Public Housing Program as a Vehicle for Economic and Social Transformation and Effective Political Tool: The Experience of Singapore

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Abstract

The aim of this paper is not to provide readers with a detailed sketch of Singapore’s public housing program. Rather, it aims at depicting and examining how a housing program could be an effective political tool and economic/social incentive for the building of a new city-state. Singapore, which is no longer a part of the Third World, has achieved a rapid and consistent economic growth and social development since its first independence in 1959. A strong political leadership of the People’s Action Party’s (PAP) government has played a critical role in many aspects of national development. Among various development efforts, the public housing program could be served as one of the most prominent examples of the PAP government’s planning and development policy and philosophy. Regardless of its highly-centralized planning and top-down or even authoritarian implementation, the PAP has succeeded in attracting people’s political supports, and Singapore has became the city with one of the most orderly planned housing services as a consequent. Now indeed, nearly 90% of the population is living in public housing estates. What could make possible this unique social experiment, and how could it affect the whole economic and social development of the state? Regarding this, economic, social, and political dimensions of the public housing program will be discussed.

1. Introduction

“The best stake we can give to Singaporeans is a house or a flat, a home. It is the single biggest asset for most people, and its value reflects the fundamentals of the economy” (Goh Chok Tong, Prime Minister of Singapore: Quoted in Beng-Huat 1997).

A city-state nation, Singapore is one of the “miracle” countries achieving a dramatic economic growth and social development, which is no longer a part of the Third World, since acquisition of autonomy in 1959. Its success is characterized by the powerful leadership of the People’s Action Party’s (PAP) government in many aspects of national development. The state has attained a remarkable record in rapid and relatively consistent economic growth. The economy relies heavily on the public sector (60% of GDP) and local private capital produces
only 5% of GDP. Major characteristics of Singapore’s economy are threefold: 1) The great significance of trade for the economy (the amount of trade is three-times larger than GDP); 2) One fourth of GDP comes from multinational corporations, or in other words, foreign direct investment; and 3) Other industries, including tourism and commerce, are also relying on international visitors (Maruya 1995, pp. 1–5).

In Singapore, planning has always been centered around nation building in the senses of physical and socio-economic developments. Indeed, it is what McGee (1972) calls “deliberate urbanization” (Quoted in Perry, Kong, and Yeoh 1997, p. 191.). In this sense, public housing policy is one of the most prominent examples of the government’s planning and development policies. Until the 1950s, like other cities in the Third World, Singapore had been faced with serious housing problems, such as over-crowded slums with large numbers of immigrants and an unhygienic living environment. However, through three decades of their development efforts, Singapore has now become the city with one of the most orderly planned housing services. It restructured not only its physical environment, but also its social system, and perhaps people’s norms. Regardless of the government’s highly top-down planning and somewhat authoritarian implementation processes (especially in terms of land acquisition), it seems that most Singaporeans are positive towards and satisfied with the housing policy, as far as looking at the results of general elections and examining literature by Singaporean authors. For example, a survey in 1981 indicates indeed about 90% of residents of the public housing estates (N=1,200) answered either very or quite satisfied in response to questioners inquiring about public housing and living conditions there, and more than 70% of them answered there are only little or no adverse effects on their financial situation caused by the public housing estate (Tai 1981). The PAP has consistently won almost all seats in the parliament in general elections. For acceptance of such dictatorship of the government by the people without conflicts or disorders, it could be assumed that some other conditions must be satisfied. Some might say that, due to the “smallness and compactness of the island,” Singapore can achieve development successfully in such a short term (Castells, Goh, and Kwok 1990, p. 210). Is that the only reason for the success?

In this paper, I chiefly attempt to depict what role a housing program could play in the entire nation building efforts. I will describe and examine planning process, organizational/administrative schemes, financial aspects, location policy, and people’s reactions. Then, I will present my view on Singapore’s achievement and some implications for housing issues in other developing countries.

2. The Scheme of Singapore’s Public Housing Program

Prior to the independence from Malaysia, the PAP government established the Housing Development Board in 1960, and their public housing program had already launched since then. As the results of the development efforts, during three decades after the independence, the view of the island has been changed dramatically. Scatter towns, old kampung, and traditional colonial-style bungalows were replaced by modern high-rise buildings. Singaporeans call the city the “tropical garden city.” Nowadays, the legend of colonial town is difficult to find, except in historic districts where colonial architecture is preserved. In the
following sections, I will examine the current planning scheme of the public housing program, the progress of development, and the attainments.

2.1 Planning mechanism and the decision making system

In the Master Plan of 1985, the Ministry of National Development itself states,

“planning is necessary to facilitate the optimal use of Singapore’s scarce resources and the resolution of development conflicts ‘in the overall interest of the state for the common good.’ Land use planning has thus been a sine qua non in all government development programmes and a major influence on private developments” (Perry, Kong, and Yeoh 1997, p. 191).

