

Mayank Keoliya
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Dr Quek Ser Hwee
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The ‘Upgrading’ of a Nation: A Critique of public housing in Singapore

In this paper, I will analyse the two assigned texts (Goh 2000 and Chua 2015). I will work on with the lens of how the Singaporean state moulds the provision of public housing for economic, political and social goals, and critique the articles based on two underlying themes of ‘lack’: a lack of permanence and security, and a lack of belonging. Public housing in Singapore is exceptional, to the point that notions of public housing as ‘the site of a lack’ are seen as ‘problematic’ in Singapore (Goh 2000). However, as the two texts unearth, the Singaporean system does suffer from ‘lacks’, thus motivating the twin-prongs of analysis. Prior to the thematic analysis, it behooves us to establish the provenance and crux of the texts.

Goh’s article in 2000 analyses the Singaporean state’s “ideologies of ‘upgrading’” in its public housing system. Goh details the state’s ‘explicit’ push to upgrade in two ways: individuals upgrading to bigger and more expensive flats, as well as the city-state upgrading to a ‘global city’. He illustrates visible impacts of this push in a turn to post-modern styles and greater personal expression in Singapore’s ‘built environment’. This transition must ‘negotiate between the two poles of functional affordability and market pricing, of community-building and the individualism of global capitalism’; Goh concludes by wondering whether these would be resolved as the ‘model of governance is refined.’ Interestingly, the article’s theme and analytical inclination is uncharacteristic of both Goh’s research interests in religion, Christianity, narrative and Western classics, as well as his training in literature.

Published 15 years later, Chua’s work deals with a singular claim that the “public housing system has quietly become an ‘asset-based social security system’” for retirement. Chua

holds that that the state, by driving the nation to invest its retirement savings in housing, has created an asset out of a public good, one that is now subject to ever-present inflationary pressure. Chua strengthens Goh's notion of the state balancing 'two poles' by claiming that the state now has to balance 'simultaneous and systemic contradictions' set up by its own policies and incentives; it is an unresolvable matter. He makes sociological inferences from statistics throughout the article.

Lack of housing stability and economic security

Chua notes that Singapore does not experience 'low residential mobility ... and high housing market stability' despite its almost universal home ownership. He posits that this is a result of the transformation of public housing flats into financial assets. The primary causes, he maintains, are the institution of the Central Provident Fund (CPF), and the 'resale market'.

The CPF functions as an 'individualized account with no collectivisation and redistribution.'

It is essentially a mandatory retirement savings scheme (for wage earners only) where withdrawals are tightly regulated by the state. Chua illustrates that since 1968, citizens were permitted to use CPF savings to finance HDB flats, leading to a 'closed loop of financial transactions' which on the surface, benefits home owners by preventing 'additional cash outlay.' Implicit in Chua's argument is the realization that this use of CPF to finance HDB flats is inflationary and serves to proletarianize home owners. It injects otherwise-dormant CPF savings of wage earners into the housing market, thus increasing housing prices.

Combined with the lack of employer CPF contributions for non-wage earners, this creates a strong necessity for workers to remain in regular employment in order to purchase HDB flats. In essence, a sustained loss of employment could end up in ballooning debt and the loss of one's HDB flat as well.

Chua then details the inflationary pressures of the 'resale' market, which peculiarly permits the sale of public goods viz. HDB flats to other citizens *at profit*, in what he terms the 'buy/sell/repurchase cycle.' Home owners were not only allowed to profit, but also benefit from subsidies on repurchasing flats. Chua marks this as the full conversion of public housing to a retirement asset; Goh agrees, pointing out that HDB moved from a 'social welfare organisation' to a mercantile, ideological organisation that fosters "upward mobility among its higher-income *clientèle*" (emphasis mine). This implies that, conversely, low-income

groups are left with older and smaller flats with depreciating leases, and housing instability (Chua).

Increased housing prices perpetuate inequality, as well as a ready constituency of aspiring home-owners whom the state can win over by providing subsidies. The state uses these subsidies to further social and nation-building goals, such as to promote heterosexual families, as well as economic goals of tackling inequality and driving upgradation of material condition. Goh claims that this 'upgradation' is the 'explicit discourse, goals and ideology of both the Singapore government and the HDB.' He offers the case of the prohibition of subsidies for second flats in 1999, with a carved out exception for home-owners who "sell to upgrade to a bigger flat." He makes an even stronger claim, that 'a significant proportion of households are willing to go counter to the plans for urban development and upgrading.' He follows up with statistics showing that in the period from 1991-95, only a small minority of high-income households upgraded to HUDCs and private properties. This prompts him to speculate reasons behind this conscious rejection of upgradation: safe, crime-free housing, high costs of car ownership, overseas university costs for children, among others.

