EDITORIAL

Mind the gap, and stem the class divide

SINGAPORE is hardly alone in having to contend with the intractable problem of inequality in society – but it surely stands out in its declared commitment to narrowing the rich-poor gap.

Speaking for the government, Education Minister Ong Ye Kung said in Parliament on Tuesday that tackling inequality – ever a work in progress even in relatively "less unequal" nations – is "not just a long-term challenge for tomorrow but a national priority today". If the scale of the challenge is ever in doubt, consider this: The UK government's entire social mobility commission stood down last December, lamenting Whitehall's lack of "bandwidth" to tackle social division (while also dealing with Brexit), with the board's chair describing his task as being like "pushing water uphill".

For a problem that is notoriously difficult to measure – the Gini index being just the most common but an incomplete gauge – Singapore has framed the inequality issue in four areas: income gap; strength of the middle income core; social mobility; and whether the different groups mix with one another. On the first two indicators at least, the situation here is not dire, Mr Ong said, citing data. Indeed, Singapore is by all accounts broadly a middle-income society. More significantly, the minister also flagged two matters of concern: cracks are starting to show in social mobility and social mixing, with social stratification at risk of becoming entrenched.

To be sure, there will always be – in just about any and every country – some groups with greater wealth and status. While not entirely classless, Singapore has always been a place where how well people do in life depends on talent and effort rather than family background, with a good number of households moving up from, say, the bottom income quintile to the top in just one generation. But in today's more demanding, digital-driven society, it may be doubly difficult for children from less privileged backgrounds, without a headstart – be it enrichment classes or other exposure – to get ahead. If not checked, slowing social mobility would amount to an erosion of a defining pillar of Singapore society.

Meanwhile, with growing affluence over the decades has come a greater sense of class markers in Singapore. The issue of social divide – whether in terms of income, elite schools, etc – has crept in over the years. It came to the fore recently with the spotlight on an unauthorised secondary school social studies guidebook that listed the supposed lifestyles and habits of Singaporeans of high and low "socio-economic status" (SES). Sweeping and controversial as the book was, the generalisations captured, however egregiously, the class divide here – and spawned many a "high/low-SES" joke in social chat groups both online and over meals. But with survey findings showing that people indeed tend to interact – socially or at work – mostly within their own socio-economic groups, social stratification is an issue that bears watching, with Mr Ong describing it in his speech as something that will "poison society over time".

Tackling social and economic inequality in all its forms requires, as Mr Ong put it, "ceaseless striving", not least when it includes appealing to people's sense of unity. While government policies are key in bridging social gaps and producing a more equal society, Singaporeans must also own the problem and do their bit. It is, after all, about individuals seizing opportunities to move up in life.

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Mr Ma (left) has reportedly declared that Chinese businessmen who have become rich have a social responsibility to help others catch up and Mr Wang (right) confirmed that his Dalian Wanda Group has adapted its business strategy in line with Mr Xi's request. PHOTOS: REUTERS

China's leading private firms toe Party line

President Xi wants them to help reduce the income gap, one of the key objectives of the SCC that dates back to the Mao period. BY HARISH MEHTA

CHINA'S leading companies – Alibaba, Haier, and Dalian Wanda – have fallen in line behind President Xi Jinping's call for them to help the country attain socio-economic goals under the communist party's emblematic Socialism with Chinese Characteristics (SCC) policy.

President Xi wants Chinese companies to help reduce the income gap, one of the key objectives of the SCC that dates back to the Mao period and was subsequently refined by successive leaders from Deng Xiaoping to Xi Jinping.

The richest men in China have voiced active support. Jack Ma, the founder and chairman of the Alibaba Group, has reportedly declared that Chinese businessmen who have become rich have a social responsibility to help others catch up. The chairman of Haier, Zhang Ruimin, has agreed with these remarks. And the property tycoon, Wang Jianlin, has confirmed that his Dalian Wanda Group has adapted its business strategy in line with President Xi's request.

