



IMPROVING THE LIVES OF LOW-INCOME AND VULNERABLE FAMILIES IN SINGAPORE

Ministry of Social and Family Development Occasional Paper
November 2018

Executive Summary

- The Government is committed to building a fair, inclusive and caring society, which provides an enabling environment for all Singaporeans to do well and progress.
- Our work to improve the lives of Singaporeans is a continuous endeavour – particularly for low-income and vulnerable families. Addressing income disparity and social stratification remains one of the top priorities for the Government.
- Our social safety net comprises multiple layers of support, with more resources channelled to low-income and vulnerable Singaporeans, especially in the following areas:
 - i. Education as a social enabler;
 - ii. Support to keep Singaporeans employable and uplift wages for the lower-income and broad middle;
 - iii. Extensive subsidies for healthcare and housing;
 - iv. Support for retirement needs; and
 - v. Social and community assistance for low-income and vulnerable groups.
- Under our social compact, the Government ensures access to affordable basic services, creates the opportunities for growth, and provides institutional support and an enabling environment for individuals as they work hard to look after themselves and their families, with support from the community. Where individuals are unable to provide for themselves, such as individuals with disabilities or other health conditions that prevent them from working, the Government has put in place social safety nets, to provide help where family and community support is inadequate.
- In the early years, the emphasis was on self-reliance and individual responsibility. Community support was less coordinated. In the 1990s and 2000s, globalisation and technological shifts led to more uneven income growth. In line with our “Many Helping Hands” approach, we introduced targeted social policies to address the growing income gap and improve social mobility. In the last decade, the low-income and vulnerable have been provided with more holistic support, through close partnership among the Government, community and the private sectors.
- Since 2007, we have taken further active steps to address income inequality and social stratification in the various domains. For example, we have enhanced the accessibility, affordability and quality of preschool education and are supporting parents from low-income families through the KidSTART pilot, so that their children can have early access to health, learning, and developmental support. To mitigate inequalities, we introduced the Workfare Income Supplement Scheme for low-wage workers in 2007 and Silver Support Scheme for the elderly in 2016. The Progressive Wage Model was introduced in 2012 to uplift lower-income workers in sectors vulnerable to cheap-sourcing through a skills-based ladder of pay. We also enhanced housing subsidies to help low- and middle-income families own their own homes.

- Outcomes for the low-income and vulnerable families have improved, and there is some narrowing of the income gap:
 - i. 9 in 10 students from the bottom 20% by socio-economic background progress to post-secondary education today, compared to 5 in 10 students from the bottom 20% 15 years ago.
 - ii. The lower-income group has seen real income growth in the last few years. From 2012 to 2017, households in the lower 50% experienced a higher rate of real income growth compared to households in the top 50%.
 - iii. Workfare has helped to raise the income of low-wage workers. To illustrate, a 60-year-old worker earning \$1,200 a month receives \$300 more through the Workfare Income Supplement, which amounts to a 25% top-up in his monthly income.
 - iv. More than 70,000 resident workers benefitted from higher wages under the Progressive Wage Models in the cleaning, security and landscape sectors.
 - v. While 11.8% of households in the top 20% of households¹ spent more than one-tenth of their out-of-pocket expenditure on healthcare, 5.6% of households in the bottom 20% of households had to do so.
 - vi. 87% of Singaporeans in the bottom 20% by resident household income owned their own homes.
 - vii. 14.3% of Singaporeans born between 1978 to 1982 to families from the lowest 20% in household income made it to the highest 20% in household income.
 - viii. Singapore's Gini coefficient (using OECD's methodology) declined from 0.388 in 2007 to 0.356 in 2017 (after taxes and transfers).
- We must continue to find ways to do better, both by the Government and by the community, through forging stronger partnerships with the community to galvanise whole-of-society efforts and encourage a stronger culture of volunteerism and giving.
- Singapore is at a crossroads. Our economy is maturing and evolving, and our society is ageing. There are significant challenges before us on the economic and social fronts, as the pace of our economic development moderates and demands for social spending increase. Many of our measures have worked well in boosting progress and social mobility, but the same measures now bring new challenges that we need to address, to ensure that stratification is not enshrined and social mobility continues to be spurred. We are committed to safeguarding our social mobility and enabling Singaporeans to develop to their full potential, so that they can do well in life and we progress together as a society and nation.
- We have to adapt our policies in response to changing circumstances and needs, as we learn from past experiences. We will keep studying fresh ideas and approaches, including those from other societies, and try them out where they have promise to help improve Singapore and the lives of Singaporeans. But we must not forget that trade-offs are unavoidable in social policy, and all too often good intentions have led to counter-productive results.

¹ Based on total household expenditure as a proxy for means.

- The Singapore system is not perfect, but it has performed better than most. The key is not just government policy, but a coordinated and integrated approach across our many helping hands, strong family and community support, and also a strong sense of self-reliance and personal responsibility – without which no government effort can succeed. We will endeavour to improve our system without losing the strengths which have served us well and helped build Singapore as a nation.
- We invite everyone from all sectors in Singapore – individuals, groups and organisations – to join hands with us in a collective effort to build a Singapore that we can be proud of, where every person is respected and valued, and no one is left behind. Realising this aspiration is a difficult but worthy endeavour. This is not a nice-to-do, but a national imperative. For in working together to improve the lives of the low-income and vulnerable families of today, we are building the Singapore of tomorrow.

