

Assessing the Influence of Public Housing in Singapore

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Abstract: Since 1960, the public housing policy, managed by Housing and Development Board, has been imposed in Singapore to increase the occupancy rate and reduce poverty. Over decades, the influence of the policies is significant, over 80 percent of Singapore's able to live in the government-built flats, and the policy also benefited other sectors such as macroeconomy. Singapore successful story provided a template for many other countries as they share the same problems as Singapore once did: High population inflow, High scarcity of land, etc. Therefore, for years, scholars have been researching on Singapore's case, and many were about the effects relating to economy, race and governance. We searched the keywords including Public Policy in Singapore in Google Scholar and analyzed over 20 academic researches. However, most of the previous studies did not analyze the effects relating to all three sectors.

1. Introduction

One of the most serious problems that all megacities face is the housing problem, the high inflow of population results in high scarcity of housing resources, and in Singapore's case, the government imposed a series of public housing policies that, as a result, about 80 percent of the population's able to reside in the government-built flats [4] Given the fact that Singapore is one of the most densely populated countries in the world, the result is phenomenal. It could be a good lesson for other countries. Singapore has successfully solved the housing problem especially for low-income people through public housing policy.

We searched the keywords including Public Policy in Singapore, Economic Effects, Race, and Society in Google Scholars to read and analyze around twenty academic research articles. The previous studies, including and not limited to Chua's article on race, and Phang's study on microeconomy provided a brief insight of the public housing policies relating to either economy, racial relation, or social safety issues [3], [12]. However, there is little study analyze and discuss the effects of public housing policy in Singapore regarding all of these three sectors.

This paper will provide a review of the impacts of Singapore's public housing policy from mainly three aspects: economy, racial as well as the social effects. We've examined fourteen related academic articles on the individual aspects that were mentioned, as well as other detailed ones, including the household income, macroeconomic performance, race relations and the social governance effects. And the goal of this paper is to review the articles in different fields and combine them with the timeline of Singapore's public housing policy's development to help grant a clearer vision of the influence of the country's public housing policy and what lesson can be learned for other countries.

2. Economic Effects of Housing Policies in Singapore

The housing policy was an economic strategy in Singapore. It helped Singapore shift from depression in post-colonial period to independent industrial economy through modernization [5]. The public housing policy in Singapore greatly reduced income inequality and decreased poverty. The policy also increased the GDP and became a macro-stabilizer in Singapore.

2.1 The Household Financial Situation

The government housing policy greatly reduced the poverty and the income inequality in Singapore. The public policy had the potential for income redistribution [14]. The government provided public housing to people whose monthly income is under S\$800 [12]. In addition, the government reduced the utility bill and tax for the low-income people who live in public housing. The lower income residents were allowed to pay lower utility Bills.

The housing policies did not decrease people's incentive to work and save. For example, there is no unemployment benefit in Singapore, and the public support is only provided for people in social distress [12]. In addition, the government increased the education expenditure, especially on scholarships and bursaries. It supported the low-income people to increase their income by higher education level, and low-income people did not need to worry about the financial burden for the housing price.

Besides income equality, the housing policy also controlled the housing price appreciation. More than ninety percent of people in Singapore owned at least one property to live in [7]. Therefore, the government did not need to be concerned about the housing price appreciation due to the high demand for the house. People also had more incentive to put their effort into innovation.

2.2 Macroeconomic performance under the housing policies

Due to the housing policy, the construction section was the leading section in the GDP growth of Singapore. The growth rate of the construction sector was 0.6% higher than the real GDP growth rate [12]. Therefore, the housing policy greatly increased Singapore's GDP growth.

In addition, the housing policy was a stabilizer in the macro-economy in Singapore [12]. When Singapore faced recession during the 1960s and in early 1970, the government used the public housing policy to increase the employment and household income and recover the economy by HBD construction events. The policy was also a tool for the Singapore government to position itself as a global city through upgrading housing policy [7]. It increased the attractiveness for the global capital to come into Singapore because of the huge economic growth [16].

3. Singapore's public housing policy intersects with racial relations and sexuality

This part will analyze the intersectionality of public housing with racial relations and sexuality. Public housing policies in Singapore have a myriad impact on Singaporean's social life. Public housing provision has long been used by the government as sets of strategies for the management of racial relations [4]. Further, due to its centrality as shelter, housing policies reinforces the state aspirations of heteronormative nuclear family [2]. Plus, the four main goals of Singapore's public housing programs are 1) provision of shelter; 2) stakeholderhood (home ownership); 3) community bonding; 4) building a vibrant community [18]. It will be interesting to examine those purposes in the lens of race and sexuality to determine its fairness in general.

3.1 History of racial segregation

Issues of racial relation derive from the fact that Singapore being a multiracial state, with approximately 76% Chinese, 15% Malay, 7.5% Indians and 1.6% others (as of 2020 Consensus). However, since the very first day when small groups of Malays reached the island till HDB launched their ambitious housing plans, Singapore remained largely a strict racially segregated state.

