American Review*, 32(4), 231-255.
- Belser, P., & Rani, U. (2015). Minimum wages and inequality. In *Labour markets, institutions and inequality* (pp. 123-146). Edward Elgar Publishing.
- Besley, T. J., & Kudamatsu, M. (2007). Making autocracy work. *LSE STICERD Research Paper No. DEDPS48*.
- Bouchard, P. (2013). *Education without a distance: Networked learning. Building on critical traditions: Adult education and learning in Canada*. Toronto: Thompson Educational Publishing.
- Bourdieu, P., & Richardson, J. G. (1986). The forms of capital. *Handbook of Theory and Research for the Sociology of Education*, 241-258.
- Brown, P., & Tannock, S. (2009). Education, meritocracy and the global war for talent. *Journal of Education Policy*, 24(4), 377-392.
- Chang, H. J. (1999). The economic theory of the developmental state.
- Cheang, B., & Choy, D. (2021). Liberalism Unveiled: Forging a New Third Way in Singapore.
- Chmielewski, A. K. (2019). The global increase in the socioeconomic achievement gap, 1964 to 2015. *American sociological review*, 84(3), 517-544.
- Chong, A. (2007). Singapore's political economy, 1997–2007: Strategizing economic assurance for globalization. *Asian Survey*, 47(6), 952-976.
- Chukwusa, J. (2018). Autocratic leadership style: Obstacle to success in academic libraries. *Library Philosophy and Practice*, 1.
- Deininger, K., & Squire, L. (1996). A new data set measuring income inequality. *The World Bank Economic Review*, 10(3), 565-591.

- Dhamani, I. (2008). Income inequality in Singapore: Causes, consequences and policy options. *National University of Singapore*.
- Dimmock, C. (2011). *Leadership, capacity building and school improvement: Concepts, themes and impact*. Routledge.
- Doner, R. F., Ritchie, B. K., & Slater, D. (2005). Systemic vulnerability and the origins of developmental states: Northeast and Southeast Asia in comparative perspective. *International organization*, 59(2), 327-361.
- Grassi, D. (2011). Democrazia, democratizzazione e sviluppo socioeconomico: un'analisi geopolitica. *Rivista di studi politici internazionali*, 51-80.
- Hanushek, E. A., & Woessmann, L. (2012). Do better schools lead to more growth? Cognitive skills, economic outcomes, and causation. *Journal of economic growth*, 17, 267-321.
- Harris, N. (1986). The end of the Third World. *Harmondsworth, Penguin*.
- Holliday, I., & Wilding, P. (2003). Tiger social policy in context. *Welfare capitalism in East Asia: Social policy in the tiger economies*, 18-36.
- Huff, W. G. (1995). What is the Singapore model of economic development?. *Cambridge Journal of Economics*, 19(6), 735-759.
- Hui, W. T. (2013). Economic growth and inequality in Singapore: The case for a minimum wage. *International Labour Review*, 152 (1).
- Jesudason, J. V. (1989). *Ethnicity and the economy: The state, Chinese business, and multinationals in Malaysia*. Oxford University Press, USA.
- Johnson, C. (1982). *MITI and the Japanese miracle: the growth of industrial policy, 1925-1975*. Stanford university press.
- Johnson, G. E. (1980). The labor market effects of immigration. *ILR Review*, 33(3), 331-341.
- Joumard, I., Pisu, M., & Bloch, D. (2013). Tackling income inequality: The role of taxes and transfers. *OECD Journal: Economic Studies*, 2012(1), 37-70.
- Kaistha, K. C. (1987). Measuring social mobility through occupational prestige. *Sociological bulletin*, 36(2), 81-98.
- Kearney, M. S., & Levine, P. B. (2014). *Income inequality, social mobility, and the decision to drop out of high school* (No. w20195). National Bureau of Economic Research.
- Khan, H. (2001). *Social policy in Singapore: a Confucian model?*. Washington, DC: World Bank Institute.
- Krueger, A. B. (2012). The rise and consequences of inequality in the United States. *Speech at the Center for American Progress*, 12(3).