The planning strategy is twofold: (1) to maximize “physical limitations in terms of both size and natural resources” for various development needs including housing, industries, and commercials; (2) to constantly maintain a balance between facilitating economic and urban growth and to provide a good living and working environment” (Tan 1972, p. 2; Cheong-Chua 1995, p. 110: Quoted in Perry, Kong, and Yeoh 1997, p. 191.). Singapore’s housing program and overall planning approaches are center-planned and highly top down. It is characterized by PAP’s strong political leadership at the top level and authoritarian bureaucracy of HDB at the middle level of the national decision making system (Yeung and Drakakis-Smith 1982, p. 230). Perry, Kong, and Yeoh (1997, p. 217) maintains,

“planning goes beyond a question of physical coordination and carries ideological weight: it is firmly interwoven into the pursuit of national goals; it is a panacea to a country disadvantaged by scarce resources and central to Singapore’s economic success; and it is rationalized by the rhetoric of the ‘common good’.”

Based on such a planning philosophy, Under the Planning Act (originally 1960), the following mechanisms direct the state’s housing planning:

1) Cabinet: The highest authority to give approval on the state’s development project budget.
2) The Develop Planning Committee: A working group at the Cabinet level including the Prime Minister and principal ministers which include the Minister of National Development and the Minister of Finance. It deliberates project proposals.
3) The Singapore Planning Department: the government’s central planning authority, which is responsible for actual physical planning of both public and private sector planning proposals.
4) The Master Plan Committee: it consists of principal public works authorities, including the Ministry of National Development, Economic Development Board, Public Works Department, HDB.
5) The Ministry of National Development: Proposals on development planning, including housing programs, deliberated by the Master Plan Committees are forwarded to the ministry, and it gives the final decision.
2.2 The Master Plan and the Concept Plan

The Master Plan is a comprehensive physical land-use and urban development plan, including similar ideas to the Japanese City Plans (“toshi keikaku”), and reviewed every five years since 1958 (1965, 1970, 1975, 1980, and 1985). It provides “the basis for controlling physical development, regulating land values and the levy of development charges (Perry, Kong, and Yeoh 1997, p. 193.). The Master Plan Committee includes Urban Redevelopment Authority and Housing Development board, and the plan is approved by the Minister for National Development.

The Concept Plan is a higher and more long-term plan of the concept of whole physical development of the state, including land use and transport plan, and it shows the direction of the long-term development concept. The first Concept Plan was approved in 1971 (1) and then it was reviewed in 1991.

2.3 Housing Development Board

In terms of national development programs, the PAP government gave housing development the highest priority, as well as industrial development, defense, and education (Castells, Goh, and Kwok 1990, p. 212). In 1960, the Housing Development Board (HDB), as a statutory board, was established aiming at primarily providing public housing facilities to labor class people at lower rates. In terms of the administrative structure of the state government, HDP is primarily under supervision of the Ministry of National Development. However, it is a highly autonomous administrative, planning, and implementing unit of the government (2), unlike the previous SIT, which was replaced by HDB.

2.4 Urban Redevelopment Authority

Originally established as a part of HDB, Urban Redevelopment Board (URA) has been actively involved in the renewal and clearance of slums and squatter towns, and has provided spaces for public development projects. In the 1963 HDB Annual Report, the reason for urban renewal was explained as a “healthier environment for the population of Singapore as well as to make better usage of the land for commercial, industrial, residential and recreational purposes.” And it has been powerfully implemented with dictatorial legislative power.

