

Middle Class in Singapore: Security or Anxiety?

By Elaine Ho, *IPS Executive* and
Varian Lim, *IPS Research Analyst*

The middle class is frequently assumed to be self-reliant, secure and satisfied. However, amidst Singaporeans' concerns over job security, long-term unemployment and income stagnation¹, is that assumption of the middle class in Singapore still valid?

Keeping this question in mind, the workshop entitled "Middle Class in Singapore: Security or Anxiety?" held on 28 November 2014 set out to address some of the issues and challenges faced by the middle class.

This event was jointly organised by the Institute of Policy Studies (IPS) Social Lab, in its second collaboration with the Social Science and Policy (SSP) cluster, one of the eight research clusters under the Faculty of Arts and Social Sciences, National University of Singapore (NUS). The workshop had 73 participants and featured two panel sessions. The first session was moderated by Associate Professor Tan Ern Ser, Chair of SSP cluster and Head of IPS Social Lab, and the second session by the Deputy Head of IPS Social Lab, Senior Research Fellow Dr Leong Chan-Hoong.

Professor Lionel Wee Hock Ann, Vice-Dean of the Faculty of Arts and Social Sciences at NUS set the tone of the workshop in his opening speech by noting the importance of the middle class as an aspirational category for the lower income group so as to maintain the stability in society.

¹ Our Singapore Conversation Survey: Final Report. (2013, Aug 25). Retrieved from <http://www.reach.gov.sg/Portals/0/Microsite/osc/OSC-Survey.pdf>

Healthcare and Politics: Observing the Middle Class

In the first session, Associate Professor Phua Kai Hong of Health Policy and Management at the Lee Kuan Yew School of Public Policy (LKYSPP), NUS provided an overview of the health and social care situation faced by the middle class by sharing insights on the current health and social financing schemes, perceptions on healthcare issues and national health policy suggestions.

He said that although the introduction of MediShield Life in 2015 will address the problem of Singaporeans' healthcare insurance coverage, there are several other gaps in current healthcare policies that could affect the middle class. Particularly, one area that needs attention is the subsidising and financing of intermediate and long-term care, as these are alternatives to hospital-based care, which has been the main focus of current policies. Compared to public and private healthcare facilities, he highlighted the need for more attention to be paid to the voluntary sector, which currently has a limited role in medical care.

He concluded by saying that “we need a new social compact, with the ageing of the population and the rise of our middle class and expectation. We not only want choice, we want affordability. It is a trade-off; something has to go”.

The second speaker of the panel, Ms Ang Yiting, Associate News Editor of *Lianhe Zaobao* at the Singapore Press Holdings, spoke about the political preference of the middle class in Singapore. She argued that the middle class consists of a highly heterogeneous group divided into finer categories. Terming it as “50 shades of white”, with the purity of the colour white representing political favourability towards the ruling party, she said “these variations of white are a perfect illustration of the subtle political inclinations within the middle class”.

Other than using household income as a measure of the middle class, Ms Ang suggested that dwelling type, education level, age, marital status and employment can also be used as

proxies to further sub-divide the middle class. She explained how pre-2011 policies do not uniformly benefit the middle class in these areas, and how the government hopes to address the issue through the implementation of new policies. These new measures include the launching of the Pioneer Generation Package, expanding estate upgrading, extending the Wage Credit Scheme to those with monthly salaries of \$4,000 and below, and allowing singles aged 35 years and above to buy two-room Build-to-Order flats since July 2013.

She summed up the panel session by stating: “There is an inter-play of many factors on the voter. Which factor will induce a bigger effect on the vote will depend on the issue of the day and whether that resonates the most with the voter. Also, the quality of contenders matter and whether the variations of white remain essentially white or deviate to the other extremes of non-white, [which] can be a highly unpredictable case.”

During the first question-and-answer section, a participant asked about the role of non-governmental organisations (NGOs) and voluntary organisations in the provision of healthcare (e.g., a “many helping hands” approach). Assoc Prof Phua replied that there is a need to raise the standards of the NGOs, to professionalise the care provided and for the government to regulate the quality of nursing homes and voluntary activities. “You cannot push it and hope that the voluntary sector will fill in the gap. It is crowded along the long-term care part, but there are some areas that they cannot get into such as the high cost parts and specialised parts.”

Another question raised was if the People’s Action Party (PAP) would lose more seats in the future, as Singapore was leaning towards a more middle-class country and with middle-class voters becoming swing votes. Ms Ang said “we are moving towards a political awakening but it’s too early to tell if we are moving towards a two-party system”.

Middle Class and Social Mobility: Low-Income Families in a Middle-Class Society

Kicking off the second panel discussion, Associate Professor Ho Kong Weng of the School of Economics at the Singapore Management University argued that the middle class is experiencing the middle class “squeeze”, a phenomenon where increases in income fail to keep up with inflation. Using the World Value Survey 2012 dataset, he examined the relationship between class, well-being, national pride and attitudes towards inequality. Through statistical analyses, it is suggested that the middle income “squeeze” occurs in the areas of national pride, sense of belonging, and attitudes towards income equalisation. Assoc Prof Ho surmised that this could be a result of global trends of inequality, high human capital and international competition for talents.

Following that, Ms Petrine Lim Puay Leng, Principal Social Worker at Fei Yue Family Service Centre (FSC), described the role of the FSC and its services for families. Using a case study, Ms Lim illustrated the issues and challenges in helping low-income families that seek help from FSCs in a middle-class society. The standout challenge was in managing the values and expectations of clients. In the case study mentioned, the client and his wife were resistant to the idea of the wife working to supplement the household income, as they held the traditional view that women should be homemakers. It took her almost a year to convince them otherwise, which emphasised the time and effort needed to help such families.

During the second question-and-answer session, a participant raised the idea of an “M-shaped” society, where there is a collapse of the middle class. She mentioned that this is increasingly common in developed countries and asked if Singapore was moving towards that, since recent policies appear to be shifting towards providing more subsidies to the middle class. Assoc Prof Ho said that this would refer to the middle income squeeze. If one were to look at inequality trends throughout the world, the top 1% income group is moving

rapidly upwards. Comparing two types of income, capital income and labour income, he said that capital income is rising quickly while labour (or earned) income is stagnant. Thus, this might likely contribute to an “M-shaped” society.

Another question raised was on the type of help that middle-class families sought from the FSCs. Ms Lim described the current trends of families using their services and noted that increasing numbers of middle-class families were seeking their help for financial, marital and parenting issues. When middle-class families seek help, she said that it is usually a temporary measure and related to counselling issues involving children, marital or credit card debt. While there are some middle-class families that face financial problems, they might not meet the strict criteria of many subsidies such as the Straits Times School Pocket Money Fund, and these families are often referred to other agencies instead.

Conclusion

To encapsulate the above points, the speakers provided a broad picture of the issues faced by the middle class, ranging from politics and healthcare to well-being, the middle income “squeeze” and seeking help from FSCs.

Ultimately, as Prof Wee noted, “If the middle class itself is facing threats of long-term unemployment and socio-economic insecurity, then its value as an aspirational category becomes open to question. Put bluntly, the precariousness of the middle class potentially carries implications for the structure and stability of the society at large.”

Elaine Ho is an Executive and Varian Lim is a Research Analyst at IPS Social Lab, an independent centre for social indicators research.

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