Section 1: Introduction

1. Income disparities have grown in almost all developed economies around the world, with wages stagnating for the broad middle- and lower-income segments. Large globalised cities face significant challenges as their labour markets have to be open and compete with the rest of the world. As both a city and a country, Singapore is open, connected, and exposed to these global forces. Globalisation and technological disruption have also contributed to widening income gaps here.
2. To mitigate the impact of these forces on low-income and vulnerable Singaporeans, we have taken concerted measures to provide opportunities to ensure social mobility, while at the same time provided more targeted support for the vulnerable.
3. Over the past few decades, our policies and programmes have been broad-based and focussed on providing Singaporeans with good educational and employment opportunities, and affordable housing and healthcare, so that they can pursue better standards of living.
4. For those who have fallen on difficult times, we work with the community to provide them with the means to bounce back and regain self-reliance. For those who are more well-off, we encourage them to give back.
5. But mitigating the income divide and sustaining social mobility will become more challenging as our economy matures. For example, the resources that a family has and the advantages and disadvantages they face may be passed on and amplified in the next generation. Addressing social stratification has been and remains one of the top priorities for the Government, as we recognise that what we do will shape our nation and have wide-ranging effects on both our society and our economy.
6. Social stratification and income disparity should also be a key concern for broader society, because underlying this concern are more fundamental issues such as opportunity, social mobility, dignity, social cohesion, sense of fairness, personal sense of well-being, and individual and shared identity. This paper does not seek to discuss each of these comprehensively, but takes the position that any discussion on how we should address social and income stratification requires an understanding of these fundamental issues. It is within this larger frame that we, as a nation and society, should consider our response.
7. We need to continue to moderate the impact of income inequality through our policies, while at the same time ensuring that we have a healthy growth in real household income, particularly at and below the median, and improve social mobility and social mixing.
8. As we transform our economy and create better jobs for Singaporeans, we need to invest in our people and level them up by providing more resources and opportunities for education and work, particularly for the low-income; open up more pathways to success; help workers and Singaporeans cope with life's uncertainties; and improve our social

services to better support the disadvantaged. Ultimately, we aspire to build an inclusive and caring society, where all Singaporeans have opportunities to do well and progress.

9. The rest of the paper is organised as follows:
 - i. Section 2 describes the development of Singapore's social compact and approach to uplifting low-income and vulnerable families;
 - ii. Section 3 focuses on outcomes, and presents trends and data on how lower-income Singaporeans have fared in various domains such as education, employment and income growth, healthcare, home ownership, and overall income disparity and social mobility;
 - iii. Section 4 summarises the Government's plans to further support low-income and vulnerable families; and
 - iv. Section 5 presents our concluding observations.

Section 2: Development of Singapore’s social compact and approach to uplifting low-income and vulnerable families

10. As a nation, we aspire for all Singaporeans across backgrounds to be able to improve their lives, and look to the future with optimism.
11. Our social compact has evolved alongside our development as a nation.

Phase 1 (Early Years)

12. In the early years of nation-building, the focus was on survival. The Government developed a viable, competitive economy, built up our defence capabilities, and provided basic education, housing, and healthcare for the masses. Economic growth created employment and led to broad-based improvements in living standards. There were significant achievements in both income growth and educational attainment, where it was not unusual for children from humble backgrounds to attain high levels of education and income.
13. During this period, social assistance was very basic and there was a strong emphasis on self-reliance and individual responsibility. Individuals worked hard to support themselves and their families to the best of their efforts and abilities. Community support was ground-up and localised.

Phase 2 (1990s to mid-2000s)

14. In the 1990s and early 2000s, Singapore developed into a knowledge-based economy. Increasingly volatile global markets, technological shifts and labour mobility led to uneven income growth and widening income gaps. The Government introduced significant social policies to temper income disparity and sustain social mobility, such as Edusave and MediFund in 1993, and Central Provident Fund (CPF) Housing Grants in 1994.
15. Our social compact broadened – in addition to creating opportunities for individuals to seize, there was a greater sense of collective responsibility² where “the able can do very well, and we can use some of the wealth generated by them to subsidise and help the less able”³. ComCare was launched in 2005 as the major plank of social assistance focusing on helping the low-income gain self-reliance, helping children from low-income families break out of the poverty cycle, and assisting those who need long-term support, including the elderly without family and persons with disabilities. In terms of community support, we adopted the “Many Helping Hands”⁴ approach.

² This “new social compact” was articulated by then-Prime Minister Goh Chok Tong in his 2001 National Day Rally speech.

³ Source: Prime Minister Goh Chok Tong’s National Day Rally 2001, 19 Aug 2001.

⁴ The concept builds on the philosophy that bonds are built when the able and better-off help the less able, creating social networks and social capital. Through these caring acts, compassion is demonstrated and there is less distrust and divide among various segments of society who will experience differential improvements from progress. It is also based on the values of mutual help, reciprocity and giving to society. The “Many Helping

Phase 3 (late-2000s to present)

16. Since 2007, the Government has stepped up its active efforts to mitigate the widening income gap and support the low-income. With globalisation, technological advancements and demographic shifts such as shrinking family sizes and our ageing population, the Government recognised that individual and family efforts were sometimes not enough, and the Government and the community had to play a bigger role in these instances. This was articulated by Prime Minister Lee Hsien Loong during the 2013 National Day Rally Speech as “our new way forward”.
17. The Government expanded support in key domains critical to a person’s well-being, such as housing, employment, retirement adequacy and healthcare, in a deliberate and systematic manner. For example, the introduction of the Workfare Income Supplement (WIS) in 2007 was a major expansion of our institutional support to encourage work and responsibility. Targeted at low-wage workers who were vulnerable to wage stagnation, its objective was to supplement their wages and CPF savings, provided they continued to work consistently. This was a deliberate measure to mitigate income inequality. Progressive housing subsidies such as the Additional CPF Housing Grant (AHG) and Special CPF Housing Grant (SHG) were introduced in 2006 and 2011 respectively to provide greater assistance to lower-income households. The progressive structure of our housing grants and subsidies has contributed to the high level of home ownership rates, including among lower-income households. New programmes were introduced to provide additional support, including the GST Voucher Scheme⁵ in 2012, Pioneer Generation Package⁶ in 2014, MediShield Life⁷ in 2015, and the Silver Support Scheme⁸ in 2016. Social transfers from the higher to the lower income segments of society were increased, further enhancing the progressivity of our tax and transfers regime.
18. Major efforts were also undertaken to improve social service delivery and increase accessibility to Government programmes and support schemes. A network of 24 Social Service Offices was set up by MSF between 2013 and 2015 to provide more accessible and coordinated assistance to low-income families in need. The Pioneer Generation Office⁹ was established in 2014 to train and deploy volunteers to better reach out to seniors in the community. Social and health services for the elderly were also consolidated under the Ministry of Health (MOH) in stages from 2013 to 2018, to allow better planning and coordination of services to support our rapidly ageing population.