- Kuznets, S. (1955). Economic growth and income inequality. *American Economic Review*, 45, 1–28.
- Lam, S. M., & Zhou, Y. (2021). SES-achievement gaps in East Asia: Evidence from PISA 2003–2018. *The Asia-Pacific Education Researcher*, 1-20.
- Lareau, A., Adia Evans, S., & Yee, A. (2016). The rules of the game and the uncertain transmission of advantage: Middle-class parents' search for an urban kindergarten. *Sociology of Education*, 89(4), 279-299.
- Lee, K.Y. & Kissinger, H. (2000). *From third world to first : the Singapore story, 1965-2000 : memoirs of Lee Kuan Yew*. Times Editions.
- Leftwich, A. (1995). Bringing politics back in: Towards a model of the developmental state. *The journal of development studies*, 31(3), 400-427.
- Levi-Faur, D. (2014). The welfare state: A regulatory perspective. *Public Administration*, 92(3), 599-614.
- Li, H., Squire, L., & Zou, H. F. (1998). Explaining international and intertemporal variations in income inequality. *The Economic Journal*, 108(446), 26-43.
- Lundberg, M., & Squire, L. (2003). The simultaneous evolution of growth and inequality. *The economic journal*, 113(487), 326-344.
- Majone, G. (1994). The rise of the regulatory state in Europe. *West European Politics*, 17(3), 77-101.
- Majone, G. (1997). From the positive to the regulatory state: Causes and consequences of changes in the mode of governance. *Journal of public policy*, 17(2), 139-167.
- McNamee, S. J., & Miller, R. K. (2009). *The meritocracy myth*. Rowman & Littlefield.
- Miller, S. M. (1960). Comparative social mobility. *Current Sociology*, 9(1), 1-61.
- Moffit, R.A. (2011). Welfare Programs and Labour Supply. *Handbook of Public Economics*, 4.
- Moore, R. Q. (2000). Multiracialism and meritocracy: Singapore's approach to race and inequality. *Review of Social Economy*, 58(3), 339-360.
- Neelsen, J. P. (1975). Education and social mobility. *Comparative Education Review*, 19(1), 129-143.
- Neumark, D., & Wascher, W. L. (2008). *Minimum wages*. MIT press.
- Nolan, P. (1990). Assessing economic growth in Asian NICs: some thoughts on the conclusions drawn from their experience. *Journal of Contemporary Asia*, 1.
- North, D. C. (1994). Economic performance through time. *The American economic review*, 84(3), 359-368.

- Ortmann, S., & Thompson, M. R. (2016). China and the "Singapore Model". *Journal of Democracy*, 27(1), 39-48.
- Ota, T. (2017). Economic growth, income inequality and environment: assessing the applicability of the Kuznets hypotheses to Asia. *Palgrave Communications*, 3(1), 1-23.
- Peng, N., & Phang, S. Y. (2018). Singapore's economic development: pro-or anti-Washington Consensus?. *Economic and Political Studies*, 6(1), 30-52.
- Psacharopoulos, G., & Patrinos, H. A. (2018). Returns to investment in education: a decennial review of the global literature. *Education Economics*, 26(5), 445-458.
- Quah, J. S. (2010). Public administration Singapore-style. In *Public Administration Singapore-style* (Vol. 19, pp. 237-256). Emerald Group Publishing Limited.
- Rahim, L. Z., & Barr, M. D. (Eds.). (2019). *The limits of authoritarian governance in Singapore's developmental state*. Springer Singapore.
- Reyes Jr, V. C., & Gopinathan, S. (2015). A critique of knowledge-based economies: A case study of Singapore education stakeholders. *International Journal of Educational Reform*, 24(2), 136-159.
- Robinson, J. (1967). Marginal productivity. *Indian Economic Review*, 2(1), 75-84.
- Rodrik, D. (2006). Goodbye Washington consensus, hello Washington confusion? A review of the World Bank's economic growth in the 1990s: learning from a decade of reform. *Journal of Economic literature*, 44(4), 973-987.
- Rodrik, D. (2007). *One economics, many recipes: globalization, institutions, and economic growth*. Princeton university press.
- Schmitter, P. C., & Karl, T. L. (1991). What democracy is... and is not. *Journal of democracy*, 2(3), 75-88.
- Schultz, T. W. (1961). Investment in human capital. *The American economic review*, 51(1), 1-17.
- Smith, C. J., Donaldson, J. A., Mudaliar, S., Md Kadir, M., & Yeoh, L. K. (2015). A handbook on inequality, poverty and unmet social needs in Singapore.
- Stiglitz, J. E., & Uy, M. (1996). Financial markets, public policy, and the East Asian miracle. *The World Bank Research Observer*, 11(2), 249-276.
- Tan, C. H. (2016). *The Beijing Consensus and Possible Lessons from the 'Singapore Model'?*. Rochester, NY: Social Science Research Network.
- Tan, J. (2018). Notions of equality and fairness in education: The case of meritocracy in Singapore. In *Routledge international handbook of schools and schooling in Asia* (pp. 28-39). Routledge.