2.5 Land acquisition and resettlement

HDB has been privileged to acquire necessary land at below market prices from private and state sources. The Land Acquisition Act of 1966 allows the state and its agencies to acquire land in any locality for the purpose of any public use, including housing, commercial, or industrial development programs. This legislation decides that any land may be acquired by the government for the following purposes: (1) any public purpose; (2) any work or an undertaking by any person, corporation or statutory board, which, in the opinion of the Minister of National Development, is of public benefit or of public utility or in the public interest; or (3)
any residential, commercial or industrial purpose (Perry, Kong, and Yeoh 1997, p. 167). A 1973 amendment to the act further empowered the government’s dictatorship of land acquisition. It decided that compensation for the acquired land is either at the market price as of November 30, 1973 or at the date of the gazette notification, and whichever price is lower is used (In response to growing complaints against low compensation for land acquisition, in 1987, the government employed market price in January 1, 1986 as the compensation standard. (Tan and Sock-Yong 1991, p. 31). This legislation allows the government to minimize development costs. Indeed, during the period 1959–1989, approximately thirty percent of the total land of Singapore had been acquired by the government (Maruya 1995, pp. 55–56.). Consequently, 80% of the total land became state-owned land in 1992. This legislation established a rigid control over the land market. In this sense, HDB has served as the landlord for the state in a modern society. Therefore, once the HDB releases its development plan, it almost means that the plan has already been implemented. Instead of compulsory eviction, former residents are given a prioritized right to have flats then constructed there (Iwasaki 1989, pp. 46–47). Yet, while small holders are forced to be relocated without alternative land provisions, different strategies are used for larger landowners, such as domestic and multinational corporations. Various opportunities and incentives for the redeveloping of their lands and estates for commercial use were given, since it was economically and politically, and maybe ideologically, significant for the government to pursue nation building (Beng-Huat 1997, pp. 133–134). HDB also uses another incentive measure for land acquisition and resettlement. In order to convert farmland to more economically productive purposes, HDB stopped the provision of alternative land for farmers, and it provided farmers a cash grant and a priority for allocation of business premises (Castells, Goh, and Kwok 1990, p. 246).}

Although relatively old, a study by Tai Ching-Ling (1981), a sociologist at the National University of Singapore, indicates some interesting figures regarding responses of relocated residents. Among relocatees in the HDB flats surveyed (N=1,200), voluntary relocatees represents 47.3%, and the involuntary relocatees and those not classified as either are 27.9% and 24.8%, respectively. And 79.0% answered that the (current) flat is their own choice, whereas only 6.9% answered it is not their own choice. And 71.6% of them are willing to stay there for the future (Tai, 1981, p. 30). Other figures in the same study indicate that 93.3% of residents answered either “very satisfied” (19.1%) or “quite satisfied” (74.2%), whereas only 5.8% responded “not satisfied (Tai 1981, p. 38).”

In summary, we could see an explicit attitude of the PAP government in their control over the land. As Perry, Kong, and Yeoh (1997, p. 167) maintain, “These controls on private property speculation illustrate the basic philosophy of the PAP government that the good of society collectively is more important than individual rights.”

### 2.6 Funding

In general, Singapore’s public policies are characterized as greater economic controls over the individuals and international investors. The government gives various low tax incentives for foreign investors and domestic exporters, whereas it imposes higher income taxes on individuals and companies. For example, Klein (1986) points out that maximum income tax
rates reach 40%, and a greater portion of national revenues are invested in social overhead capital including public housing (p. 113). Building HDB estates and implementing a New Town development require a huge amount of funding.

There are two forms of financing for public housing: 1) government grants (direct subsides) and loans (interest for home ownership), and 2) income from rent and sales. In Singapore, a scheme called the Central Provident Fund (CPF), which consistently represents about 20% of Gross National Savings, is playing a significant role for the raising of necessary funds for HDB projects. It is a compulsory fund for all employers and employees in Singapore. It decides that about 20% of their salary goes to the fund for the purpose of pension after retirement (Maryuya 1995, p. 18). The greater portion of this fund is utilized for HDB projects (40–70%) (see Figure 1 and 2).

3. HDB Program Activities

3.1 The 1960s

Singapore enjoyed a remarkable rapid economic growth in the late 1960s with an average annual GDP growth rate of about 13% (1965–1971). Successful industrialization decreased the unemployment rate (from 12.3% in 1965 to 4.8% in 1971) with the creation of 140,000 new jobs (Castells, Goh, and Kwo 1990, p. 244). Such a visible effect of economic development was accompanied with a large-scale public housing program (Perry, Kong, and Yeoh 1997 p. 229). However, regardless of such an overall economic success, the population in poverty actually increased throughout the 1960s%. Therefore potential needs for public housing with affordable rent were large.

First Five-Year Program (1960–65):
- 55,000 units provided by 1965.
- One, two, or three-room flats provided with outside neighborhood with basic amenities.

Fig. 1 Trends in Gross National Savings and The CPF Fund
such as shops, playgrounds, clinics.
-23% of the state’s population accommodated.
-The new housing estates located areas near to the most densely populated city center.
-Targeted mainly low-income labor class.
-The basic town planning concept followed the idea of British New Town.

Better quality of housing facilities considered to meet people’s demands.
-More consideration on open spaces, landscaping, parking facilities.
-Introduction of the Home Ownership Scheme by using HDB’s Central Provident Fund (CPF) savings.
-.Created the first two satellite towns: Queenstown and Toa Payoh.
-Much more units provided.

As the result, the average numbers of rooms per household remarkably increased from 0.8 in 1951 to 2.2 in 1970 (Perry, Kong, and Yeoh 1997, pp. 233–236). It could be assumed that this combination of well-performed economic and housing development programs might transplant a certain degree of aspirations for the PAP administration in the people’s mind, especially the poor’s.