Hands” include the state, voluntary organisations that serve the social needs of communities, the boards or organisations that take care of governance, volunteers, staff, donors and funders.

⁵ The permanent GST Voucher Scheme was introduced by the Government in Budget 2012 to help lower-income Singaporeans. The GST Voucher comprises three components – Cash, MediSave and U-Save.

⁶ The Pioneer Generation Package was launched in 2014 to honour and thank our Pioneers for their hard work and dedication, and to help them with their healthcare expenses for life.

⁷ MediShield Life is a national health insurance scheme that provides lifelong protection for all Singapore Citizens and Permanent Residents against large hospital bills.

⁸ The Silver Support Scheme provides a quarterly cash supplement to seniors aged 65 and older who had low incomes through life and who have little or no family support.

⁹ The Pioneer Generation Office merged into the Agency for Integrated Care in April 2018, and was renamed the Silver Generation Office.

19. The Government forged stronger partnerships with the community. In 2016, the SG Cares movement was launched to encourage a stronger culture of volunteerism and giving. The Community Networks for Seniors (CNS) programme was piloted to coordinate and synergise government and community efforts for community care to support seniors' health and social needs. Plans are underway to scale up the networks across Singapore.

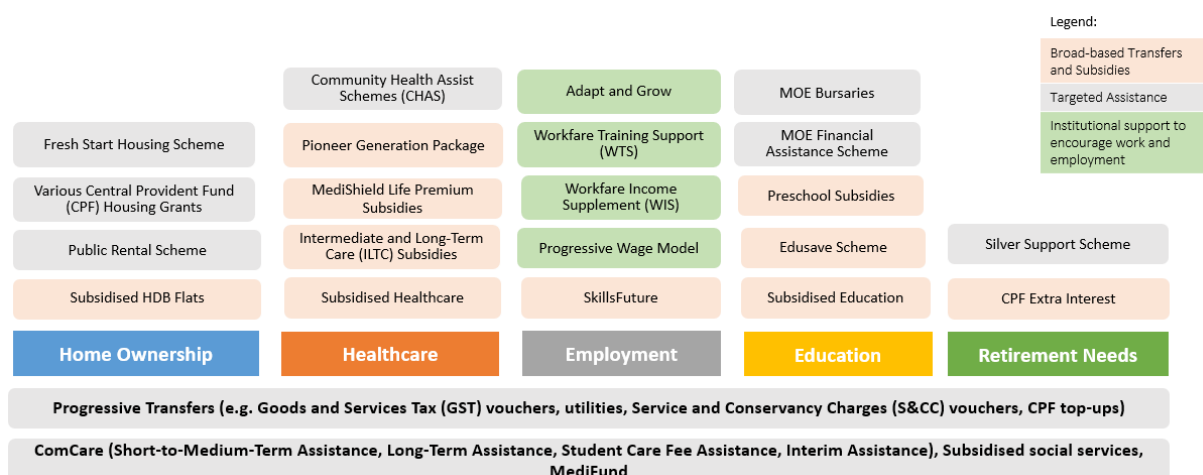
Our Social Compact Today

20. **Under our social compact, the Government ensures access to affordable basic services, creates the opportunities for growth, and provides institutional support and an enabling environment for individuals as they work hard to look after themselves and their families, with support from the community. Where individuals are unable to provide for themselves, such as individuals with disabilities or other health conditions that prevent them from working, the Government has put in place social safety nets, to provide help where family and community support is inadequate.**
21. **The Government has been allocating more resources to the low-income and vulnerable.** About half of our workforce do not pay any income tax, and the low-income and vulnerable receive significantly more in benefits per tax dollar than in other countries. On average, low-income families receive about \$4 for every dollar of tax that they pay. Middle-income families receive \$2 for every dollar in tax paid¹⁰.
22. **Our social assistance framework comprises multiple layers of support** [Figure 1]. Broad-based subsidies and transfers benefit the majority, with more targeted assistance for the lower-income, the vulnerable and those with specific needs. Education subsidies are universal for Singapore citizens¹¹ – no one is denied access to general education or our Institutes of Higher Learning due to financial difficulty, and there is targeted financial assistance that covers residual expenses for children from low-income families. Healthcare and public housing are also heavily subsidised and kept affordable for the broad majority of Singaporeans. There is institutional support to encourage work and employment – keeping Singaporeans employable and uplifting wages for the lower-income and broad middle.

¹⁰ Source: Ministry of Finance.

¹¹ Primary school students pay a miscellaneous fee of between \$6.50 and \$13 a month, while secondary and pre-university students pay a subsidised total fee of between \$25 and \$33 a month.

Figure 1: Multiple layers of support



23. Our approach is guided by the following principles:
- Those who have fallen on difficult times should be supported, and given the opportunity to get back on their own feet. Individual responsibility comes first, families should be the first line of support to complement individual effort, and the community and the Government should step in where necessary.
 - For those who are unable to help themselves and have no other support (e.g. disabled, medically ill), the Government will provide for their basic needs and, if necessary, give them long-term support.
 - The Government should work with the community to deliver social assistance that is flexible, coordinated and responsive.
24. Our efforts to uplift low-income and vulnerable families broadly comprises five enablers:
- Education as a social enabler;
 - Support to keep Singaporeans employable and uplift wages for the lower-income and broad middle;
 - Extensive subsidies for healthcare and housing;
 - Support for retirement needs; and
 - Social and community assistance for low-income and vulnerable groups.

Education as a social enabler

25. **To ensure that every child has access to quality education and can get off to a good start in life, regardless of family background, we have made major investments in preschool education and our national school system.**
26. We have improved the accessibility, affordability and quality of preschool education. The Early Childhood Development Agency (ECDA) has increased the provision of quality and affordable preschool places through the Anchor Operator and Partner Operator schemes. The Ministry of Education (MOE) has set up MOE Kindergartens. Childcare and kindergarten subsidies have also been enhanced. Low-income families receive substantial subsidies for early childhood services, and may pay as little as a few dollars a month to enrol their child in full-day child-care.

