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Singapore housing policies in the 21st century: from state monopoly to privatisation?

Wong Tai-Chee and Xavier Cuillot

Among the newly independent nations in Southeast Asia in the post-war era, Singapore's housing development experience has been unique. Since the 1960s, its land space has been radically transformed into a modern cityscape comparable to any advanced western city. Modern urban public and private housing has 'revolutionised' and replaced the central city slums, and outlying rurality with a comprehensive provision of infrastructure and services. Initially, public housing was introduced to tackle severe housing shortage as a political response to universal "right to housing", and in support of the export-led industrialisation. It has thus served both as a key mechanism of "nation-building", and as a social stabiliser attracting international and local capital investment that has generated high rates of economic growth.

Through the welfare-oriented Central Provident Fund saving system, and concerted efforts of the government, more than 80 percent of Singaporeans are now owners of HDB high-rise apartments distributed extensively in self-contained new towns. Within the "captive market" of HDB estates, a new communal life has been streamlined between residence and work, in a well established and organised network of planned land use, guided by the 1970 Concept Plan. This Plan has since been regularly and systematically reviewed to incorporate new housing demands and the notion of upgrading. This study analyses the evolution of public housing design and services from the 1960s to the 1990s, a period that saw the transition from quantitative to qualitative emphasis. Concomitantly, the corporate management approach of the HDB has made public housing a contributor to the national growth, and a provider for jobs.

With the middle class rising in numbers and greater affluence, the mass-produced public housing has become less appealing to consumers who perceive private housing a representation of greater comfort, status, and better quality of life. Private housing hence turns itself into a central mechanism of a social upgrading process that the developmental government has used to meet demand of expatriates and as an incentive in exchange for political support. In the 1990s, following the various measures taken by the government to facilitate access to private housing, the heated pursuit had however led to spectacular price surge that made access more difficult to many.

In the midst of current worldwide privatisation efforts aimed at raising corporate efficiency and productivity to meet

global challenges of competition, privatising HDB public housing has not appeared to be a real necessity. Several factors explain this interpretation. Firstly, the HDB has been known since the 1970s for its highly corporatised style of management and operation. Secondly, it is important that public housing continues to serve as a quasi-welfare mechanism to the sheer numbers of lower income groups who need to be supported due to their low purchase power. Thirdly, Singapore's state capitalism model has built up a strong system of state enterprises, whose survival and services are closely linked with the ruling party's continued search for mandate and governance. Quality housing investment indeed has been selected as a key area of overseas ventures of state enterprises. Loosening their control may lead to the rise of a challenging private-led socio-political institution, which may seek its own legitimate representation.

Consequently, the official response is likely to further intensify the 'privatised' character of public enterprises to enhance efficiency while maintaining a firm control. In housing, more quality housing including waterfront housing will be placed on the pipeline to satisfy popular demand. Waterfront housing may be seen as an important consumer good that serves the objective of enhancing Singapore's competitive edge in the global economy and satisfying the demand of the upper-end users, both local and international in origin. It is therefore in the context of a general increase of household income, the emergence of a middle class society, and the growing presence of high income foreigners, combined with the rising global economy and culture, that privatization has become part of the housing policy agenda of Singapore. This forms the key approach of the study.

The revised version is now completed after review and has been accepted for publication by a French publisher — 'Les Indes Savants' for 2004 — a forthcoming book.

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