3.2 The 1970s

In the 1970s, the Singapore government promoted high technology-based industry as a basis of the state’s economy. HDB tended to be a leader in the construction industry and heavily invested in modern and mechanized construction methods. This decade was a summit in terms of applications for public housing. Also, there was additional improvement in the quality of physical facilities and several incentive programs to promote ownership of
HDB estate.

The Third Five-Year Program and Fourth Five-Year Program:

- 110,000 units completed for the Third, and 131,000 units for the Fourth programs,
- Bigger and better-designed housing facilities: five-room flats, and conversion of some one-room flats into multi-room flats, for example.
- More suburban locations with public transportation services, and new roads and expressways.
- The Residents’ Committees formed, in 1978, to promote communities and to be “a channel” between the government and community for policy explanation.
- Incentive programs introduced for the traditional expanded Asian families to live neighboring each other in the same building.
- In 1974, the Housing and Urban Development Corporation (HUDC), a HDB’s subsidiary, was established to build and provide condominium-type housing for higher-income groups whose income exceeded the HDB income ceiling.

As shown in Figure 3, by the mid-1970s, half of the population came to live in the public flats.

3.3 The 1980s

This was the first decade where the state experienced economic recessions, partly due to excessive investments in public housing and industrial infrastructures, and of course largely due to the rise of other tigers such as South Korea, Hong Kong, and Taiwan. The emphasis on the housing program during this decade shifted to quality from quantity; slums and shantytowns were becoming a story of the past.

The Fifth Five-Year Program and Sixth Five-Year Program:

- Emphasis on creating a character of new towns with a sense of community and belonging.
- Greater non-residential areas in new towns: schools sites and community centers, for instance.
- Upgrading older flats built in the 1960s to satisfy current standards.
- Outer suburban locations, with plans for a Mass Rapid Transportation System (commuter

![Fig. 3 Trend in Household Distribution Housing Types](source: Tai 1981, p. 23.)
train service), which started services in 1987.

- More emphasis on “higher-quality workmanship and finishing and site lay out[44].”

- Old flats demolished.

Importantly, in 1989, a new rule that controls racial compositions of residents was introduced. Racial mix was introduced, both at town and individual-block levels, in accordance with the national racial proportion (Maruya 1995, p. 30).

3.4 The 1990s

HDB actively performed to provide bigger flats with up-to-date living and physical environment with implementation of upgrading or redevelopment programs.

- New projects to upgrade 95% of the existing HDB estates within 15 years began in 1991.

- A compulsory selective redevelopment scheme of old estates around the city center started in 1995.

- A redevelopment plan of selected whole new town from the 1970s was decided.

As we have observed, various improvements in the quality of living have been adopted to enhance the attractiveness of public housing according to changing conditions in a strategic, but relatively flexible manner. In 1995, indeed 88% of the population lived in public housing. Another 10.1% represented private houses and flats, which were mostly for the most-higher income class, while the remaining 1.7% could be assumed to represent housing for the very poor. Also, 90% of the population own the flats or other forms of public housing[15]. Maruya (1995) states that it is remarkable. And although Singapore is under conditions of limited availability of land, like Japan, its living and housing environment is excellent compared to those of Japanese cities (p. 8). However, we must understand that Singapore’s case is unique, and probably few or no countries, besides Hong Kong, could be comparable to it, since there are no industrialized cities or countries, besides Singapore and probably some socialist countries, where nearly all of the population live in housing provided by the government.

4. Discussion: Housing Program in the Context of National Development

4.1 General overview

During the past three and a half decades, Singapore’s economy has remarkably grown, in terms of GDP and Per Capita GNP (see Figure 4). At the same time, other social indicators explain that it has also attained social development significantly, compared with other third world states. For example, the literacy rate has increased from 72.2% in 1970 to 91.8% in 1995. Infant mortality rate (per 1,000 live births) has decreased from 26.3% in 1965 to 4.0% in 1995. Engeles’s Coefficient has also decreased from 45.2% in 1965 to 26.2% in 1995 (Department of Statistics, Ministry of Trade and Industry 1998). The basis of the economy has recently shifted from conventional manufacturing and commerce to high value-added industries such as finance and business services. Under such an economic transition, how has the public housing sector acted for the nation’s economic and social development, and how has
this contributed to the political strength of the ruling party? The following sections examine economic, social, and political dimensions of Singapore’s public housing development.

4.2 Economic dimensions

Allocation of capital-intensive public investment is a critical subject for an effective economic development policy. In this sense, the public housing program in Singapore has performed, not only in improving living standards of the people, but also in raising economic production to some extent.