27. Beyond preschool, broad-based subsidies at all levels of schooling are complemented by substantial education bursaries and targeted assistance schemes. For example, MOE provided financial assistance to approximately 51,000 students in 2017, under the MOE Financial Assistance Scheme (FAS). MOE FAS is regularly reviewed. The most recent adjustments were in 2018, when MOE enhanced the MOE FAS and increased the meal provisions for secondary school students from low-income households under the School Meals Programme.
28. MOE provides additional support for academically weaker students. A range of levelling-up academic programmes are available for students who do not have basic English literacy and numeracy skills. Additional after-school support is provided for students through school-based Student Care Centres (SCCs) at primary levels and After-School Engagement (ASE) for secondary levels. Where places are limited, Student Care Centres give priority to students from low-income families, to provide them with a more structured and nurturing after-school care environment.
29. With rapid technological advancement and disruption to industries and the workplace, we recognise the importance of lifelong learning beyond one's schooling years. SkillsFuture was introduced to provide opportunities for working adults to stay relevant amidst economic and technological disruption, develop to their fullest potential, and advance in their career through lifelong learning and skills mastery. Our Institutes of Higher Learning (IHLs) are key centres for lifelong learning, together with other skills training centres including Workforce Skills Qualification (WSQ) training providers.

Support to keep Singaporeans employable and uplift wages for the lower-income and broad middle

30. Employment provides the best opportunity for individuals to uplift themselves and their families in the long run. Therefore, the **Government actively intervenes to support Singaporeans who want to work, and prepares Singaporeans for better jobs and higher incomes by equipping them with the skills and capacity to adapt.**
31. For example, the Adapt and Grow (A&G) initiative helps Singaporean jobseekers affected by the economic slowdown and restructuring to get back into employment as quickly as possible. SkillsFuture empowers workers to take ownership of skills development. The Government supplements workers' efforts by incentivising employers to upskill their workers.
32. There are broad-based interventions in place to uplift low-wage workers through judicious tightening of Work Permit access to reduce reliance on cheaper foreign labour, as well as periodic raising of the local salary threshold for firms to qualify for Work Permit/S-Pass holders. These help to raise incomes for low-wage local workers. Other interventions include encouraging companies to share productivity gains with low-wage workers (e.g. through Inclusive Growth Programme) and providing National Wage Council Guidelines on recommended annual wage increments for low-wage workers.

33. Sector-specific initiatives, such as the Progressive Wage Model (PWM), set out salary floors and clear progression pathways for workers to earn higher wages as they become more skilled, more productive and take on higher job responsibilities. This was introduced by the National Trades Union Congress (NTUC) to help workers achieve sustainable real wage increases, which commensurate with increases in skill levels and productivity. NTUC has been promoting the adoption of PWM in various sectors, in partnership with industry bodies and relevant Government agencies. In specific sectors, such as cleaning, security and landscaping, PWMs have been implemented using Government levers and regulation to address the prevalence of “cheap sourcing” which led to low and stagnant wages.
34. The PWMs have benefitted 70,000 resident workers in the cleaning, security and landscaping sectors with higher wages and better career progression. Between 2011 and 2016, the real median gross wages of full-time resident cleaners, security guards and landscape maintenance workers increased by 5.7%, 6.4% and 3.0% per year respectively, exceeding resident median income growth of 2.3% per year¹².
35. Low-wage workers are supported through schemes that incentivise work and encourage skills upgrading. The Workfare Income Supplement (WIS) Scheme is automatically disbursed to low-wage workers in the bottom 20% by income percentile, and encourages lower-wage workers to work regularly by providing CPF top-ups and cash supplements. WIS payouts can comprise up to an extra 30% of the worker’s monthly income. To illustrate, a 60-year-old worker earning \$1,200 a month receives \$300 more through WIS, of which \$180 goes to his CPF to build up retirement savings. This translates to a monthly income top-up of 25%. Since WIS started in 2007, \$5.5 billion has been paid to about 830,000 recipients, of which \$3.7 billion went to their CPF for their retirement and \$1.8 billion was given to them in cash to supplement their incomes. The Workfare Training Support (WTS) Scheme complements WIS by encouraging workers to upgrade their skills and improve their employability, and supporting employers to send their workers for training.

Extensive subsidies for healthcare and housing

36. The **Government adopts a multi-tiered approach to healthcare financing to ensure that no Singaporean will be denied access to basic and appropriate healthcare due to financial difficulties.** Means-tested Government subsidies are provided across all care settings – primary healthcare services, public hospital services, and intermediate and long-term care (ILTC). All Singaporeans are also protected against large hospitalisation bills and selected costly outpatient treatments via MediShield Life. MediSave is a mandatory medical savings scheme that helps to further reduce the remaining out-of-pocket expenses. For low-income patients who require further help with the remaining bills, MediFund provides discretionary financial assistance. MediShield Life premiums are kept affordable through premium subsidies to the lower- and middle-income. Our

¹² Source: MOM, Manpower Research and Statistics Division.

Pioneer Singaporeans¹³ receive further support for their healthcare costs for life through the Pioneer Generation Package. They enjoy additional subsidies for outpatient care, special MediShield Life premium subsidies and annual MediSave top-ups.

37. Home ownership is a key pillar of a strong community and gives Singaporeans a tangible stake in the nation. To realise this, **public housing is kept affordable for the broad majority of Singaporeans**, through progressive subsidies¹⁴, concessionary loan interest rates, and accessibility of individuals' CPF savings for home ownership. The Housing and Development Board (HDB) proactively helps households who face difficulties in financing their HDB loan repayments. With extensive housing subsidies, a family earning \$1,500 can pay less than \$100 per month for a 2-room Build-To-Order flat in a non-mature estate, entirely out of their CPF and with no cash outlay required¹⁵.
38. Low-income households with no other housing option and no family support can apply for public rental flats, which are heavily subsidised. In 2016, we introduced the Fresh Start Housing Scheme to help second-timer¹⁶ families with young children living in public rental flats own their own homes. To support vulnerable families, the Assistance Scheme for Second-Timers (Divorced/Widowed) [ASSIST] grants priority to divorced and widowed parents with young children over other second-timer families, when they apply for a 2- or 3-room BTO flat in the non-mature estates. To facilitate the housing transition for divorcees and their children, from March 2018, both divorcees can buy a subsidised flat immediately after the divorce, without one party having to wait three years, as long as they meet the eligibility conditions for purchase separately.