The entrepreneurs are closely reading the policies of the Communist Party of China (CPC), according to state-run publications. For instance, Mr Ma has been quoted as saying: "I have read the Congress report many times", referring to the report of the 19th Congress of the CPC. "It charts out clear goals and direction for the country's future," Mr Ma adds. "Understanding policy, not waiting for favourable policy, helps an enterprise develop."

NEW TERRAIN

President Xi has explained the importance of reading party literature. "Study has taken Chinese Communists to where they are today. And study will lead us into the future."

As many as 45 study sessions have been held since the 18th CPC National Congress in 2012, covering topics ranging from Marxist ideology and state governance to green development and information technology.

The CPC is venturing into new terrain. It not only considers state-owned enterprises (SOEs) as the "backbone" of the economy, but it is also eyeing taking stakes in China's Internet giants such as Alibaba, Tencent and Weibo that dominate a sector considered to be the future of the economy.

Under the leadership of Mr Xi, the party has overseen the consolidation of many SOEs, but the party has also urged the SOEs to acquire stakes in private enterprises.

There are more than 150,000 SOEs in China, described as "red zaibatsu" that are being restructured into conglomerates that would dominate local and foreign markets through their massive size. Some two-thirds of them are owned by local governments and the rest are under the central government. The most successful ones are in shipping and train-manufacturing. They take about half of all bank loans, and since 2015 investment by SOEs has grown faster than private-sector investment, which used to lead the way previously.

So, what exactly is Socialism with Chinese Characteristics? At its heart lies the CPC's vision of creating national happiness and prosperity. In this endeavour, China has already been eminently successful by lifting 700 million people out of poverty over the last three decades, due to rapid economic growth. Under President Xi's new formulation of "Socialism with Chinese Characteristics for a New Era", unveiled at the 19th Congress of the CPC last year, the country aims to lift another 55 million people out of extreme poverty by 2020.

This concept has been the guiding ideology of the CPC since the 1930s, in one form or another. The early communist leaders of China adopted, and adapted, European Marxism and Socialism to suit Chinese conditions. The CPC chairman, Mao Zedong, initiated the Sinicization of Marxism from the 1930s till the 1970s.

Sinificization made the language of Marx accessible to the Party and the common people, and ensured that the Party cadres were well-versed not just in Marxism but more importantly in Chinese history.

On the one hand, Mao urged the Party to transform abstract Marxism into something much more concrete that could be used in Chinese conditions and, on the other hand, he viewed Marxism as a concept of such fluidity that he could easily adapt it to China's needs.

To gasps of laughter from his audience, Mao declared in a speech to the Party school in Yenan in February 1942: "If we only know how to recite Marxist economics or philosophy, reciting from the first to the tenth chapters until they are thoroughly familiar, but are completely unable to apply them, can we then be considered Marxist theoreticians?"

After the death of Mao in September 1976, Deng Xiaoping led China from 1978 to 1989. At the 12th Party Congress in September 1982, Mr Deng stressed that China should integrate Marxism with the Chinese reality, and take its own road to "Socialism with Special Chinese Characteristics".

The Congress set the economic goal for the period from 1981 to 2000: to quadruple annual industrial and agricultural output value, from 710 billion yuan (S$149.60 billion)in 1980 to about 2,800 billion yuan in 2000.

The 19th Party Congress last year unveiled the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and set new targets. In the first stage, from 2020 to 2035, China aims to build on the foundation created by a moderately prosperous society, with a further 15 years of work to ensure that socialist modernisation was attained.

PRIVATE SECTOR PARTICIPATION

Mr Xi's vision is that by the end of this stage, China's economic and technological strength would have increased significantly. China would become a global leader in innovation. The rights of the people as equals would be adequately protected. The rule of law would be in place.

Further, China's cultural soft power would grow more influential. People would be leading more comfortable lives, and the size of the middle-income group would have grown considerably. Disparities in urban-rural development, in development between regions, and in living standards would be significantly reduced.

Mr Xi has also declared that in the second stage from 2035 to the middle of the 21st century, China would develop into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and environmentally beautiful.

The CPC has identified China's private companies as key participants in this massive exercise to attain the goals of Socialism with Chinese Characteristics. A time-tested ideology, Chinese state-led socialism has produced wonders for the country's mass transformation. Now, the private sector is expected to play a larger role in helping China attain its future goals.