1) Namely, the construction industry has been significant in supporting the increase of housing and new town development in quantity and quality. For example, during the period 1960–1973, the construction sector grew twenty three percent per year on average. It represented two percent of GDP in 1960, and then it increased to about seven percent in 1973 (Yeung and Drakakis-Smith 1982, p. 228).

2) This also has been creating relatively well-paid job opportunities for people (see Figure 5), even though the actual figure is moderate (the construction sector represented only 5–6% of total employment on average from 1960 to 1994). Castells, Goh, and Kwok (1990) state that public housing construction was used as a deliberately planned tool “to reduce unemployment and to keep the economy afloat” during the periods of the withdrawal of
the British military in the 1960s and several recessions in the mid-1970s and early 1980s. For example, about 30,000 people among those who lost their military-related jobs in the 1960s were absorbed by the housing construction sector (p. 306). It also contributed to the upgrading of labor skills and quality in housing industries and eliminating unskilled jobs by absorbing such labors. Regarding this, in terms of a desirable combination of urban housing and industrialization policies, Currie (1966, p. 103), a Colombian urban economist, maintains, “the objectives of creating new jobs and initiating a new urban housing policy is that both programs need the cooperation of existing urban employees. ...They must show that they can expect some rise in income resulting from increased productivity, promotions in passing to a second or third shift......, and the opportunity to acquire better housing on attractive terms. All these are solid inducements to gain cooperation and acceptance for the new income policy so badly needed to facilitate industrialization.”

3) The government has opened its market to multinational corporations, and kept operational costs low for such corporations to attract them(16). They have consequently brought advanced technological know-how, not only to the construction industry, but also to the entire industry. Thus it could be assumed that this openness would contribute to developing Singapore’ industrial capacities in some ways. One forth of Singapore’s GDP was generated by multinational corporations (Maruya 1995, p. 1).

4) CPF funds, a compulsory savings scheme for all citizens aiming to be utilized mostly for public works, have contributed to the state’s capital formation. According to Castells, Goh, and Kwok, in 1984, Singapore’s savings rate was 42% of GDP. Now indeed, about 60% of GDP come from the public sector (Maruya 1995, p. 1).

5) Since people are heavily relying on CPF funds to purchase public housing, the government has been able to control inflation by controlling the supply of housing and finance (Perry, Kong, and Yeoh 1997, p. 244). Singapore’s inflation for the period 1961 to 1991 was
only 3.4%, which was the second lowest among the eight HPAEs (High Performing Asian Economies) (World Bank, trans. [1993] 1994, p. 112).

6) Lastly and most importantly, the selling prices of HDB flats, especially in the early time, were largely subsidized by the government to keep the prices low, since the primary target was lower-income people. Consequently, the fact that 90% of the population own flats at the present time means that the government subsidies have been used for income redistribution on the scale of the whole state.

However, regardless of these facts, it is not appropriate to assume that the investment in public housing simply leads to a massive direct effect on economic growth. Basically, with the export-oriented industrialization policy with various tax and other incentives for multinational firms and recent policies emphasizing the function as an international financial center, manufacturing, trade, and financial service sectors have been making more visible economic performances, rather than the construction sector. Supplementary, economic growth, which consequently raises people’s income levels, might expand disposable incomes including savings to afford public housing estates. Klein (1986) maintains, “It was that rapid expansion of fixed capital, 1969–80, that led to the explosion of manufacturing facilities, output, and so on in Singapore during that same period” (Klein 1986, p. 108). For instance, between 1960 and 1980, annual growth rates of the total gross domestic fixed capital formation of Singapore are in the range between 12.2% (1977/78) and 28.7% (1979/80) at current market price, and between 10.4% (1978/79) and 19.0% (1979/80) at 1968 market prices (Klein 1986, p. 107). Of course public housing is only a part of the total social overhead capital, comprising residential and non-residential buildings, transport equipment, and industrial and trade facilities. Hence, it could be understood, coincidentally, that public housing and the related sectors have provided some basis for economic success.

In addition, such universal provisions of housing combined with national economic and social development requires a huge amount of funding, as mentioned above. Providing a well-planned urban environment by replacing undesirable scatter housing could provide a lasting social benefit and save a number of social costs for the long run, which may be incalculable (Currie 1966, p. 103.).

4.3 Social dimensions

Ethnic communalism had been fermented for decades under the ethnic segregation policy of the British colonial governments. Even the Chinese majority was divided by more than ten non-inter-communicative dialect groups, indeed (Castells, Goh, and Kwok 1990, p. 312). These complicated ethnic groups were comprised of particular occupation groups, and then consisted of social classes. For a small island country like Singapore, in which its only natural resources are people, regardless of its multi-ethnicity, it can be easily considered that social unity or solidarity is critical for successful national development.