Support for retirement needs

39. The **CPF forms the bedrock of Singapore's social security system, supporting the retirement, healthcare, and housing needs of Singaporeans**. Both employers and employees contribute a percentage of employees' monthly gross salaries to their individual CPF accounts. From time to time, CPF top-ups are provided to assist low-income families and individuals in need. In addition, higher interest rates are applied to the first \$60,000 in an individual's CPF account, giving a boost to the savings of those with lower balances.
40. **The Silver Support Scheme helps the elderly to mitigate inequalities throughout life.** It provides quarterly cash pay-outs to supplement the retirement income of the bottom 20% of Singaporeans aged 65 and above who have low incomes throughout their lives, and have little or no family support, with a smaller degree of support to cover slightly

¹³ These are living Singapore Citizens who were aged 16 and above in 1965 and obtained citizenship on or before 31 December 1986.

¹⁴ Grants such as the Additional CPF Housing Grant and Special CPF Housing Grant are means-tested, with lower-income families receiving larger grants. Lower-income first-timer families buying new HDB flats receive up to \$80,000 in grants, on top of the already subsidised flat price. First-timer families buying resale flats may also receive up to \$120,000 in grants.

¹⁵ This is based on a first-timer family purchasing a median-priced 2-room Flexi flat in 2017, after making a 10% down payment and receiving housing grants of \$80,000, and taking a HDB concessionary loan of 25 years.

¹⁶ "Second-timer families" refer to households who have previously enjoyed one housing subsidy.

beyond the bottom 20%. Since the scheme was launched in 2016, about \$1 billion have been given to more than 170,000 seniors in Silver Support payouts.

Social and community assistance for low-income and vulnerable groups

41. Beyond the various government subsidies and social transfers described above, **we have strengthened our social safety nets and have put in place a network of community agencies and partners to provide targeted assistance to individuals in need.**
42. ComCare is a key component of our social safety net, and is one of many government schemes to support low-income households in meeting their basic living expenses. It complements the role of the family and community in helping the low-income, and is designed to encourage the household to work towards self-reliance where possible.
43. ComCare is disbursed in the form of Short-to-Medium-Term Assistance (SMTA), Long-Term Assistance (LTA), Student Care Fee Assistance (SCFA) and ComCare interim assistance schemes. SMTA provides temporary assistance to help families tide over difficult times, as they work towards improving their financial circumstances. LTA provides long-term support for those that are permanently unable to work due to old age, illness or disability, and have little or no family support.
44. ComCare has been enhanced over the years to better meet the needs of the low-income. For example, the LTA cash assistance rates were increased in 2016. We expanded the criteria and amount of subsidies for SCFA so that more families could benefit in 2016. The network of 24 Social Service Offices (SSOs) islandwide was rolled out from 2013 to 2015 to bring more accessible and coordinated social assistance to Singaporeans. Today, 95% of SSO clients live or work within 2 kilometres of a SSO.
45. When a family steps forward for help, the SSO officer works with the family to understand their needs holistically. These often span multiple domains – health, housing, family-related issues, schooling needs of children, employment concerns and so on.
46. Aside from providing financial assistance, the SSOs facilitate employment assistance for clients who are looking for work or better-paying jobs. Clients with medical needs will be automatically considered for MediFund assistance at all MediFund-accredited institutions, including public healthcare institutions and selected intermediate and long-term care institutions. SSO officers also refer clients to other agencies such as Family Service Centres and HDB, so that clients can receive other forms of support. They link clients up with other community partners, such as foundations and non-profit organisations, to provide clients access to community resources beyond government schemes.
47. ComCare clients receive customised support and a combination of assistance depending on their needs. This covers assistance for living expenses and household bills, such as food, hygiene, rental fees, service and conservancy charges, utilities, transport, clothing,

communications, as well as childcare/student care fees where the household has school-going children. Assistance may be provided in cash or in kind, or a combination of both. While assistance quanta are determined on a case-by-case basis, these are not arbitrary. For the living expenses and household bills, benchmarks have been established based on actual expenditures, expert guidelines and consultations with various stakeholders. These benchmarks are regularly reviewed. Childcare/student care subsidies are means-tested, and the amounts that households have to co-pay can be as low as \$3 per month for full-day childcare at anchor childcare operators and \$5 per month for student care.

48. ComCare is intended to complement and not replace or duplicate support that a household already receives from family, community or other government schemes. A key part of the process therefore involves understanding the sources of income and financial means (including savings, CPF payouts and rental income) and non-monetary support that the family is receiving. This is done for two reasons. First, financial assistance provided under SMTA is calibrated on a case-by-case basis to make up the difference between what the family has and what it needs for basic living expenses. Second, understanding the family's circumstances more holistically allows SSO officers to make the appropriate referrals to other help agencies so that the family can get the full support they may need beyond financial assistance. Financial difficulty is often a symptom of more fundamental issues at play, which if left unaddressed will affect the family's ability to regain stability and independence.
49. While broad guidelines and benchmarks provide SSOs with a starting basis for assessment, each case is assessed individually and SSO officers are empowered to exercise flexibility. For example, officers may assist households who exceed the income criteria on ComCare, or accept clients' declarations in lieu of some required documents where such documents have been misplaced or would require additional expense to secure. In 2017, flexibility was exercised for almost 40% of all approved applications on ComCare. We regularly review our ComCare policies to ensure that the criteria and coverage are responsive to the needs of low-income and vulnerable Singaporeans.
50. **To build up community resources, the Government partners VWOs, charities and social enterprises to provide a range of social services and programmes for the community.** We are a key funder of such social services. The bulk of this funding goes to critical services¹⁷ for vulnerable groups. Services which cater to the most vulnerable, including Family Service Centres¹⁸, Welfare Homes¹⁹, Adult Disability Homes²⁰ and Early Intervention Programmes for Infants and Children²¹, receive the most funding by the

¹⁷ These services span a range of subsectors, including disability, elderly, family, children and youth.

