Poverty in Singapore

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Poverty in Singapore
“Absolute poverty” and “Relative poverty”.

Absolute poverty is defined as the minimum requirements necessary for living in Singapore. This will include how much is needed for food, shelter, clothing and other basic necessities to survive in the country.

Relative poverty is the standard more commonly adopted in developed nations or cities such as Hong Kong and Singapore. Relative poverty refers to how much is required for a certain household to afford the basic necessities to survive in life and also avoid “social exclusion”.

Poverty Line

World Bank defines the absolute poverty line at US$1.25 (S$1.55) a day, and has set it at US$2 a day for middle-class developing countries.

NTUC Secretary-General, Chan Chun Sing was Minister for Social and Family Development and in that capacity, he had explained, “If we use a single poverty line to assess the family, we also risk a ‘cliff effect’, where those below the poverty line receive all forms of assistance, while other genuinely needy citizens outside the poverty line are excluded”.
A study has shown that the working poor in Singapore are not getting enough pay to make ends meet. The “working poor” is defined as someone earning less than half of the average monthly income of a Singaporean, which now stands at S$3,000. Working poor” would be someone who earns less than S$1,500 every month.

"105,000 households earning below $1,500 a month”: – the hidden poor

- 10 per cent of Singapore's resident households, comprising an average of 3.5 members and with at least one working person, earn an average of $1,644.

- average household expenditure on basic needs to be $1,250 a month for a four-person household two years ago.

“A broader definition could better reflect the different needs and provide the different help required by the diverse groups of needy.”


Poverty Eradication

Goal: Poverty eradication
- ensure opportunity and access
- social mobility
Policy approaches

Consumption policy: distribute income for consumption, no savings or assets, meet basic needs, provide maintenance

Asset building policy: promote asset accumulation, focus on savings and investments, create long term planning, develop knowledge and skills, increase personal efficacy and self esteem, increase social status and community participation

Work support policy: temporary benefits in exchange to be prepared to work, reduce dependency and increase employment, reduce child poverty and strengthen marriages
Poverty in Singapore?

What policies are existing in working with poverty in Singapore?
What budget measures will address poverty?
What new policy and programmes would be necessary to eradicate poverty in Singapore?
The “Kueh Lapis” Approach


View video by Chan Chun Sing:
More help for S’pore’s poorest

Revamped assistance scheme to go beyond cash payouts and cover more

By JANICE TAI

SINGAPORE’S poorest will soon get more than cash payouts at the Public Assistance (PA) scheme. The PA scheme undergoes major restructuring to meet their other needs.

From April 1, they will get medical or hygiene consumables – such as adult diapers or multivitamin milk supplements – paid for on top of their monthly cash payouts. Specialised transport services for those who are less mobile will also be covered.

Recipients can claim the expenses or get the items in kind. The move aims to ease certain hefty and recurrent expenses which may take up a large chunk of their monthly allowance.

Currently, community help groups give out such items only on an ad hoc basis because they rely on public donations.

“There is uneven provision of these services in the community and we want to ensure continuity in support,” said Acting Minister for Social and Family Development Chan Chun Sing as he announced the changes yesterday.

The Ministry of Social and Family Development said that while the allowance meets the needs of most PA households, a small but increasing group has special needs and struggles with the costs of essential items.

The scheme will also be expanded to cover more families and give higher payouts. Monthly payouts for individuals are set to go up from $400 to $510 a month, while a family of four will get $1,980, up from $1,650, as announced in the Budget on Wednesday.

More elderly citizens with newly elderly will see their children’s household income cap raised from $1,500 to $1,700.

As of last December, 3,047 households were on the scheme which gives monthly payouts to those who are unable to work and have no family support. A third of these are estimated to be able to claim for expenses on consumables and specialised transport.

Those who need one-time help to pay for items such as a commode or mattress can also apply.

The cash payouts are usually reviewed every one or two years. The last time the rates were hiked was in 2013, when individuals received an extra $40 a month and a household of four had their allowance topped up by $100.

Conversely, they have been cut in the past about the scheme’s strict eligibility criteria and payouts which have been deemed insufficient. The Government intends to allocate more money for the scheme this year with $20 million to be set aside, up from $16 million last year.

Mr Chan said the number of people on PA is expected to increase due to longer life expectancy and a growing population.

PA recipients do not need to apply for the extra assistance. It will be arranged for by their case workers when they believe the people should need it. Most are elderly and live alone in rental flats. Others are low-income families with children and unemployed adults.

They will continue to receive free medical treatment, education and social services.

