

**Section A (Source-Based Case Study)**

Question 1 is **compulsory** for all candidates.

**1 Living in a Diverse Society**

Study the Background Information and the sources carefully, and then answer **all** the questions.

You may use any of the sources to help you answer the questions, in addition to those sources which you are told to use. In answering the questions you should use your knowledge of the issue to help you interpret and evaluate the sources.

**(a) Study Source A.**

What can you learn from this source about income inequality in Singapore? Explain your answer. [5]

**(b) Study Source B.**

Why do you think the Prime Minister made this opening remark? Explain your answer. [6]

**(c) Study Sources C and D.**

How different are these two sources as evidence about the Singapore government's efforts to tackle inequality? Explain your answer. [7]

**(d) Study Source E.**

How useful is Source E in telling you about inequality in Singapore? Explain your answer. [7]

**(e)** How far do all the sources in the case study show that the efforts to tackle inequality in Singapore are effective? Explain your answer. [10]

## **How effective are the efforts to tackle inequality in Singapore?**

### **BACKGROUND INFORMATION**

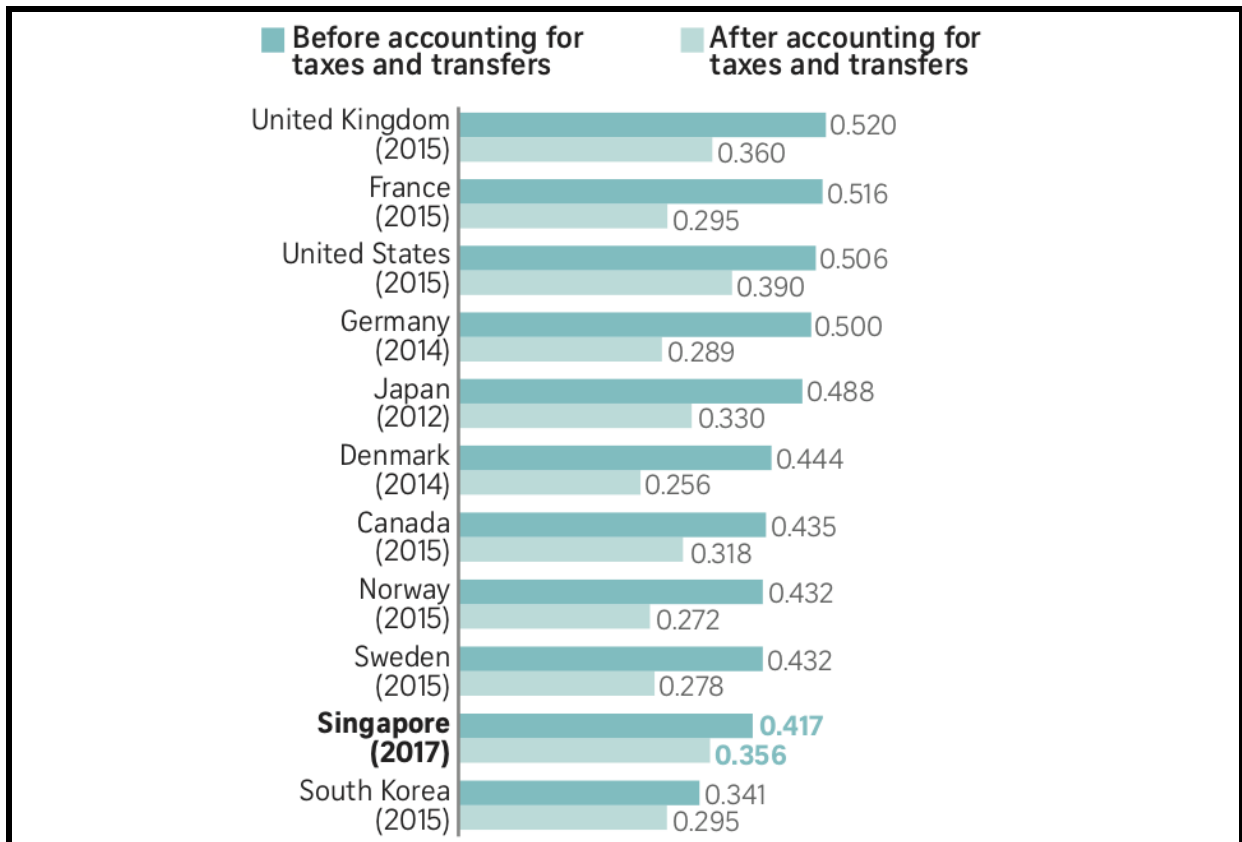
Read this carefully. It may help you to answer some of the questions.

In the Commitment to Reducing Inequality Index 2018, Singapore has been ranked 149 out of 157 countries in the world for its efforts to reduce inequality. This report was released by Oxfam, a United Kingdom-based charity organisation dedicated to improving poverty. According to the report, Singapore's low ranking was due to its harmful tax practices, where the wealthy are undertaxed, and corporations were encouraged "to avoid or evade taxes by having very low tax rates or providing tax havens". Singapore was also identified for its low expenditure on public spending in areas such as education, health and social protection. Such practices are considered detrimental to efforts in tackling inequality in Singapore.

The Singapore government has refuted Oxfam's claims by explaining how Singapore has measures in place to tackle inequality, which do not require high taxes and public spending. Such measures have enabled Singapore to achieve 90 per cent homeownership and the lowest infant mortality rate in the world.

Study the following sources to find out how effective are the efforts to tackle inequality in Singapore.