- Tan, K. P. (2008). Meritocracy and elitism in a global city: Ideological shifts in Singapore. *International Political Science Review*, 29(1), 7-27.
- Tan, K. S., & Bhaskaran, M. (2015). The role of the state in Singapore: Pragmatism in pursuit of growth. *The Singapore Economic Review*, 60(03), 1550030.
- Teo, T. A. (2019). Perceptions of meritocracy in Singapore: Inconsistencies, contestations and biases. *Asian Studies Review*, 43(2), 184-205.
- Treiman, D. J. (1977). *Occupational prestige in comparative perspective*. Elsevier.
- Vadaketh, S. T., & Low, D. (2014). *Hard choices: Challenging the Singapore consensus*. NUS Press.
- Veblen, T. (1899). *The theory of the leisure class: An economic study of institutions*. London: Unwin Books.
- Williamson, C. R. (2009). Informal institutions rule: institutional arrangements and economic performance. *Public Choice*, 371-387.
- Williamson, J. (1990). *Latin American adjustment: How much has happened?*. Washington: Institute for International Economics.
- Wright, S. E. (1993). Blaming The Victim, Blaming Society Or Blaming The Discipline: Fixing Responsibility for Poverty and Homelessness 1. *Sociological Quarterly*, 34(1), 1-16.
- Young, I. M. (1990). *Justice and the Politics of Difference*. Princeton University Press.

Riassunto

Secondo il rapporto Worldwide Cost of Living 2022 dell'Economist Intelligence Unit, Singapore è stata nominata, per il nono anno consecutivo, la città più costosa al mondo in cui vivere. Cosa attira le persone abbienti e di successo a Singapore? Il ruolo di Singapore come hub per la finanza regionale, il suo ambiente amichevole per i privati e le aziende e, soprattutto, le sue basse aliquote fiscali del 22% per i cittadini più ricchi sono probabilmente le ragioni più note. Auto di lusso e stili di vita glamour sono sempre più comuni in questa piccola metropoli globale, ed è tragico il contrasto con i filmati di anziani raccoglitori di cartone singaporiani che faticano ad arrivare a fine mese. I lavoratori di alto livello a Singapore gareggiano per stipendi superiori alla media mondiale, mentre i lavoratori più umili vedono una pressione al ribasso sulle loro retribuzioni, a causa della crescita della classe media e dell'afflusso di manodopera straniera. Gli sforzi del governo per liberalizzare l'economia a partire dalla metà degli anni 2000 hanno portato a una maggiore dipendenza dai lavoratori migranti e locali non qualificati a basso salario che, ad oggi, vivono ancora una forte emarginazione e opportunità di mobilità sociale diseguali. In effetti, le istituzioni di Singapore non solo forniscono meno assistenza sociale rispetto ad altre nazioni sviluppate, ma possono addirittura essere accusate di aver aumentato la disuguaglianza per promuovere il lavoro duro e il merito. In effetti, l'ideologia del partito al potere, il People's Action Party (PAP), spinge per un approccio di autosufficienza in termini di welfare e di politica economica generale, rischiando di lasciare indietro chi ha davvero bisogno dell'aiuto dello Stato.

Negli ultimi decenni Singapore si è mostrata sulla scena globale come una nazione altamente sviluppata, raggiungendo le posizioni più alte in molte classifiche internazionali e passando rapidamente da una nazione del Terzo Mondo a una del Primo Mondo. Di fatto, Singapore è stato uno dei Paesi con lo sviluppo più rapido dell'ultimo secolo e un polo strategico per gli investimenti stranieri. La crescita del PIL ha raggiunto il 9,2% nei primi 25 anni dopo l'indipendenza e, a partire dal 2022, il tasso di crescita del PIL si attesta al 3,8%. Nonostante l'estrema mancanza di risorse naturali e il duro passato coloniale, Singapore è stata in grado di trarre vantaggio dalla sua posizione geografica strategica nel Sud-Est asiatico e dal suo ruolo di hub per le tendenze migratorie regionali. Questo successo economico in termini di industrializzazione trainata dalle esportazioni, che si basa sulla stabilità macroeconomica e politica, su una forza lavoro straniera altamente qualificata e su un'eccezionale connettività globale, ha portato a un aumento dei redditi e del tenore di vita per la maggior parte dei singaporiani. La ricchezza nazionale, tuttavia, si è trasformata in una maggiore disuguaglianza