During the British occupation, ministers designed a segregated urban planning to allocate areas for each racial group, along the Singapore River. The drained area was reserved for the white community.

Malays and other Muslims commonly lived beyond white neighborhood. Areas west of the Malays are allocated to the Chinese, and the Indian town was located further north. However, in the 1840 Europeans, majorly merchants, gradually moved out of congested and unhygienic “urban areas” while preferred living in country villas. The Chinese population took over those places quickly but aroused concerns from the Malays population. The Malays pleaded to the colonial court to ask for reservation rights and retained four pieces of lands reserved for the Malay population [6]. Comparing two the dynamics stirred up by Chinese and Malays, Indians did not participate in the competition until the 1970s.

Beyond the urban area, most of the Singaporeans lived in semi-rural and rural villages (“Kampongs” in Malay), built of timber walls and zinc roofs [6]. Those villages also adopted strict racial segregation which only inhabited by few families of the same race. Despite different races sharing the same “workday world”, their living places remained segregated until the reform brought by the Housing Development Board (HDB) [6]

Racial enclaves that are built and perpetuated often contribute to racial conflicts, especially when race coincides with economic hierarchy: Chinese on the top, Indians the middle, and Malays on the bottom [14]. The disparity of income and ultimately social status fueled the most serious race riots in Singapore history. During 1963-1965, when Singapore was still part of the Malaysian Confederation, the combined numbers of Malays far exceeded the numbers of Chinese and Indians combined. The predominance of political status, therefore, empowered the Malays to address their sallow economic status and seek to redress the past their grievances.

In June 1963, the newly established HDB was authorized to reclaim a piece of land where a few Malay kampongs were located. Agreements were made between Lee Kuan Yew and the Malay community to occupy a whole flat with two-thirds of the commercial spaces [14]. However, further requests were made by the Malays including special licenses, exclusive land reservations, and favorable terms in flats selection. The petitions were rejected by the Singapore government on the basis of equal rights among races. Yet, it was in direct contrast to the Malaysian constitution which was designed to guarantee the prestige of Malays. Coinciding with the event of Prophet Mohammed’s birthday, Malays rallied and broke out fights with Chinese residents. The farces paused as the Singapore government made compromises to suspend resettlement of any Malay community. However, political stability still cannot be reached until Singapore seceded from Malaysia. From then on, Malays in Singapore were deprived of any privileges, and nothing could stop the Singapore government to redesign their country using housing policies.

3.2 Race mixing and its consequences: social and political

The most important task of the HDB was arguably to provide affordable housing to citizens and permanent residents. The monopolistic status achieved by the HDB increased the dependency of Singaporeans, which allowed the government to use housing as a political tool to redistribute population.

Lessons of racial riots in the 1960s convinced the Singapore government the necessity to boost national integrity. Public housing is considered as one of the most important factors [4]. In this way, the objective of both shelter and home ownership must be fitted into a greater context of community bonding, with the aim of building a vibrant community. Beginning in the 1970s, while sticking to the original plan of first-come-first-serve, the HDB tried to allocate new flats while bringing racial concentration under control.

“The Government wanted to achieve this, therefore we intermingled the races by balloting for the HDB flats, and mixing them in the schools. The result is more socializing between our communities [19].”

To countervail the resurrection of racial concentration after lifting the ban on resale, a quota of a maximum of 20% Malays in any housing estate was “administratively and secretly” imposed which was made coined as Neighborhood Racial Limited (NRL) and made public in almost 20 years after [14]. NRL restricted buyers belonging to a particular race that exceeded the quota.

Independent research and HDB provided ample evidence that contributed to both ends of the effect of NRL. Lai argued mixing of different races led to a greater tolerance, if not greater understanding of each other's cultural practices [18]. However, Wong in 1985 suggested that intensive social interactions remained racially exclusive [18]. Plus, according to Tan's research conducted in 1997, about 25% felt that this policy is unfair as they felt people want to live with the same race [18]. However, a more recent study [16], using residential location choice model, showed that though all racial groups demonstrated strong preferences for living with members of their own racial groups, but shapes of their preferences were U-shaped, which indicated people's taste will change from the initial exclusiveness to openness [16]. To unpack how Singaporeans react to racial quotas and ultimately its fairness requires further scrutiny.

The research results above waned the success of NRL. Chua argued this might due largely to religious beliefs. Chinese population was in general religiously syncretic and was frequently converted to Christianity and Hinduism, however, hardly Muslim. The overly populated Malays in Muslim community was one reason of deterring people from other racial groups from entering their sects. Also, Islam injunctions like abstention from pork, which was the main source of Chinese food, served to limit Chinese interact with their Malay neighborhood into simple greetings.