1) Race mixing:

Fundamentally, the compulsory land acquisition policy largely destroyed the racially-
segregated living communities (Castells, Goh, and Kwok 1990, p. 317), and was followed by a racial mixing policy in HDB flats. It thus can be understood that, to some extent, the government policy of racial mixing in public housing estates, which is described above, both at town and at building levels, has affected some aspects of social classes which have been closely related to ethnic segregation. Also, it is difficult to evaluate quantitatively, however, this spatial mixing could be assumed to contribute to developing the people’s feeling of solidarity in the Singaporeans both emotionally and psychologically. It must be addressed that races mixing philosophy in education and employment might also effectively contribute to social integration in tandem with that in public housing.

2) Moderating social classes:

Another significant social effect is moderating or removing social class. The government has actively encouraged people in low/middle-income classes, regardless of their income levels, to own a housing estate in an equal manner. Concerning this point, Beng-Huat (1997) maintains, “The class-specific beneficiaries of the early years of a limited rental public-housing programme were replaced by an abstract definition in terms of ‘maximum income level’” (Beng-Huat 1997, p. 137). Since each building has different sizes of flats (for example, from 3-room to 5-room flats), it also affected mixing the classes. Various community organizations could encourage the mixing process (in senses of class and ethnicity) both compulsorily and maybe uncompulsorily. Since about 90% of the population own housing, it creates “a sense of commitments to Singapore” (Perry, Kong, and Yeoh 1997, p. 245). Regarding this, Castells, Goh, and Kwok (1990, p. 317) maintains,

“The PAP government saw public housing as a mechanism for uniting the people, and the goal of achieving a 100% property-owning democracy as a way to harness the loyalty of the population.”

3) Spatial dispersion of living places:

In addition, the housing program and other development programs, such as road construction and public transportation services, have also changed the spatial distribution of the population, in other words, promotion of suburbanization, as was planned in the original Concept Plan of 1971.

4.4 Political dimensions

Basically, public housing policy has served as an effective tool of social control for the state. Especially in the early years, “public housing provision was held as testimony to the newly elected government’s commitment to bettering the material conditions of Singaporeans” (Chua 1995, p. 131: Quoted in Perry, Kong, and Yeoh 1997, p. 245).

The first general election was held in May, 1959. At that time, as mentioned above, the seriousness of the urban living environment had almost reached its peak. The PAP therefore chose the housing issue as a top priority policy issue for the election and declared the initiation of large-scale housing and urban development programs. Consequently, the party won 43
seats out of 51 in the Parliament. Then, during the next year, 1960, HDB was established. In the initial years, the PAP, a powerful nationalist party, strongly promoted publicity programs, such as housing exhibition tours, on their public housing programs through HDB, with the attendance of the Prime Minister himself sometimes (Tai 1981, p. 17). The PAP emphasized the achievement of their public housing program for the most effective electoral manifesto. As a result, the PAP won all seats in Parliament in 1968. It also won all seats at the following three general elections in 1972, 1976, and 1980.

Opposition parties have always stressed the negative aspects of the PAP’s housing program, such as the “hardships of the people affected by the resettlement scheme” (Tai 1981, p. 18) and “better and more reasonable terms of compensation for the displaced” (The Strait Times, August 28, 1972: Qut din Tai 1981, p. 18). However, this was unsuccessful, since each time PAP candidates quite effectively demonstrated their powerful and efficient capability in handling housing issues.(18).

There is another important instrument for empowering the PAP’s political authority: the People’s Association (PA), which was established in 1960 and chaired by the Prime Minister himself. Equipped with Community Centers (CCs) as local branches, PA promoted various social, cultural, educational, and sports activities at a community level. CCs’ executives are appointed by the PA. The PA manages various sub-committees and other residents’ community organizations. Committee members are basically from local prominent citizens (Castells, Goh, and Kwok 1990, pp. 318–320). Various residents’ community organizations have been formed also under the initiatives of the government, such as Residents’ Committees, or Citizens’ Consultative Committees. They are basically used to boost government’s authoritarian controls over the residents, at a grass-roots level (Castells, Goh, and Kwok 1990, p. 290). Regardless of a general lack of input from the residents in the decision-making system, the government has been able to have some necessary informational feedback by the periodical tenet and household surveys, regular informal visits (Yeung and Drakakis-Smith 1982, pp. 231–232), as well as the creation of community organizations. Pugh (1991) maintains “growth processes carry some important emotional relationships bound up with nation building, senses of accomplishment, pride, and intensities...” (Pugh 1991, p. 837). In this sense, indeed, public housing is, “a symbol of pride, of nationhood, of the political achievement of the People’s Action Party (PAP), and of the political benevolence towards public interest” (Pugh 1991, p. 837).