di reddito e in un generale aumento del costo della vita. Inoltre, le pressioni strutturali come l'invecchiamento della popolazione, il progresso tecnologico e il commercio globale stanno trasformando il sistema socioeconomico di Singapore.

La stabilità autoritaria nel tempo ha dato al PAP la possibilità di mantenere viva la propria narrativa sul principio guida dello sviluppo: la meritocrazia. In effetti, a Singapore c'è un consenso generale sull'idea che la meritocrazia, combinata con altre circostanze come una governance lungimirante, relazioni sindacali pacifiche e una comunità impegnata e unita, possa essere lodata come la pietra angolare del sorprendente successo in termini di sviluppo economico. Ciononostante, è stato sostenuto che il modello di sviluppo singaporiano, unito alla meritocrazia come narrativa sponsorizzata dallo Stato, viene ora incolpato di aver creato barriere strutturali alla mobilità, di avere una definizione estremamente limitata di successo e di aver creato un'élite sempre più egocentrica che il pubblico percepisce come condiscendente e incurante delle sue esigenze. Pertanto, le domande a cui ho cercato di rispondere sono: questo modello di sviluppo è sostenibile nel lungo periodo? Il governo non solo è disposto, ma è anche in grado di reagire con politiche adeguate a questo problema sociale in gran parte non discusso? E infine, queste politiche sono socialmente inclusive?

In questa tesi le suddette domande sono state vagliate attraverso: una descrizione del modello di sviluppo di Singapore rispetto ad altri approcci teorici esistenti; un'analisi delle prestazioni di Singapore nei rapporti sull'uguaglianza e sulla mobilità; una valutazione della meritocrazia come narrazione sponsorizzata dallo Stato e i suoi effetti sulla mobilità sociale; e in generale una revisione di ciò che è stato fatto, ad oggi, a Singapore in termini di politiche volte a livellare le barriere socio-economiche che sono alla base della stratificazione sociale della città-stato e di ciò che invece il governo ha lasciato in sospeso.

L'analisi di uno specifico modello di sviluppo economico richiede di prendere in considerazione la complessa interazione che esiste tra fattori istituzionali e socioculturali. Anche se questa analisi è stata circoscritta a due prodotti di questa interazione, cioè la disuguaglianza e la mobilità a Singapore, essa suggerisce che la città stato esemplifica il paradosso che esiste in molte realtà in tutto il mondo: un Paese con prestazioni sorprendenti nei parametri internazionali di sviluppo economico, che nasconde sotto questa facciata una tendenza allarmante di stratificazione sociale e stagnazione. Pertanto, le prove riportate possono costituire parte della risposta al dilemma della sostenibilità del *Singapore Consensus* nel tempo.

Il Capitolo 1 fornisce un ampio resoconto della letteratura esistente sulla relazione tra istituzioni e sviluppo e sui modelli di sviluppo come il *Developmental State* e il *Washington*

Consensus. Nella letteratura Singapore è stata collocata in una posizione intermedia all'interno del dibattito tra "il piano" e "il mercato". La posizione singolare del Paese nel dibattito citato non è l'unica ragione della rilevanza globale del suo modello. Infatti, questo modello che può essere considerato solo una peculiarità di un Paese piccolo e complessivamente 'minore' nel panorama mondiale, è stato proposto in modo piuttosto risoluto come contro-alternativa al modello di sviluppo economico liberal-democratico. La cosiddetta "febbre di Singapore" che ha colpito le élite governative della Cina può essere ricondotta al fatto che Singapore è l'unico Paese della regione che è stato in grado di raggiungere un'elevata industrializzazione economica senza passare attraverso una significativa liberalizzazione politica. In effetti, Singapore ha portato per la prima volta sulla scena mondiale contemporanea un caso di modernità combinata con l'autoritarismo, in cui l'opinione pubblica è quasi costantemente d'accordo con il governo, mentre quest'ultimo limita contemporaneamente i diritti e le libertà sociali dei suoi cittadini.

