

line so pronounced that any conclusion reached must be treated with extreme caution. That said, it is sufficiently clear, as Booth underscores, that poverty remains a persistent problem in Indonesia and eradication remains elusive. Worse, a number of Indonesia's development indicators are on par with perennial economic laggards such as Myanmar, Cambodia and Laos, which makes for disquieting reading. While one might have appreciated a little more attention paid to express political struggles and debates beyond non-governmental organizations and civil society (political parties and the rise of Islam are scarcely mentioned), there is much to recommend here. Scholars of Indonesia will greatly appreciate Booth's balanced and commanding evaluation of key economic debates in Indonesia to which the book's second half is devoted. For those with less prior knowledge of the country and who are looking for an incisive introduction, a careful reading of *Economic Change in Modern Indonesia* will be richly rewarding.

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***Income Inequality in Singapore.* By Pundarik Mukhopadhaya.** Oxon, UK: Routledge, 2014. Pp. 189.

Dr Pundarik Mukhopadhaya's analysis on Singapore's income inequality from 1980 to 2012 is both insightful and comprehensive. The book opens with an introduction that situates Singapore's economic development in a global context, followed by theories on income inequality in Chapter 2. The subsequent four chapters discuss income inequality within and between the

following demographic groups: age and occupation (Chapter 3); residents with different educational levels (Chapter 4); gender (Chapter 5); and older women (Chapter 6). Chapter 7 briefly examines the trade-off between equity and efficiency in Singapore while Chapter 8 summarizes key points of the book.

The book identifies human capital development as the government's primary tenet to reduce income inequality during the period studied. Using available data, Mukhopadhaya explains the role of education and explores the gender dimension in inequality in Singapore. The author successfully achieves this objective via careful explanation and weaving in policy details into each chapter.

A major strength of the book lies in using the Theil index to explain inequality between and within the demographic groups — a tool that was either not available or not as popularly used in an earlier book of the same name by Rao and Ramakrishnan (1980). While the Gini coefficient is also employed in this book, the Theil index allows the author to explain nuances in the data that cannot be revealed through the Gini coefficient. The author decomposes income inequality and finds higher inequality within, rather than between, age groups. While the expansion of educational opportunities led to better educated workers over time, it also widened the educational experience within age groups. This is especially prominent among older workers (aged 45 and above), who tend to take jobs at extreme ends of the income spectrum such as a managerial position in a bank, which is relatively high paying and requires tertiary education, and as a cleaner, which has low pay and does not reward workers based on educational attainment or experience. This framework is again used in Chapter 4 and Chapter 5 to explain inequality among residents with different educational levels and within gender groups. Again, readers can observe that the government's focus on education as an indicator of productivity had an effect on income inequality, albeit favourably in these two cases: it reduced the inequality between educational levels as a larger proportion of the population gained tertiary

education (p. 86); it also increased the female labour force participation rate in the country and reduced the income inequality between males and females (p. 123).

Another strength of the book is its detailed discussion on relevant policies. In Chapter 3, the author gives a comprehensive overview and critique of the National Wages Council (pp. 79–84), an entity founded to recommend annual wage adjustments in the economy. The book includes an outline of various scholarships given by the government (pp. 94–100) and concludes that more are merit-based rather than equity-enhancing. In Chapter 7, the author points the reader to an interesting but often overlooked insight through the data, which shows a greater need for social security among women, who have shorter working lives, lower income and longer life expectancy. Policymakers can refer to insights gained to formulate policies that will benefit the most vulnerable in society. Readers with an interest in policy but limited time can turn to the last section of each chapter. Another strength of the book is its theoretical perspective and quantitative approach in Chapter 2, which also provides a crisp summary of literature in income inequality.

Given these strengths, only two minor suggestions are offered. The book uses data from Singapore's quinquennial Household Expenditure Surveys (HES), which includes wages, rents, interests and dividends as income. Noticeably, the role of wealth in contributing to inequality is absent from the author's analysis. This is especially since Singapore has a considerable number of families with sizeable assets such as business holdings and multiple properties. The author could have borrowed Piketty's equation (2014) — $r < g$ (where r is the rate of return of wealth and g is the economic growth rate) — to evaluate the role of wealth in inequality. The book could also have provided a conceptual understanding of income inequality to appeal to readers who are less quantitatively inclined.

Mukhopadhyaya's book should be lauded for discussing hot-button issues in an objective manner. Topics such as income inequality between

foreign workers and locals, as well as wages for Singaporeans in lower income brackets (who are often older), tend to be difficult to discuss. Although the Singapore government believes that "human capital endowments have been crucial to the success of Singapore", and "education may raise the level of income of lower income groups at a higher proportion and thus could reduce the dispersion of income" (p. 164), the book shows that the Gini coefficient and Theil index have been increasing in the past thirty years. This is because as different industries reward workers on vastly different pay scales, and wages are largely unregulated partially due to the weakness of unions, it is not possible to see a drastic reduction in income inequality in the country. Moreover, the focus of education has increased opportunities among the young, but the old and less educated are neglected in the progress of the country based on the government's belief in human capital development. Perhaps a line from Chapter 4 summarizes the situation in Singapore best: "while the bright and poor were aided by [the Edusave Scheme], the rich and the middle class benefited more" (p. 99). Although appearing to be egalitarian on the surface, government policies favour some groups more than others.

Overall, this book gives important insights into income inequality in Singapore using available data. Its discussion on policy is much appreciated. Academics and policymakers will find the book a useful reference for research and strategy formulation.

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