As Singapore attracts more innovation, talent and multinational companies from around the world, income inequality will increase.

But without such top talent, there will be fewer mid-level jobs available for Singaporeans, said Minister for Home Affairs and Law K. Shanmugam on Friday.

"It is a political challenge to try and keep explaining this to our people and explaining that you can't succeed by getting rid of these people... We've got to continue to have the pathways, emphasise the same things: education, discipline, integrity, hard work," he said.

He noted that income inequality in Singapore is made obvious because of its size, with those who live in multimillion-dollar houses a 15-minute drive from those in $300,000 flats.

To help combat this inequality, the Government puts effort into intervening upstream, he said, citing examples such as helping vulnerable pregnant mothers before the baby is born and funding pre-school education to ensure everyone has an equal head start.

Mr Shanmugam was speaking at a forum session with more than 300 university students held at Nanyang Technological University on Friday night, where he spoke on internal and external challenges facing Singapore.

On international competition, he urged against complacency.

He noted that 80 per cent of China's oil goes through the Strait of Malacca, but trade routes can always change.

He also noted that the Covid-19 pandemic has shown more companies that working from home is a viable option, and this could lead to them hiring workers based in other countries who could work remotely and ask for a lower salary.

Mr Shanmugam said: "What is it that you think we can do in Singapore that the engineers in China cannot do faster, cheaper and better?"

He stressed that these are big issues facing Singapore that he thought many had never thought about.

"While you argue amongst yourselves on how to divide the pie, somebody's just going to take the pie away," he said.

During the dialogue, issues such as the mandatory death penalty for drug trafficking, Section 377A of the Penal Code which criminalises sex between men, and meritocracy were raised.

On the death penalty, Mr Shanmugam reiterated that a Ministry of Home Affairs survey found that 80 per cent of respondents said the death penalty is an effective deterrent.

"If I removed the death penalty, the flow of drugs into Singapore will be much higher. Your lives, your siblings' lives, many other lives would be lost," he said.

The minister also played video clips from American news channels of parents overdosing on drugs and babies suffering from drug withdrawal because their mothers had abused drugs during pregnancy.

In closing, Mr Shanmugam said meritocracy is a personal issue for him, as he attended what he called a "no-name primary school" which does not exist any more.

"I look at my friends, I look at schools we've been to and it's very important that Singapore is open, all races progress, and we talk a lot about how we can push up the people who are not performing well," he added.
TOP TALENT NEEDED

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MINISTER FOR HOME AFFAIRS AND LAW K. SHANMUGAM, on Singapore wooing talent from around the world.