Dopo aver debitamente riportato e analizzato i dati e le statistiche sulle prestazioni di Singapore nei rapporti internazionali nel Capitolo 2, viene sostenuto che il modello di sviluppo singaporiano, unito alla meritocrazia come narrazione sponsorizzata dallo Stato, è stato giustamente incolpato di aver creato barriere strutturali alla mobilità, che il governo del PAP ha cercato di giustificare e occultare come elementi necessari per la crescita. Anche se non c'è un consenso accademico generale su nessuna delle argomentazioni del PAP, né sulle contro argomentazioni, ritengo che l'analisi contenuta in questo capitolo abbia fornito un valido punto di vista esterno nella valutazione dell'attuale status quo.

Le cause del punteggio piuttosto basso di Singapore nei rapporti internazionali e nelle misure di disuguaglianza e mobilità sono state correlate a numerose variabili. Questa tesi si è concentrata su tre variabili principali: le politiche fiscali incentrate sulla crescita, il dibattito in corso sui salari minimi e, in misura maggiore, la meritocrazia. Se da un lato le prime due variabili sono senza dubbio collegate, secondo il consenso accademico prevalente, a una disuguaglianza significativa e a scarsi risultati in termini di mobilità, il caso della meritocrazia è molto controverso e dipende fortemente da fattori specifici del Paese che devono essere presi in considerazione.

La meritocrazia competitiva, come viene comunemente denominata dal PAP, è stata considerata in questa tesi come un'*istituzione informale* che influenza i risultati dello sviluppo economico. Come già detto, la meritocrazia ha funzionato molto bene a Singapore come narrativa pro-sviluppo, e i dati sulla crescita di Singapore confermano sicuramente questa ipotesi. Tuttavia, diversi accademici hanno sostenuto che il sistema meritocratico di Singapore

ha ostacolato molte aree della società, sia perché l'ideologia è intrinsecamente difettosa, sia perché non è stata implementata correttamente nel Paese. In effetti, il consenso prevalente degli studiosi concorda nel considerare la meritocrazia come un principio ammirabile che tuttavia, una volta convertito in un *sistema*, può, nel tempo, creare danni tangibili. In base a queste ipotesi, possiamo dedurre che un sistema meritocratico che richiede la creazione di un'élite produce una stratificazione di classe della società che è fortemente statica. La staticità di queste barriere è dovuta all'alto livello di legittimità legato al sistema meritocratico.

Il genere e la razza sono stati a lungo messi al centro del dibattito sulle cause della disuguaglianza e della stratificazione. L'istruzione, invece, è stata portata all'attenzione dell'opinione pubblica più di recente come motore della mobilità sociale. L'istruzione è un'area politica fondamentale in ogni Paese, ma ha un ruolo ancora più significativo in quei Paesi che si concentrano profondamente sul capitale umano. Quindi, considerato che Singapore è una piccola città-stato priva di strategie di sviluppo multidimensionali ed è *un'economia della conoscenza* che cresce grazie al suo capitale umano, il Capitolo 3 suggerisce che le dinamiche meritocratiche nel campo dell'istruzione potrebbero trasformarsi in danni ingenti. In effetti, qualsiasi dislocazione dei talenti causata da un sistema di monitoraggio e valutazione inefficiente può comportare un grande costo opportunità complessivo. Un tracciamento errato inibirà le aspirazioni dei singaporiani e di conseguenza ostacolerà il potenziale del Paese.

Infine, Jason Tan (2018) afferma che la meritocrazia di Singapore si è evoluta in una *parentocrazia* di fatto, il che significa che nell'istruzione, ma anche in altre aree della società, il privilegio è fondamentale e la ricchezza dei genitori influisce profondamente sulle opportunità dei figli nella società, e la meritocrazia legittima queste dinamiche.

Per concludere, se da un lato una grande porzione della società singaporiana ha beneficiato della crescita esponenziale dell'ultimo secolo, dall'altro lato, attraverso indagini, statistiche e teorie, questa tesi dimostra come la disuguaglianza di reddito sia ancora dilagante nella città-stato asiatica e come la mobilità sociale sia profondamente influenzata dalla narrativa meritocratica del governo, soprattutto nell'area della politica educativa.