**Source A** *A comparison of \*Gini coefficients of developed countries before and after accounting for taxes and transfers. Taken from the Ministry of Finance, Singapore.*



*\*Gini coefficient measures income inequality from zero to one, with zero being most equal.*

**Source B** *Excerpt of PM Lee's opening remarks at a post-National Day Rally Dialogue organised by the People's Association held on 14 October 2018.*

Over the years, the government has worked hard to lessen inequality through a progressive income tax system and high quality and affordable housing, education and healthcare for all. In spite of our efforts to reduce inequality, I believe that safeguarding social mobility is even more important than reducing inequality. For that reason a lot of government policies are targeted at preventing social stratification from taking root in Singapore. The preschool emphasis is one of these government policies. Why do we talk about preschools? Because we want to start with kids young. We want to make sure that if your parents cannot afford to send you to a posh place, you still have a good and affordable preschool which will bring you to a good point when you reach primary one, and you are at a good point to start your formal education. We level the playing field as much as possible.

**Source C** *Excerpt of the official response to Oxfam's CRI Index 2018, by Mr Desmond Lee, Minister For Social And Family Development. This official response was published on 9 October 2018.*

The Oxfam report assumes high taxation and high public expenditure reflect commitment to combating inequality. I believe it is also important to look at the outcome achieved. Indeed, the income tax burden on Singaporeans is low. And almost half the population do not pay any income tax. Yet they benefit more than proportionately from the high quality of infrastructure and social support that the state provides. 90 per cent of Singaporeans own their homes. Even among the poorest 10 per cent of households, 84 per cent own their homes. No other country comes close.

The Economist Intelligence Unit ranks us 2nd in the world for healthcare outcomes and the World Health Organisation ranks our healthcare system 6th. In education, our students consistently outperform others in international rankings. We achieved all of this with lower taxes and lower spending than most countries is to Singapore's credit rather than discredit.

**Source D** *Excerpt taken from the report, The Commitment to Reducing Inequality Index 2018, released by Oxfam, a United Kingdom-based charity organisation dedicated to improving poverty, released on 9 October 2018.*

Singapore is now in the bottom 10 countries in the world in terms of reducing inequality. This is partly because of the harmful tax practices carried out by the country. Although it has increased its personal income tax by 2%, but the maximum rate remains a very low at 22% for the highest earners. Singapore's tax system undertaxes wealthy individuals. There are also tax incentives for companies that develop intellectual property, or firms that makes investments in the maritime and finance sectors. These tax incentives help corporations evade taxes.

Apart from tax, its low score is also due to a relatively low level of public social spending – only 39% of the budget goes to education, health and social protection combined (way behind South Korea and Thailand at 50%).

**Source E** *An extract of a commentary about poverty and inequality, written by Singaporean sociologist\* Teo You Yenn. She had spent 3 years interviewing and learning about the life experiences of low-income Singaporeans.*

During my research, I often met children who were immediately marked as falling behind as they entered Primary 1. Yet, my own life is in a social milieu where children enter Primary 1 able to read and write. In one ear, I hear parents worrying they can't help with homework or pay for tuition; and in my other ear, I hear parents complain about driving their children from one enrichment activity to another. Our education system searches for and rewards precocity\*. Centring on high-stakes exams, it defines merit narrowly, and it leads those who can afford it to try to acquire certain qualities through the private shadow education market. This creates a high-pressure environment for adults and children of all class backgrounds. For parents and children from low-income households, in particular, the outcome is to be made to feel perpetually like failures.

\* sociologist: a sociologist is a person who studies social groups and social behaviour.

\*Precocity: a smartness or skill that is achieved much earlier than usual

Copyright Acknowledgements:

Source A	©	<a href="https://www.straitstimes.com/singapore/spotlight-on-calculation-of-income-inequality">https://www.straitstimes.com/singapore/spotlight-on-calculation-of-income-inequality</a>
Source B	©	<a href="https://www.pmo.gov.sg/Newsroom/pm-lee-hsien-loon-pa-ko-pa-talk-2018">https://www.pmo.gov.sg/Newsroom/pm-lee-hsien-loon-pa-ko-pa-talk-2018</a>
Source C	©	<a href="https://www.msf.gov.sg/media-room/Pages/Response-to-Oxfam's-CRI-Index-2018.aspx">https://www.msf.gov.sg/media-room/Pages/Response-to-Oxfam's-CRI-Index-2018.aspx</a>
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Source E	©	<a href="https://www.straitstimes.com/opinion/lets-talk-about-poverty-and-inequality-today">https://www.straitstimes.com/opinion/lets-talk-about-poverty-and-inequality-today</a>

## Section B (Structured-Response Question)

Question 2 is **compulsory** for all candidates

### 2 Exploring Citizenship and Governance

Study the extracts carefully, and then answer the questions.

#### **Extract 1**

Singaporeans usually share a common history, a common set of traditions, common practices, a common language, and live together in a particular geographical area. This helps to build a sense of belonging and can shape one's identity.

#### **Extract 2**

In Singapore, the government devotes significant resources to improving the well being of their citizens. Singaporeans enjoy daily benefits from the provision of goods and services for the public.

#### **Extract 3**

The Singapore government has a duty to maintain internal order so that Singaporeans feel safe and protected in their everyday lives.

- (a) Extract 1 shows that sharing aspects of a common way of life can shape our sense of belonging to a country.

In your opinion, how would common practices shape our sense of belonging?

Explain your answer by providing one suggestion of a common practice Singaporeans can engage in.

[7]

- (b) Extracts 2 and 3 reflect on the role of the government in providing goods and services for the public and maintaining internal order in contributing to the good of society.

Explain how these two roles of the government contribute to the good of the society.

[8]