Lessons from the wolf and the Pope

It is important that wealth is pursued with the right values in the fight against income inequality

By Robin Chan, Assistant Political Editor

I REALLY enjoyed watching The Wolf Of Wall Street. It was a film so exhilarating that I felt as if I was experiencing the same high Jordan Belfort was on throughout most of the movie.

As I walked out of the cinema, it seemed like others had too - a couple were beating their chests humming what is known as The Money Chant. It is a song made famous in a scene in the movie where actor Matthew McConaughey tells a young, naive Leonardo DiCaprio that nobody really knows where stock prices will go, and so, does the truth really matter?

Shortly after, DiCaprio, playing the eponymous Wolf, becomes fuelled by greed for women, drugs and wealth. He uses boiler room tactics to sell worthless stocks to unknowing investors, then launders money, before eventually being caught by the Federal Bureau of Investigation.

The movie has been criticised for glamorising greed and the relentless and unconscionable pursuit of wealth, and for not capturing at all the damage Belfort's unethical ways caused to the lives of the many small-time investors he duped.

Closer to home, there was another reminder of the dark side of wealth, as private banker Anton Casey showed - with some of his Facebook posts - the deluded sense of superiority the accumulation of wealth can create.

The Briton has rightly been criticised for his disparaging remarks about "poor" Singaporeans who take public transport. And there should be little sympathy for him.

What these two men have shown, whether on screen or in real life, is how wealth in and of itself is a hollow achievement without the right values and attitudes. The pursuit and accumulation of wealth can corrupt the very values needed to build a strong and cohesive society.

Foreign Affairs Minister K. Shanmugam put it this way when asked to comment on Mr Casey: "Those who have done well in life should always be looking out for others - especially the less well-off or needy. It is basic human decency. Instead, Mr Casey showed contempt. Having money and a Porsche does not automatically mean that one is superior. Character is important."

I could not agree more. Cultivating the right values is just as important as the economic measures taken to reduce income inequality.

Not all rich people are, of course, like Mr Casey or Belfort. Many, I believe, are in fact hard-working, respectful people.

But I still feel this fight against income inequality requires a fundamental change in our attitudes towards wealth and the poor, and a rethink of the rewards system of a capitalist-driven economy.

After all, there is a growing movement to temper capitalism at its extremes, and a realisation that the wolves are not the economic generators they would claim to be, but merely the lucky and opportunistic few who benefit from all who contribute.

The cut on banker bonuses, regulations on finance and a change in attitude at business schools are signs of this growing awakening to a need to rethink capitalism.

As countries battle income inequality, Singapore must take a stand too.

Capitalism has thrived and income inequality has been allowed to widen in Singapore, in part because of a fear that these rich men will decamp to greener pastures, taking their wealth and economy-growing talent with them.

Indeed, at a DBS Bank client conference last year, Prime Minister Lee Hsien Loong said in no uncertain terms that he wished he could attract more billionaires to Singapore.

Economists have also pointed to the competition among countries in the past decade to lower tax rates in order to attract business and individuals to invest.

Hong Kong is Singapore's closest competitor in finance and business, and Singapore's corporate income tax rate has always followed its rival's closely. It has slashed its tax rate to 17 per cent, 0.5 percentage points higher than Hong Kong's. Personal income tax in Singapore has a top rate of 20 per cent to Hong Kong's 15 per cent.

I suggest the Government relook its policy of fast-tracking foreign investors to permanent resident status.

The Financial Investor Scheme run by the Monetary Authority of Singapore was scrapped in 2012, and the criteria for the Economic Development Board and Contact Singapore's Global Investor Programme (GIP) were also raised. But it still focuses purely on the amount of money a person invests in Singapore. Can more be done to tweak it to be more discerning of the type of rich we attract?

Investors in the GIP could also be asked to do social or charity work and contribute a portion of the GIP investment not only to growing the economy, but also to strengthening society.

The Government, through its "strategic shifts", is providing more help to the low- and middle-income classes. Last year's Budget was marked by its increase in progressivism of taxes - higher taxes on property for the rich, more workfare and cost of living subsidies for the poor.

But as an economy it means we also need to rethink the kinds of industries we want to develop in Singapore.

Can we really be a fair and just society, a compassionate meritocracy, while at the same time we try to attract the very wolves that seem to be its antithesis? Should we be a wealth management hub and financial centre, or should we be building industries that can have a real social impact - health care, education, and social entrepreneurship?

If this shift to a compassionate meritocracy is to be real and believed, we need to have more confidence that even if we set the bar a little higher, we have enough going for us to stay attractive to good talent. Countries acting together can also help to mitigate the threats of capital flight.

Pope Francis delivered a note to leaders gathering at the annual Davos World Economic Forum this past week, urging them to "ensure humanity is served by wealth, not ruled by it".

To keep our eyes trained on this defining challenge, we must remember to ask ourselves: Who do we want to listen to? The wolves or the Pope?