¹⁸ Family Service Centres are community-based social work agencies that provide help and support to individuals and families in need, so that they can better cope with their personal, social and emotional challenges. The services provided include casework and counselling, information and referral, group work and community work.

¹⁹ Welfare Homes provide care, accommodation and rehabilitation for destitute persons.

²⁰ Adult Disability Homes provide long-term residential care for adults with disabilities with no alternative accommodation. Short-term care is also available to give respite to caregivers.

²¹ The Early Intervention Programmes for Infants and Children provide therapy and educational support services for infants and young children with special needs.

Government. Some programmes are also means-tested, so that higher subsidies are provided to those who need them the most. In Financial Year 2017, the Ministry of Social and Family Development (MSF) provided about \$287 million in funding to the sector. This is only a subset of the total spending by the Government on social spending for the low-income and vulnerable, as social sector funding is also provided by other Ministries, such as MOE, MOH and MCCY. For example, we have provided more support for persons with disabilities. Annual spending across ministries for disability-related initiatives is about \$400 million.

51. **To enable VWOs to better meet the needs of clients, the Government invests in building up the organisational capabilities of the social service sector.** For example, the National Council of Social Service administers the VWO-Charities Capability Fund which supports projects to improve VWOs' capabilities in organisational development, productivity and innovation, manpower development, and training. To raise the level of professionalism and quality of leadership in the sector, the Government has set up a centrally recruited and managed pool of leaders via the Sun Ray Scheme, launched competency frameworks for professionals, and introduced SkillsFuture Study Awards for the social service sector.
52. **The Government's social spending as a percentage of GDP has increased significantly over the years, from 5.2% (\$14.3 billion) in 2007 to 8.2% (\$36.9 billion) in 2017. In 2017, the Government's social spending made up half of its total expenditure.** Over the same ten-year period from 2007 to 2017, healthcare spending more than quadrupled, from \$2.2 billion to \$10.5 billion; investment in education went up by almost 70%, from \$7.5 billion to \$12.7 billion; spending in social and family development more than doubled, from \$1.2 billion to \$2.6 billion; and expenditure on national development (including public housing) also doubled, from \$2.1 billion to \$4.4 billion.
53. Overall, resident households (including households with no working person) received \$4,433 per household member on average from various Government schemes in 2017. Resident households in HDB 1- & 2-room flats received \$10,245 per household member on average, more than double the transfers received by resident households staying in other dwelling types²².
54. **We have made our tax regime more progressive.** We put in place a property tax system for residential properties, where owners of more expensive homes, as well as owners of non-owner occupied residential properties, are taxed at higher rates. We further raised the property tax rates in 2013. Today, for instance, the property tax rate for vacant and let-out residential properties ranges from 10% to 20%. In 2018, we raised the Buyer's Stamp Duty such that buyers of residential properties now pay 4%, instead of 3%, on any excess of their consideration beyond \$1 million. In 2015, we raised personal income tax rates, with the greatest increase for higher income earners from 20% to 22%. We further introduced in 2016 a new cap of \$80,000 on the total amount

²² Source: Department of Statistics Key Household Income Trends 2017.

of tax reliefs that individuals can claim to reduce their personal income tax. The top 10% of personal income taxpayers pay about 80% of all taxes collected.

55. For a small, open country like Singapore, our strong work ethic and community support continue to be crucial to our success. Even as we continue to find ways to do better and expand our social assistance schemes, our approach must not erode individual responsibility, the work ethic of our people, and the resilience of our community. Rather, we must take a more holistic and comprehensive approach, to continue to provide the best opportunity for individuals to uplift themselves and their families in the long run.

Section 3: Outcomes and trends and data on how lower-income Singaporeans have fared

56. This section examines trends and data that give an indication of the outcomes of lower-income Singaporeans in areas such as education, employment and income growth, healthcare, home ownership, and overall income disparity and social mobility.

Education

57. Over 90% of Singaporean children aged 5 to 6 years are enrolled in preschool. ECDA works actively with the community to reach out to lower-income families whose children are not attending preschool. Parents from low-income families are supported through the KidSTART pilot launched by ECDA in 2016, so that their children can have early access to health, learning, and developmental support, including preschool. Early feedback from the KidSTART pilot has found that parents feel better supported and more confident in their parenting skills, and are able to engage their child better than before.
58. Under the Programme for International Student Assessment (PISA) test, 15-year-old students from disadvantaged backgrounds²³ in Singapore have performed consistently better than students of similar backgrounds in other developed countries, in terms of reading, mathematics, science²⁴ and other critical soft skills such as collaborative problem solving²⁵. Singapore also has a low proportion of low performers by international standards²⁶.
59. Today, more students from households in the bottom 20% of socio-economic background progress to post-secondary education at Junior Colleges/Centralised Institutes, Institute of Technical Education (ITE) and polytechnics, compared to the 1985 Primary 1 cohort. 9 in 10 students from the bottom 20% progress to post-secondary education today, compared to 5 in 10 students from the bottom 20% 15 years ago. The proportion of students from the top 20% progressing to post-secondary education has stayed consistent at more than 9 in 10 over the past 15 years. The gap between students in the bottom 20% and top 20% of socio-economic background has narrowed over time.
60. Looking more closely at diploma and degree programmes, today, half of the students in the bottom 20% progress to publicly-funded degree or diploma programmes, compared to two-fifths of the students 15 years ago. This has been made possible because of concerted efforts to broaden access to tertiary education.

²³ The Organisation for Economic Co-operation and Development (OECD)'s Programme for International Student Assessment (PISA) defines students from "disadvantaged" home background as those from homes in the bottom 25% of socio-economic status (SES) in their country, which is determined using a composite index that includes parents' education, occupations, and proxies for material wealth such as the number of books and education resources in the home.

²⁴ For reading, mathematics and science, Singapore students have performed consistently better than students of similar backgrounds in other developed countries since 2009.

²⁵ Collaborative problem solving was assessed in the most recent 2015 cycle.

²⁶ OECD defines "low performers" in PISA as students who failed to achieve Level 2 proficiency in the assessed domain (Reading, Math or Science), a proficiency level OECD deems necessary for the students to "participate effectively and productively in life" (OECD, 2010).