■ The writer is editor-in-chief of The Calcutta Journal of Global Affairs and a historian; one of his interests is 20th century history of China.

THE BOTTOM LINE

WHO's new leadership on the wrong track

By Philip Stevens and Nilanjan Banik

> Superficial involvement in a ballooning number of health areas has made the WHO a directionless, ineffective and inward-looking player in an increasingly crowded global health scene.

AS one of the richest Asian members of the World Health Organization (WHO), holding its annual assembly in Geneva next week, Singapore shares a pivotal role in setting the global health agenda.

The WHO's work has never been more important to address serious and evolving international health threats. It is only a matter of time before there is another global influenza pandemic to match the devastating outbreak of 1918, and, as recent outbreaks of Ebola and Zika have shown, new and deadly diseases can emerge at any time.

As a UN organisation to which almost every country in the world belongs, the WHO should make strengthening national health systems and coordinating defences against transnational disease its priority. But it's often hard to know if the organisation has any priority.

Superficial involvement in a ballooning number of health areas has made it a directionless, ineffective and inward-looking player in an increasingly crowded global health scene.

The WHO's tendency to do a lot poorly has seen it fail in its core business of leading international action on transnational disease outbreaks.

Take the organisation's response to the West African Ebola crisis of 2014. An expert panel convened by Harvard Global Health Institute and the London School of Tropical Medicine criticised the WHO for its "catastrophic" delay in declaring a public health emergency.

The worry is that WHO will fail to handle the next inevitable global pandemic, leading to needless loss of life.

Funding is part of the problem: The WHO spent just 5.7 per cent of its 2014-15 budget on disease outbreaks, a 50 per cent drop on the previous two years.

The WHO's core budget, paid by member governments, fell from US$579 million in 1990 to a feeble US$465 million this year. To put this in context, this is only slightly more than what a small African country like Uganda receives each year in foreign aid to fight only one disease – HIV.

The WHO has topped up its budget with project-based donations from countries and big charities, which now constitute 80 per cent of its overall income. But that has cost the WHO its strategic independence.

Alongside global health staples like tropical diseases and immunisation, the WHO now publishes recommendations on subjects from adolescent health and headaches to traffic safety and prisons.

Jeremy Farrar, director of the UK-based global health research charity the Wellcome Trust, argues that the WHO is being undermined by its inability to focus on a few core issues. "It's so thinly stretched," he told Reuters. "There's arguably no organisation on earth that could cover all those (topics) at sufficient depth to be authoritative."

This lack of focus and mission creep will be on full display at next week's World Health Assembly. Bizarrely, large parts of the agenda are dedicated to discussion of how to dilute the intellectual property (IP) protections that drive discovery of new health technologies.

REAL REASONS

Given the scale of today's global health challenges, it's not clear how repeating a tired debate about IP and access to medicines will help. The vast majority of treatments prescribed in both developing and developed countries are off-patent and therefore unaffected by IP rules, yet far too many still do not have reliable access to them.

The real reasons for this have been well known for decades. There are too few doctors and clinics, and a lack of social and health insurance to protect people from the cost of healthcare expenditures (something WHO itself implicitly recognises in its efforts to promote universal healthcare). In many places, weak supply chains and poor infrastructure separate people from the treatments they need.

A narrow and divisive focus by WHO on IP may tick political boxes, but it does nothing to improve health and will only lead to more unproductive debate. It looks like a power grab by WHO staff to intervene in areas that are best left to national governments.

In 2017, former Ethiopian foreign minister Tedros Adhanom was elected as the new director general on a mandate to reform and consolidate the WHO. Almost immediately, he appointed no fewer than 14 assistant director generals to oversee a huge number of programme areas. This is not the work of a reformer.

Next week is the first World Health Assembly under his leadership. Singapore and other member states need to help steady the ship. To maintain its relevance, WHO must get back to basics and do a few things well, not many things poorly. It must therefore unite nations around practical solutions, not divide them in pointless debates.

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