5. Concluding Remarks

5.1 The uniqueness of the Singapore case

The case of Singapore’s public housing program indicates some interesting implications. To discuss them, first of all, we must understand the unique dualistic nature of housing development in this city-state. First, there is an aspect of city planning. At the very beginning, there was an urgent need for improving the urban environment, especially living conditions. Second, there is an aspect of national development or nation building. As discussed above, the public housing program has served for state as a powerful political means.
for nation building, and it has contributed to national development in many ways both directly and indirectly. The most unique point is these two aspects are indivisible, and interact in a positive manner, due to the nature of the “city-state.” In this closing section, I would like to seek implications for other countries from the latter concern.

5.2 Land reform through housing programs

Most developing countries’ governments have long seen housing needs merely as a social problem, and expected that benefits from economic growth caused by industrial development might “trickle down” to people so that they will be able to afford better housing. Singapore’s view was different. They consider the following: “the need to improve the living environment as a prior condition for economic growth” (Perry, Kong, and Yeoh 1997, p. 228).

It is generally understood that equality in income distribution is essential for a successful economic development. In this sense, land ownership is one of the key elements for attaining income equality. For example, in the case of Japan, a large number of the population before WW2 was poor peasant farmers located in rural areas. They were trapped by a traditional land lord-peasant relationship that was dominant at that time. It was after WW2 that Land Reform was implemented by compulsory pressure from the General Headquarters of the occupation forces (GHQ). On that basis, effective industrial policies and the availability of relatively well qualified labors (most of which were agrarian) fostered through a rich educational tradition could lead to successful economic growth.

In the case of Singapore, of course, effectiveness of export-oriented industrialization policy and a timely shift to high-tech/information sectors might be principal reasons for its economic growth. However, we cannot neglect the role of housing programs to create a basis of equalized distribution of wealth(39). Thus, I understand that the government itself, as the sole land lord of the state, has achieved Land Reform, or social reform, in other words, in its own way through housing programs. As a significant part of the national development policy combined with its industrialization policies, indeed Singapore’s housing program has acted as “an economic contribution generating employment, a force for social equity, a social overhead, and a stabilizer in the cost of living through its rents” (Yeung and Drakakis-Smith 1982, p. 230). When boarding the middle class, or in other words, better income distribution means (industrial) productivity increases, accompanied by improvements in living standards including housing, and so-called successful economic development can take place (Vietorisz and McAdams, 1994).

5.3 The role of public housing development in a comprehensive nation building effort

Then, is the Singapore’s case replicatable in other developing counties? Regarding this question, Yeung and Drakakis-Smith (1982, p. 236) maintain a negative view:

“it is doubtful whether they offer models for metropolitan Asian cities to follow...In brief, housing programmes in Hong Kong and Singapore is attributed to clear urban priorities, high administrative capacity, intensive population planning measures, and the absence of
Generally, I agree with this view. It may be a fact that regardless of its complicated multi-ethnicity, smallness in terms of a physical area and absence of rural areas make the situation relatively simple, and this makes the case unique. If Singapore were remaining as a part of Malaysia, the island city would be filled with a massive number of rural migrants from the peninsula and very likely the PAP government would face difficulties in pursuing its comprehensive urban redevelopment.

Regardless of its unique geo-political situation, if there are some significant points applicable for other developing countries, what are they? Hardiman and Midgley (1989) list two major constraints of public housing—funding and land availability (Hardiman and Midgley 1989, p. 227). For the former, a sufficient income level of people to at least afford public housing is a precondition. Hence, an effective economic development policy must take place with the housing policy at the same time. For the latter, in many developing countries,

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*Fig. 6 Concept Map of Singapore's Public Housing Policy and National Development*
various non-residential purposes of urban land holding, such as owing land for the purposes of prestige, savings, and speculation, are some of the major obstacles for housing development (Hardiman and Midgley 1989, p. 227). Preventing land price speculation is essential to successful public housing development for the long run (Castells, Goh, and Kwok 1990, pp. 326–327). To deal with these, Singapore has chosen, among several possible approaches to these—tax incentives, land nationalization, or the “land banking” (Hardiman and Midgley 1989, p. 227.), a sort of dictatorial approach with political support by the absolute majority of the citizens. However, most importantly, we need to keep in mind that the early initiatives of the HDB housing program targeted chiefly lower-income groups, in other words, the poor. A public housing program cannot solely be the solution for complicated urban development issues or national development issues. It could be effective only when it is combined with other economic and social development plans, including industry, trade, transportation, education, and so forth, in a broader context of entire national development policies with a clear vision of the future. And, when explicit economic and social benefits are assured to the significant majority of the people, they will accept and support the policy (see Figure 6).