Mr Anthony Cho, 70, has been getting free consultations at polyclinics but needs a new mattress.

“With the money I save, I can spend on my basic needs such as food. I like to eat fish but it is very expensive nowadays,” said the bachelor who lives in a one-room rental flat in Pippit Road. 

Madam Razlina Mohamad Anis used to spend a quarter of her $400 monthly PA handout on insulin syringes, alcohol swabs and creams as the 56-year-old has diabetes and hyperparasomnia.

“This will definitely ease my worries and burden and I can use the extra money to buy books for her to colour,” said Ms Nazri, children’s Anis, 56, her older brother.

The odd-job worker has been supporting his sister, who also has Down’s syndrome and other medical conditions.

Caring for Our Young

Asset Building:
Will it work?
How does it work?
Child Development Account First Step Grant:

To provide more support to Singaporean parents, the Government will:

New Child Development Account (CDA) First Step grant of $3,000 for all eligible Singaporean children. Parents will automatically receive $3,000 in their child’s CDA.

Those who save more will continue to receive dollar-for-dollar matching from the Government, up to the existing contribution caps.

This will apply to eligible babies born from 24 March 2016.
KidSTART

This is a pilot initiative for parents who may need more support to give their children a good start in life.

More than $20 million will be spent to provide about 1,000 children with appropriate learning, developmental, and health support in their first six years.
Fresh Start Housing Scheme

To help eligible second-timer families with young children in rental housing own their own home, the Government will provide such families with a grant of up to $35,000.

The grant will enable these families to own a 2-room flat with a shorter lease.
Caring for Our Low Wage Workers and Persons with Disabilities

Enhancements to Workfare Income Supplement Scheme ($770 million a year)

The Government will enhance the Workfare Income Supplement (WIS) scheme, which rewards work and supplements the income and retirement savings of older low-wage workers.

• Raise the qualifying income ceiling from $1,900 a month, to $2,000 a month.

• Increase WIS payouts for eligible workers depending on their age and income. Workers will continue to receive 40% of WIS in cash and 60% in CPF.

• Simplify the qualifying criteria for WIS by paying WIS for every month worked. Workers can receive WIS on a monthly basis rather than quarterly.

In total, WIS is expected to benefit 460,000 Singaporeans. These changes will take effect from 1 January 2017.
Supporting Persons with Disabilities at Work

The Government will extend the Workfare Training Support scheme to persons with disabilities, who earn low wages and are under 35 years old.

The Public Service will play its part in expanding job opportunities for persons with disabilities, with support from SGEnable.
Caring for Our Seniors

(C1) Implementation of Silver Support Scheme ($320 million for the first year)

The Government will implement the Silver Support Scheme to supplement the retirement incomes of the bottom 20% of our seniors, with some support also provided to the bottom 30%.

The eligibility criteria include:

• Lifetime wages – not more than $70,000 in total CPF contributions by age 55. Self-employed persons should also have an average annual net trade income of not more than $22,800 when they were between the ages of 45 and 54

• Housing type – live in HDB flats which are 5-room or smaller. For seniors to qualify, they and their spouses should not own an HDB flat which is 5-room or larger, private property, or multiple properties.

• Household support – Average monthly income per household member of not more than $1,100.

Eligible seniors will receive $300 to $750 every quarter, depending on their flat type.
The majority of seniors living in 1- and 2-room flats, and about half of the seniors living in 3-room flats will receive Silver Support. Silver Support will supplement other forms of assistance they may receive from existing schemes, such as Workfare, healthcare subsidies or GST Vouchers.

The scheme will benefit more than 140,000 seniors, and will cost close to $320 million in the first year.

Table 1: Silver Support Payouts

<table>
<thead>
<tr>
<th>Live in</th>
<th>Singapore Citizens aged 65 and above who meet eligibility criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Payout per quarter</td>
</tr>
<tr>
<td>1-2 room HDB</td>
<td>$750</td>
</tr>
<tr>
<td>3-room HDB</td>
<td>$600</td>
</tr>
<tr>
<td>4-room HDB</td>
<td>$450</td>
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<tr>
<td>5-room HDB*</td>
<td>$300</td>
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</tbody>
</table>

*Note: Live in and do not own a 5-room HDB flat
Other Measures Affecting Households

Increase in ComCare Long Term Assistance and Singapore Allowance

The Government will:

• Raise the basic monthly cash allowance of persons on ComCare Long Term Assistance. For example, a two-person household will now receive an additional $80 a month, bringing the amount of cash assistance to $870.