Racial mixing through housing seems to have failed to produce cultural assimilation or homogeneity, however, it was not without value. On the political sphere, the reconstitution of Malay identity forged under NRL successfully prevented the brutalization of the majority in the democratic electoral system. By occupying a considerable seat in every area, relatively, the Malays eliminate the possibility of electing a candidate who appeals exclusively to a particular racial constituency, in most cases the Chinese. The achievement was solidified by the introduction of Group Representation Constituency (GRC) in 1988.

The GRC officially grouped three constituencies into a greater constituency. Three candidates from each political party, within which at least one come from a minority group, will form a team and try to garner the support from the greater constituency. Chua argued the GRC scheme avoided racial politics on community level while ensuring on the national level [3].

3.3 Public housing for LGBT groups and other singles in Singapore

Singapore's public housing system has been a great success, providing most citizens with affordable and decent living environments. It has a significant influence in improving the economic development and social welfare of the city-state. However, Singapore's public housing policy shows a tendency that favors "family units" and discriminates LGBT groups, singles, and other marginalized groups.

Section 377A of the Penal Code states that 'Any male person who, in public or private, commits, or abets the commission of, or procures or attempts to procure the commission by any male person of, any act of gross indecency with another male person, shall be punished with imprisonment for a term which may extend to 2 years.' [20] Section 377A symbolizes the marginalization of the LGBT groups by the state. At the same time, Singaporean state does not have an ideological preference in the matter of LGBT rights. As such, it is willing to pander to both the liberal and conservative segments of society and does so by retaining the anti-homosexuality law (Section 377A of the Penal Code) while promising not to enforce it. Abdullah terms this as "electoral secularism" [1]. Therefore, the Singaporean state is not against LGBT rights, yet its policy still favors the majority to please as many citizens as possible.

The housing policy of Singapore also discriminates certain groups. Prime Minister Lee Hsien Loong once asserted that 'the overall society ... remains conventional, it remains straight' [9]. The HDB's tenancy regulations require the applicant to be over the age of 21 years old and to form 'a family nucleus', which is defined as: the applicant and fiancé(e); the applicant, spouse and children (if any); the applicant, the applicant's parents, and siblings(if any); if widowed/divorced, the applicant, the children under the applicant's legal custody; and, if orphaned, the applicant and single i.e. unmarried, divorced or widowed siblings[8]. As a result, unmarried persons, widowed/divorced persons without children, and single parents who have never been married are excluded from purchasing an HDB flat [11].

Oswin considers the ‘queered’ others are not just the exclusions of gays and lesbians, but also the alienation of a range of figures such as the single mother, the migrant worker, and many others; these figures are not produced by a simple heterosexual-homosexual binary, but by a complex set of cultural logics, and we ought to think of it as the coincidence of race, class, gender, nationality and sexual norms [11].

4. social governance effects of Housing policies in Singapore

There were a variety of concerns relating to high-rise public housing. The government should find ways, such as controlling the price and asset value of public housing and creating incentives for people to monetize their public housing, to deal with these concerns:

4.1 High rise public housing effect

Due to the high growth of population and less land available, the public housing will be higher and higher. There were a variety of problems related to high rise housing. The high-rise and high-density housing would lead to the safety concern of building structure, traffic congestion, and insufficient provisions of facilities [15].

However, at the same time, public housing greatly improved the overall network of urban facilities [6]. The government invested more in expressway and other urban infrastructure with minimum operation and building cost.

4.2 Ways to managing the future issues

In the future, the asset value of public housing should be increased with the increasing cost of living and inflation. However, public housing should still be affordable for people who are new to public housing. The government should increase the incentive for homeowners of public housing to monetize their public property [4].

In addition, investment in housing might cause too much investment in expensive projects without considering the actual needs [14]. Therefore, the government should increase more monitoring efforts relating to the real needs of people, the high-rise housing safety, facilities, and traffic congestion issues.

Table.1. Research Paper Category

No. of papers	Context Category	References
12	Housing policy related to race relations and LGBT groups and other singles (a) history of racial relationship (b) race mixing (c) LGBT groups and other singles	[17;3;10;2;18;7;19;11;9;8;20;1]
7	Economic Influence (a) Housing Policy and Household Income (b) Macroeconomic performance	[12;13;5;6;14;7;16]
5	Potential Future Issues and Solution: (a) High rise housing issues-safety of building structure, traffic congestion, and pricing (b) ways to managing the future issues	[14;3;5;13;6]

5. Conclusion

In conclusion, Singapore’s public housing policy affected mainly three aspects: economy, racial as well as the social effects. The public housing policy increased the GDP and became a macro-stabilizer in Singapore. Public housing provision has also been used by the government as the strategies for the management of racial relations for a long time. Finally, there were a variety of social governance

concerns relating to public housing. For future studies, scholars need to include more aspects into analyzing the influence of Singapore's public housing policy.

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