

Domain Area: Reinforcing Our Singapore Core

Topic: Frameworks and Infrastructure

Team Number: SG-FI-01

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Background

In 2013, wage stagnation and one of the developed world's highest income inequalities led to the implementation of new social welfare policies such as Workfare (Ng, 2014)¹. The same study also found that 64.45% of low-and middle-income earners in Singapore think that the amount that the country spends on "assistance to poor people is too little". A poll by Blackbox Research in 2022 also showed that 90% of youths and 86% of young working adults feel anxious about the unequal distribution of income.² Hence, the demand for more robust social security nets will likely grow in the following years. This is a demand that the government has responded to by expanding social security nets significantly, as seen in the subsidies of the Pioneer Generation Package and Merdeka Generation Package. Resultantly, more citizens are expected to qualify for aid. As Singapore moves towards digitalisation, application processes for these aid packages are also moving online. This Paper sets out the proposal to streamline this application process and reduce complications incurred.

Stakeholders

The stakeholders that we have identified are 35-55 year olds that are employed with either/both elderly and/or childcare duties. These are people we generally term the "sandwich generation", where adults have to financially support their ageing parents as well as their young children. This problem worsens due to Singapore's heavily declining birth rate and the increasing life expectancy, which leaves every elderly with fewer children to support them. In addition, we are focusing on those who come from single income families, and whose household incomes are less than half the median income of the population. Furthermore, these stakeholders are able to use digital means to apply for financial aid schemes that reduce the burden on their household expenditures.

¹ Ng, Irene Y. H. "Welfare Attitudes of Singaporeans - Ambiguity in Shifting Socio-Political Dynamics." *Social Policy & Administration* 49, no. 7 (2015): 946, 956.

² <https://blackbox.com.sg/everyone/widening-wealth-gap-a-singaporean-worry>

We have identified these stakeholders to be of crucial importance as they reflect the needs of many others in their age range. The financial burden is further intensified for those who earn below the median income, as it becomes more difficult to keep up with rising prices as wages continue to stagnate or even fall. This means that our stakeholders may struggle to live a decent lifestyle if they do not receive the necessary financial aid. In Singapore, the family unit is the basic building block of society. A strong Singapore core made of families is necessary to build a strong and cohesive society, through which we can pass on our values and sense of belonging through generations. These include key values such as meritocracy and multiculturalism. We must thus ensure the continuation of strong and healthy families. This will not be possible if breadwinners are struggling to put food on the table and pay household expenses.

Complications of the application process

Now, the problem does not lie with the government's inability to provide sufficient financial aid to those who need it. Rather, the process of applying is off-putting to many due to the complicated process and how time consuming it is. In the application process, applicants are faced with a plethora of forms to fill, especially when they are applying on behalf of their dependents. For applicants, time is of the essence. They must sustain their jobs – which often require them to work odd or irregular hours – and simultaneously provide physical care for their dependents, on top of other responsibilities. This means that a process that is quick and relatively fuss-free would be optimal.

Streamlining the application process

Hence, we propose that a common database be forged between the Ministry of Manpower (MOM), Ministry of Health (MOH), Central Provident Fund (CPF), Ministry of Social and Family Development (MSF), and Inland Revenue Authority of Singapore (IRAS). This common database will be linked to Singpass. When applicants apply online for financial assistance, all they will have to do is log in to their Singpass, and the available information will be readily auto filled into the application forms they have to complete. This information includes the applicant's last drawn salary, CPF contributions, and the number of dependents they have. It will also include their last date of employment, if relevant.

This provides a one-stop application for multiple family members and schemes, reducing the number of submissions an applicant must make. Not only does it greatly reduce the time taken for applications, but it also simplifies the process and streamlines it for applicants. Social workers can also be trained in data privacy practices to be equipped with practices that will help safeguard applicants' data security. They can undergo a short course or certification to help them understand the importance of data security before they obtain their full licences.

In order to adequately fund this approach, money can be set aside for the implementation of this database. The implementation process of this database can be modelled after an already existing programme called the Singapore Blockchain Innovation Programme (SBIP). This programme brought together Enterprise Singapore (ESG), Infocomm Media Development Authority (IMDA), and the National Research Foundation Singapore (NRF), and was supported by the Monetary Authority of Singapore (MAS). This \$12M programme was implemented in hopes to improve Singapore's blockchain ecosystem and improve on cybersecurity infrastructure.

The successful implementation of such a programme attests to the importance of joint Ministry efforts at solving contemporary problems. As problems continue to become more complex, collaboration between Ministries will pool together ideas and resources to strengthen existing infrastructure and create new solutions.

Possible limitations

This policy will greatly reduce the time involved in financial assistance applications, along with the myriad of complications that follow. Its successful implementation will improve the immediate and long-term wellbeing of recipients. This will also have the added effect of improving general social welfare, as people face better quality of life.

Our group has identified three main limitations to our proposed policy. Firstly, as with all policy implementations, there will be a time lag between the creation of a merged database and current applicants. The time taken to implement the merged database will not be able to benefit current applicants who need financial assistance. However, once it is implemented, it will be able to benefit

many more applicants. Secondly, we foresee a high monetary cost associated with the development of this technology. It may be difficult to justify the cost that goes into developing this database due to the seemingly small target group. But, if this policy becomes successful, it can also be expanded to include people of varying life circumstances and income levels. A widespread implementation following its success will justify the cost incurred for this database.

Lastly, there is a risk of a data security breach due to the centralisation of the data storage location. This, however, is not a huge cause for concern, as it can be fixed with proper guidelines. MAS has Technology Risk Guidelines in place, which can be adapted for this database and further refined by GovTech or other agencies.

While these limitations are valid concerns, they can be resolved or mitigated. This does not detract from the applicability of our proposed solution since the software for auto-filling data will still expedite the document-collecting process.

Conclusion

The above policy proposal highlights the saliency of improving the financial assistance application process, increasing the accessibility of financial aid. The proposed policy not only directly affects the aforementioned stakeholders, but its successful implementation will lead to long-term, widespread benefits. This policy is also especially useful as Singapore progresses in its SmartNation programme, and more of our lives shift online. This proposed solution will ensure that the government service is able to keep up with more sophisticated forms of technology. This will also improve its defence against ransomware attacks and other cyber threats.

Bibliography/reference list

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