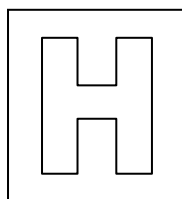


Candidate Name: _____

Class Adm No

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2019 Preliminary Exams Pre-University 3

GENERAL PAPER

8807/02

Paper 2

2 September 2019

INSERT

1 hour 30 minutes

READ THESE INSTRUCTIONS FIRST

Write your **name**, **class** and **admission number** in the spaces provided at the top of this page.
This insert contains the passage for Paper 2.

This question paper consists of **3** printed pages and **1** blank page.

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Sam Lien considers how philanthropy can help to address inequality.

- 1 In late 2011, the Occupy protestors set up camp in New York not far from Wall Street, the heart of global capitalism. They represented a diverse set of interests and concerns, but around one slogan they could unite: “We are the 99%.” In its campaigning for “the 99%” against “the 1%,” the Occupy movement arguably represented the strongest statement yet of concern over one of today’s hottest issues—income inequality. Income inequality endures despite numerous attempts to eradicate it. These attempts are akin to the labours of Sisyphus, the mythical Greek king whose eternal punishment is to push a rock up a steep hill, only to find it rolling back on nearing the top. 5
- 2 The common wisdom so far points to an obvious solution: raise the earned income of the low-income, tax the high-income more, or encourage voluntary transfers through philanthropy. Unfortunately, despite numerous governmental efforts, the ratio of chief executive pay to the median worker continues to escalate. CEOs of the largest 350 companies earn more than 300 times what the average worker earns. Conversely, top marginal tax rates for income earners in developed countries have stagnated and even fallen in recent times. The growing global call for philanthropy—for wealthy individuals and companies to aid the poor through their generosity is unsurprising. 10 15
- 3 While the idea that people should help others to overcome the lottery of birth—over which no one has control—is laudable, it is not practical and has elicited cynicism. Has philanthropy made a difference to realities on the ground? Does it entrench existing inequality by preserving the tradition of *noblesse oblige*, that those blessed with good fortune by virtue of birth, luck or opportunities should extend kindness and generosity to those in need? And so, economists argued that societies cannot have both perfect equality and perfect efficiency and must choose how much of one to sacrifice for the other. 20
- 4 Ironically, the forces that drove increasing inequality similarly powered philanthropy’s rapid rise. Capitalism increases the likelihood of surplus wealth and the chance that some of the surplus wealth held by the richest among us will exchange hands as charity. While philanthropic organisations have bold rhetoric on inequality, their own practices may not be effective, accountable or inclusive. A recent trend in philanthropy sees the shift from the traditional grant-making to impact investments and venture philanthropy. These new approaches to philanthropy match the soul of philanthropy with the spirit of investment. However, such market-based social solutions promote a win-win narrative that instead perpetuates and preserves the existing social order. Others see big philanthropy as a dangerous plutocratic influence—an exercise of power by the wealthy that is unaccountable (to neither stakeholders nor electorates), non-transparent, donor-directed, and tax-subsidised. 25 30 35
- 5 These criticisms are valid for a proportion of philanthropic practice. Philanthropy can sometimes be more about advancing a self-interested agenda or public relations strategy. However, philanthropy can be a greater force for good. Prevailing views on philanthropy assume that the more people have, the more they give—and this has a mitigating effect on inequality. It can take on important but unpopular issues—as it did on campaigning for the abolition of the slave trade, or, more recently, child marriage. It can take on the issues that governments can, or will, not. 40
- 6 Despite criticisms, more philanthropy is still better than less philanthropy, even if some of the motivations are not entirely altruistic. It can help to bridge some of the social gaps. The root meaning of “philanthropy” is love for humankind. Much more than money, what is critical is the sense of solidarity; the belief in the inter-connectedness between every person. We cannot sit idly by, fretting about how to spend our abundance, when others around us lack 45

the essentials for life. Given that the top 1 per cent wealthiest in the world own about 45 per cent of the total global wealth, there ought to be giving. With the millennials' inclination towards charity, it makes sense to focus on philanthropy. Millennials grew up with smartphones, Snapchat and Facebook. They believe in their responsibility to create change and are optimistic about their abilities. With the ease of sharing came the ease of giving, as well as the expectation to do so. Young people are finding community through causes and activating each other as they do. Riding on this particular wave to address inequality seems a wise thing to do.

- 7 We should expect inequality to decrease somewhat as philanthropy increases. The increase in philanthropy should mean an increase in at least some exemplary foundations addressing inequality explicitly in their grant-making or at least becoming more effective at achieving broad-based impact. Charitable foundations can prioritise the needs of the most vulnerable and support programmes that might not otherwise be available to communities in need. Foundations can directly challenge systemic inequities and fund advocacy or organisation of community. At the very least, philanthropy can serve to direct private wealth to public purposes. It can increase social capital and ease class tensions by putting disparate groups in touch with one another. 60
- 8 The scourge of inequality should be a priority for philanthropy. Inequality is manifested in so many of our social ills: discrimination, poverty, marginalisation. Without focusing on inequality, we are tinkering at the edges of change. Generosity itself is not enough; justice requires discomfort. Inequality cannot be addressed without acknowledging that some of us have substantially more than others, and that this is not solely due to hard work or talent. Recognising what we take for granted in our own lives is a step towards tackling inequality in the wider world. Philanthropy can do more to challenge inequality by investing in individuals, institutions and ideas. This helps to strengthen democracy: vital work such as quality journalism that can spotlight inequalities cannot be funded by government or corporate grants. Moreover, to truly empower people, we have to be willing to take our directive from them, not the powers that be. 75
- 9 Solving inequality directly requires a comprehensive approach; philanthropy is only a small part of the solution. Direct donations can only help for so long. Tackling inequality requires disrupting the underlying structures and policies that cause so many to work without minimum wage. It is hypocritical to exploit workers, destroy the environment, harm consumers, and then claim credit for aid to remedy the damages. Corporations must ask hard questions about how they make money, not just what they do with their surpluses. 80
- 10 In today's climate, empathy is especially important: empathic leaders imagine what it is like to be a financially insecure person, instead of worrying about votes. Actually involving the marginalised in decision-making about issues that affect them is another step in the right direction to address inequality. The dominant recruitment processes have to be democratised and freed from the previous reliance on academic achievement to prove worth. What if a person's knowledge and leadership skills stem from authentic engagement in their community, rather than academic qualifications? Elite recruitment systems are just one way governments and corporations privilege formal credentials over other forms of knowledge, thus exacerbating inequality. The first step to addressing inequality, particularly in developed countries, is acknowledging alternative forms of expertise. 90
- 11 Thus, we should all be modern day Sisyphus, working tirelessly to create a more equal society. Sisyphus refuses to surrender to gravity, just as we should never surrender to the inevitability of inequality.

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