Nation building requires cumulative process development (Myrdal 1968: Quoted in Pugh 1991, p. 837). Without consideration about “welfare” in the nation’s plan of economic and social development, any public housing programs cannot be successful. Without well-considered housing programs, the state might see difficulty in pursuing their development effort, since they are indivisible and organically inter-related, especially in developing countries. Singapore’s case also shows the evidence when such conditions are assured; a public housing program can be a powerful and effective political tool for a state\(^{20}\).

Notes

(1) Upon a request from the Parliament of Singapore, the team of UN technical assistance for a comprehensive redevelopment planning of the island came in 1961, and began creating the new Concept Plan in cooperation with Singaporean planners. A unique concept of the Ring City was developed in the earlier years. In the ring development concept, “a ring of population concentrations as self -sufficient communities along the coast connected by freeways which cut through the interior.” And each community is expected to have its own industrial and housing developments, and this would lead to reallocation of the population in the city center to the coastal communities. In 1971, the final Concept Plan was adopted. It was modified significantly from the original concept of the Ring City, but at the same time it also greatly reflected the original concepts (Ben-Huat 1997, pp. 32–36).

(2) Statutory boards are established by special legislation for particular purposes. Unlike government ministries, they have no legal privileges. They budget plan must be approved by a respective minister. Their surplus revenue goes to a reserve or capital fund, and deficits can be covered by government subsidies or loans (Castells, Goh, and Kwok 1990, pp. 219–210.).

(3) In 1993, the compensation-standard year was also renewed (Maruya 1995, p. 58).

(4) With respect to negative aspects of the resettlement policy, Gamer (1972) states the fact that, by suing the case of the Kallang Basin resentment project, in 1964, 82 out of 620
relocated by the HDB were offered neither HDB flats nor alternative rural resettlement plots (p. 114). And he criticizes that “while Singapore’s approach to land use planning is ‘politically astute,’ ‘administratively convenient,’ and produces ‘speedy results,’ it does not have the “long-term merits of solving basic human problems” (p. 131, sited in Perry, Kong, and Yeoh 1997, pp. 218–219).

(5) We must be careful to examine this result. Because their satisfaction is made under the situation that no alternative choice of living was available. If they have “more experience in expressing their wants in social and political processes,” (Pugh 1991, p. 852) the results may vary.

(6) This rate may vary in accordance with economic and financial situation.

(7) Pugh (1991) explains, by using Cheah (1977), about 25% of the population in 1954 was in poverty, and it increased to 34–39% in 1973 (pp. 851–852).

(11) Since 1995, HUDC housing estates has been privatized.
(14) Perry, Kong, and Yeoh 1997, p. 239.
(15) The only people who do not live in public housing are the most-upper class who can afford expensive and private houses or condominiums.
(16) It is reported there are other incentive policies for multi-national corporations which negatively affect labor. For example, the labor legislation of 1968 pays grater attention to creating a favorable investment climate for multi-national corporations by eliminating “collective bargaining by reducing benefits to laid -off workers, cutting bonuses and pay for overtime work...........” (Goldsmith 1987, p. 275).
(17) For example, other non-housing capital formation, such as that of non-residential buildings, transport equipment, and machinery and equipment, show greater growth rate than that of housing during the period between 1969 and 1980. Consequently, the number of manufacturing establishments had increased by six times for the same period (Klein 1986, pp. 107–108).
(18) At the 1984 general election, the PAP lost 3 seats to the opposition parties. It has been a problem that the HDB bureaucracy at any level indicates negative symptoms such as corruption, poor staff morale, and repressive management by HDB due to over-bureaucratization (Castells, Goh, and Kwok 1990, p. 325). Partly in response to this, the PAP established new community organizations called the Town Councils (TCs) in 1988, with a passage of the Town Council Act. It makes possible an open dialogue between residents (town councilors) and parliament members (heads of the councils) institutionally. However, it could be understood that it is a tool for the government to have residents’ real interests, including negative information (Perry, Kong, and Yeoh 1997, p. 2437).
(19) The ratio of top to bottom 20% of household, in terms of income distribution, has decreased from 16.03 in 1973 to 11.1 in 1987. Generally, Singapore is in a relatively
better position compared with some other Asian countries and is far better than many African and Latin American countries (World Bank, trans. [1993] 1994, p. 33, p. 237). But it is still behind members of OECD, such as France, Germany, Canada, Australia, and Japan.

(20) For more comprehensive understanding, we must consider a number of external economic and non-economic conditions that make the economic and social development efforts of Singapore (and other East Asian NICs) unique, which have been widely studied and discussed by a number of scholars. Nevertheless, at least, Singapore's public housing program, as a unique form of economic, social, and, most likely, political incentive, could provide us with some interesting implications for third world urban development, planning and national building.

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