However, Chua offers a clearer reason, that the low uptake for upgradation is due to reductions in household size, an aging population and volatility in private housing. He maintains that amidst declining fertility, the only reason for upgrading to bigger flats is 'financial gains' since larger flats 'accrue greater capital gains.' Naturally, this leads to a problem of income and wealth inequality. Goh cites statistics that show a widening gap in income-levels of households in least-expensive and most-expensive flats. However, Goh does not seem to account for the fact that the growing inequality in income-levels might simply be due to the 'decrease [in] the number of 1- and 2-room HDB flats constructed'. Essentially, if the lower middle class upgrades from smaller flats, leaving the lower class behind, then there will be an apparent, but not real, increase in inequality in income-levels between residents of least-expensive and most-expensive flats.

Chua points to social consequences of the financialising of housing in claiming that in a bid to recover liquid retirement savings, elderly are often forced to either downgrade to smaller flats, or move in with their adult children and rent-out their flats, a decision permitted in 2003. Goh terms this a 'marginalisation of the elderly' and unmarried residents driven by the emphasis on building larger households for extended family that holds 'core Asian values.'

Chua remarks that monetization via rent is not a consequence of greed, but ‘financial (in)security’ on part of the lease-owners. The renting of flats decreases the supply of resale flats, and thus low-income groups are faced with ever-increasing housing prices to buy flats, or be forced to rent themselves. There is also a loss of entrepreneurial spirit and private initiative which are preconditioned on permanence and security in housing.

Lack of belonging

Implicit in the ideology of ‘upgradation’ of the HDB is that the differential between two classes of housing is reducible to purely material value. It rejects the consideration of non-material or sentimental value. Chua recognizes this, positing that ‘in all these pricing policies, little attention has been paid to the affective investment in the public housing flat as a permanent ‘home.’”. In other words, Singaporeans are pushed to upgrade to multiple houses, instead of embracing one home that they can belong to. For example, the SERS scheme leads to lease-owners upgrading to bigger, newer flats, but at the cost of the demolition of their old estate.

Goh shows that the HDB has privileged state planning over the sentimental and cultural value of homes, with ‘squalid dwellings’ giving way to a ‘well-planned metropolis’. The radical transformation from *kampungs* to mass-basic housing was characterized by ‘unadorned modernist architecture’ and the ‘provision of basic amenities (Goh), which inevitably resulted in a loss of cultural symbols and heritage. It is telling that *kampung* imagery of ‘greenery on their doorstep and panoramic views of the city and surrounding areas’ is invoked by a Minister to justify SERS as ‘attractive and exciting’ (Chua).

However, this process accelerated with the vision to upgrade Singapore to a ‘global city’, which brought with it a ‘post-modern style’ of architecture that matched its economy. It also led to an acceptance of freer expression – private firms were now permitted to design HDB projects, existing estates were given a facelift, flat layouts were allowed to be reconfigurable, and private housing with mixed with public housing. However, as Goh points out, the post-modern style in Singapore was marked with ‘English Tudor, art deco, mission, classical republicanism and Chinese kitsch,’ where all styles barring the latter are foreign, and even the local in bad taste. In other words, postmodern style lacked local or vernacular flavour, with a ‘crisis of authorship’ paradoxically rendering itself antithetical to postmodernism, which

champions the local and rejects the influence of theories and forces such as globalization or capitalism.

Goh suggests that this ‘eroding vernacular style’ might be due to the fact that in terms of physical geography, Singapore has less to draw in its urban identity, since the small city lacks ‘attractive environs’ and has a ‘relatively uniform climate.’ However, one could argue that one of the causes for a ‘flat’ geography and uniform urban identity is the state holding and planning over 55% of the country’s land. The state strongly regulates even public squares, evident in curation for civic discussion through the form of amphitheatres and Speaker’s Corners. It is more of superficial incrementalism than a profound shift to an openness and community ownership which can let belonging take root.

The lack of belonging is closely intertwined with the lack of cohesion, and with divisions in society perpetuated by public housing regulation. For example, non-heterosexual couples and singles are systematically excluded from the benefits of subsidised public housing even though they contribute to CPF and pay taxes. Private and public housing is another fault-line, where the former affords more architectural expression (Goh), the prospect of owning land and larger capital gains and financial security (Chua). Geospatially too, Singapore is divided into estates on the principle of a ‘total environment’ that prevents the need to travel to other parts of the city, and which further cements uniformity. The intense packing of (inequal) socio-economic and ethnic groups in this ‘total environment’ is grounds for tension and differences in perception. Finally, the ‘transactional regulations’ that Chua posits have a bearing on the atomization of the individual. The reason for conscripted soldiers defending the nation is not to defend their fellow men, but to ‘defend ... self-interest in one’s property.’

Thus, driven by ideologies of upgradation and market-capitalism, Singapore’s public housing exposes a lack of permanence and belonging, and ends up falling victim to Castell’s notion of public housing as “‘dependent’ on the economic and ideological direction of the dominant classes’ (Goh).

Declaration

I acknowledge that this research essay is the product of my own work.

All materials consulted have been duly cited and credited.