61. Students who need help in acquiring basic English Language and literacy skills and basic numeracy skills, regardless of income levels, are supported under the Learning Support Programme (LSP) and Learning Support Programme for Mathematics (LSM) respectively. At the end of two years of support, around 60% of students in the LSP level up in terms of their reading and pass the end-year English Language assessments, and about 45% of students in the LSM achieve basic competencies in numeracy. Students who did not achieve the basic competencies continue to receive support through their schools.

Employment and income growth

62. The Government has expanded employment opportunities for all, including our older workers. The employment rate for residents (aged 15 and over) has risen over the last decade, from 62.5% in 2007 to 64.9% in 2017²⁷. Our older worker employment rate is in the top 10 compared to Organisation for Economic Co-operation and Development (OECD) countries. For workers aged 55-64, the employment rate has risen from 56.2% in 2007 to 67.1% in 2017. For workers aged 65 and over, the employment rate has risen from 14.4% in 2007 to 25.8% in 2017. To this end, WIS has been one of the most effective schemes in encouraging work, especially for older workers. A Ministry of Trade and Industry (MTI) study done in 2014²⁸ found that WIS led to an increase in employment rates of up to 7.3 percentage points, with the highest increases seen among older workers.
63. The lower-income group has seen real income growth over the years. From 2012 to 2017, households in the lower 50% experienced higher rate of real income growth (4.2-4.6% per annum) compared to households in the top 50% (2.2-4.2% per annum)²⁹. Our real income growth rates at the 50th and 20th percentiles have been higher in recent years than in many developed economies. Over the past decade, the lower-income and median households in several developed countries such as the United Kingdom, the United States and Finland, as well as the Asian NIEs (Newly Industrialised Economies), saw negative or low income growth. In contrast, real income for the P20 and P50 Singaporean households both grew by about 40%.³⁰

Healthcare

64. In the last two decades, life expectancy and health-adjusted life expectancy have improved. Timely access to health services has helped to promote and sustain health across all levels. According to the World Health Organisation's (WHO) statistics on service coverage³¹, Singapore performs better than many other developed countries. Highly-subsidised care is very accessible to all Singaporeans, including the lower-income.

²⁷ Source: MOM Labour Force Survey 2017.

²⁸ Source: <https://www.mti.gov.sg/MTIInsights/Pages/The-Impact-Of-The-Workfare-Income-Supplement-Scheme-on-Individuals'-Labour-Outcomes.aspx>

²⁹ Source: Department of Statistics Key Household Income Trends 2017.

³⁰ Source: MOF estimates, Eurostat and National Statistical Offices.

³¹ Service coverage refers to the broad and representative health services that people should be able to access in any country.

65. The Government provides significant financial support for the lower-income in healthcare. Based on a WHO indicator of universal health coverage, around 5.6% of all households in the bottom 20% of households (based on total household expenditure as a proxy for means³²) spend more than 10% of total expenditure on out-of-pocket healthcare expenses³³. In comparison, for households in the top 20%, this is double, at 11.8%. This suggests that healthcare spending is progressive and equitable across all socio-economic groups in Singapore.

Home ownership

66. Progressive housing subsidies supporting home ownership have enabled Singaporeans across different income groups to own their own homes. In 2017, 83% of those in the bottom 10%, and 87% of those in the bottom 20% by resident household income owned their own homes. These figures are significantly higher than those in other cities³⁴, and close to our national homeownership rate of about 90%³⁵.
67. In the last 5 years, about 3,700 households moved out of public rental flats to become HDB home owners, helped by affordable flat prices, significant housing grants, and schemes such as the Tenants' Priority Scheme. The number of households moving out of rental flats to become home owners each year has also been steadily increasing, from about 500 in 2013 to almost 1,000 in 2017. The number of requests for public rental flats has also declined by 44%, from 12,100 in 2013 to 6,800 in 2017.

Income disparity and social mobility

68. Singapore's Gini coefficient³⁶, before taxes and transfers, declined from 0.482 in 2007 to 0.459 in 2017. After taxes and transfers, Singapore's Gini coefficient has declined from 0.439 in 2007 to 0.401 in 2017.
69. We also compare Singapore's Gini coefficient with other developed economies using the OECD method³⁷. Using the OECD method, Singapore's Gini coefficient, before taxes and transfers, declined from 0.438 in 2007 to 0.417 in 2017. After taxes and transfers, Singapore's Gini coefficient declined from 0.388 in 2007 to 0.356 in 2017. Table 1 shows Singapore's Gini coefficient (using OECD's methodology), amongst other economies. The statistics show that Singapore's Gini coefficient, before taxes and transfers,

³² Household expenditure is commonly used as a proxy of household means.

³³ WHO uses an affordability threshold of 10% and 25% of household expenditure, to determine what is considered unaffordable out-of-pocket expenses.

³⁴ For example, the home ownership rates in New York and London are 51% (2017) and 50% (2016) respectively. (Sources: US Census Bureau, Greater London Authority.)

³⁵ Source: Department of Statistics.

³⁶ The Gini coefficient is a summary measure of income inequality. It is equal to zero in the case of perfect equality and to one in the case of total inequality. Singapore's Gini coefficient is reported based on household income from work per household member. This is presented in the "Key Household Income Trends" paper released by the Department of Statistics annually as a 10-year time series.

³⁷ The OECD's methodology seeks to account for economies of scale with regard to household expenditures. It is also known as the square-root scale. See MOF's Occasional Paper on Income Growth, Inequality and Mobility Trends in Singapore (2015) for details.

compares well with many developed economies. Singapore's Gini coefficient, at 0.417 in 2017, is lower than Norway (0.432), Denmark (0.451), United Kingdom (0.506) and United States (0.507) [Table 1A]

70. Singapore's post-tax-and-transfers Gini coefficient of 0.356 is lower than those of countries like the United States (0.391), although it is higher than in many European economies such as Germany (0.293) and Sweden (0.282) [Table 1B].