• Increase the Singapore Allowance and monthly pension ceiling for pensioners by $20 per month each – to $300 and $1,230 respectively. This will benefit about 10,000 pensioners.
One-off GST Voucher (GSTV) - Cash Special Payment

To support households amid current economic conditions, the Government will provide a one-off GSTV– Cash Special Payment of up to $200 for eligible GSTV – Cash recipients. In total, eligible households can receive up to $500 in GSTV – Cash in 2016.

The one-off GSTV-Cash special payment will cost an additional $280 million in 2016 and benefit 1.4 million Singaporeans.
Service & Conservancy Charges (S&CC) Rebate

To help households with their general household expenses, the Government will provide S&CC rebates in 2016:

This will cost the Government about $85 million and benefit about 840,000 HDB households.
Building a Caring Society

Business and IPC Partnership Scheme

To encourage businesses to support their employees’ volunteer activities with Institutions of Public Character (IPCs), the Government will introduce a pilot Business and IPC Partnership Scheme.

From 1 July 2016 till the end of 2018, businesses that send their employees to volunteer and provide services to IPCs, including secondments, will receive a 250% tax deduction on associated cost incurred, subject to the receiving IPC’s agreement. This deduction will be subject to a yearly cap of $250,000 per business and $50,000 per IPC.
To further support the work of the Community Chest (ComChest), the Government will provide dollar-for-dollar matching for any additional donations through ComChest’s monthly donation programme, SHARE, over and above the FY15 level. This dollar-for-dollar matching will be for 3 years, starting from April this year.

Businesses which encourage their staff to donate regularly will be allowed to use part of the matching funds to organise Corporate Social Responsibility activities. More details will be provided at the Ministry of Social and Family Development’s Committee of Supply.
Our Singapore Fund

Ground-up initiatives: “Our Singapore Fund”.

- support projects that build the spirit of caring and resilience, nurture our can-do spirit, and promote unity and our sense of being Singaporean.

Fund up to $25m set up by the second half of 2016.
Which of these measures would be useful to you if you are poor?

Depends on who you are:
A. a child, older person
B. person with disability?
C. working?
D. with house or no housing?
Why not give everyone?

Universal Basic Income (UBI)

Money for nothing: Why a universal basic income is a step too far:
Isabel V. Sawhill June 15, 2016

“Money may be needed but money by itself does not cure such ills: provide the disadvantaged with adequate services and support.”

Principles of Singapore’s Social Safety Net

Self-reliance and mutual support in the family
Family as first line of support
Not permanent, unconditional, needs-based social safety net.
Assistance is targeted, and focused on mutual obligation
Encourage individuals to work
Many Helping Hands: government’s safety net as last resort
Policy Challenges

• How to create opportunity but not engender dependency?
• How to be a caring society, and still have a sustainable social service system?
  • How to build the most efficient delivery system, and still involve and engage the whole community?
## Social Development Approach in Singapore

<table>
<thead>
<tr>
<th>Sector/Ministry</th>
<th>Revised $</th>
<th>2015 % Allocation</th>
<th>Estimated $</th>
<th>2016 % Allocation</th>
<th>Change over $</th>
<th>FY2015 %</th>
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<tbody>
<tr>
<td><strong>Social Development</strong></td>
<td>31,936,136,000</td>
<td>46.7</td>
<td>35,755,012,600</td>
<td>48.7</td>
<td>3,818,876,600</td>
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<td>Education</td>
<td>12,100,000,000</td>
<td>17.7</td>
<td>12,800,000,000</td>
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<td>700,000,000</td>
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<td>Health</td>
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<td>10,999,897,000</td>
<td>15.0</td>
<td>1,752,812,300</td>
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<td>Social and Family Development</td>
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<td>2,500,411,200</td>
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<td>264,102,600</td>
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<td>Culture, Community and Youth</td>
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<td>2,011,994,300</td>
<td>2.7</td>
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<td>The Environment and Water Resources</td>
<td>1,702,167,000</td>
<td>2.5</td>
<td>1,925,914,700</td>
<td>2.6</td>
<td>223,747,700</td>
<td>13.1</td>
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<td>Manpower¹</td>
<td>728,343,600</td>
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<td>1,138,051,300</td>
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<td>Communications and Information</td>
<td>585,525,700</td>
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<td>583,156,800</td>
<td>0.8</td>
<td>-2,368,900</td>
<td>-0.4</td>
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</table>
Solving Poverty

Economic measures
Creation of new jobs
Enhanced education and training
Social investments
Human and social capital development
Discussion

Are there the hidden poor in Singapore?

What measures are tried in bringing about greater income equality and social equity?

What policy approaches work best in eradicating poverty in Singapore?