Table 1A: Comparison of countries' Gini coefficients before taxes and transfers

Country	Gini Coefficient (before taxes and transfers)
Greece	0.566
Ireland	0.545
Portugal	0.536
Spain	0.525
Italy	0.524
France	0.516
United States	0.507
Finland	0.506
United Kingdom	0.506
Germany	0.504
Belgium	0.500
Austria	0.495
Mexico	0.478
Estonia	0.471
Luxembourg	0.467
New Zealand	0.462
Czech Republic	0.460
Slovenia	0.457
Hungary	0.455
Denmark	0.451
Israel	0.440
Canada	0.435
Sweden	0.435
Norway	0.432
Singapore	0.417
Slovak Republic	0.402
Iceland	0.393
Switzerland	0.386
Korea	0.341

Sources: OECD, DOS³⁸

Table 1B: Comparison of countries' Gini coefficients after taxes and transfers

Country	Gini Coefficient (after taxes and transfers)
Mexico	0.459
United States	0.391
Singapore	0.356
United Kingdom	0.351
New Zealand	0.349
Israel	0.346
Spain	0.345
Greece	0.340
Portugal	0.336
Italy	0.333
Estonia	0.330
Canada	0.318
Luxembourg	0.306
Ireland	0.297
Switzerland	0.296
France	0.295
Korea	0.295
Germany	0.293
Hungary	0.288
Sweden	0.282
Austria	0.276
Norway	0.272
Belgium	0.268
Denmark	0.263
Finland	0.259
Czech Republic	0.258
Slovak Republic	0.251
Slovenia	0.250
Iceland	0.246

³⁸ Singapore's Gini coefficient is computed based on 2017 data on income from work among resident employed households. For the OECD countries, it is based on the latest available year of data and household income from all sources among all households: 2014 for Hungary, Iceland, Mexico and New Zealand; 2015 for Austria, Belgium, Canada, Czech Republic, Denmark, Estonia, France, Germany, Greece, Ireland, Italy, Korea, Luxembourg, Norway, Portugal, Slovak Republic, Slovenia, Spain and Switzerland; and 2016 for Finland, Israel, Sweden, United Kingdom and United States.

71. Many of these other countries impose much higher taxes on the working population (especially on the middle-income group), to finance their expansive welfare systems. As a result, the tax burden is high even on low- and middle-income groups. Singapore adopts a different approach of keeping taxes low for the broad middle-income groups so they take home more of their monthly income, and ensuring that taxes and transfers as a whole are progressive. Higher-income households contribute the bulk of the taxes, with the top 20% of households contributing 57% of all taxes paid in 2017. Middle-income and lower-income households are net beneficiaries of the system, with the latter receiving the bulk of the benefits.
72. Singapore has higher social mobility compared to some countries. Based on the 1978-1982 birth cohorts, around 14.3% of those born to families from the lowest 20% in household income made it to the highest 20% by income. This indicates some level of fluidity across income groups. Singapore has fared better in this respect than other mature economies such as the United States and Denmark³⁹.
73. While the Government has played an increasingly proactive role in supporting low-income and vulnerable families, and trends and data on the outcomes of lower-income Singaporeans showed some signs of progress, we must never be complacent about this [Table 2]. With economic and technological disruption and greater levels of economic insecurities, we will continue to find ways to intervene early to help uplift the low-income and vulnerable, and provide assurance to lower-income Singaporeans as they deal with greater uncertainties in life.

³⁹ Source: MOF's 2015 Occasional Paper: Income Growth, Inequality and Mobility Trends in Singapore.

Table 2: Summary of Government’s programmes and outcomes on supporting low-income and vulnerable families

GOVERNMENT’S EFFORTS
<p>Education as a social enabler</p> <ul style="list-style-type: none"> • Accessible, affordable and quality preschool education • Broad-based subsidies and targeted assistance for all educational levels • MOE Financial Assistance Scheme and bursaries • Early childhood development and support for children and parents from low-income families (e.g. KidSTART pilot) • Support for academically weaker students • After-school support through school-based Student Care Centres (SCCs) in primary schools and After-School Engagement (ASE) for secondary levels • SkillsFuture to support lifelong learning
<p>Support to keep Singaporeans employable and uplift wages for the lower-income and broad middle</p> <ul style="list-style-type: none"> • Adapt and Grow initiatives to help jobseekers • Progressive Wage Model to uplift wages in specific sectors • Workfare to encourage work and skills upgrading
<p>Extensive subsidies for healthcare</p> <ul style="list-style-type: none"> • Subsidised healthcare and Intermediate and Long-Term Care • Community Health Assist Scheme (CHAS) • MediShield Life and CareShield Life premium subsidies • MediFund for low-income patients who require further help with their remaining bills • Pioneer Generation and Merdeka Generation Packages
<p>Extensive subsidies for housing</p> <ul style="list-style-type: none"> • Subsidies for public housing • Public Rental Scheme for families with no other housing options • Fresh Start Housing Scheme to help second-timer families with young children living in public rental flats own homes
<p>Support for retirement needs</p> <ul style="list-style-type: none"> • CPF, CPF extra interest and CPF top-ups • Silver Support Scheme to supplement retirement incomes of lifetime-poor elderly
<p>Social and community assistance for low-income and vulnerable groups</p> <ul style="list-style-type: none"> • Social safety nets such as ComCare • Subsidised social services and programmes by the community

Table 2: Summary of Government’s programmes and outcomes on supporting low-income and vulnerable families (continued)

OUTCOMES
<p>Better education outcomes</p> <ul style="list-style-type: none"> • Over 90% of Singaporean children aged 5 to 6 years are enrolled in preschool • 15 year-old Singaporean students perform better in PISA than their counterparts in developed countries • 9 in 10 students from the bottom 20% by socio-economic background progress to post-secondary education today, compared to 5 in 10 students from the bottom 20% 15 years ago
<p>Income has grown</p> <ul style="list-style-type: none"> • In the last five years, households in the lower 50% experienced higher rate of real income growth compared to households in the top 50% • Workfare has helped to raise the income of low-wage workers. To illustrate, a 60-year-old worker earning \$1,200 a month receives \$300 more through the Workfare Income Supplement, which amounts to a 25% top-up in his monthly income • Progressive Wage Models have led to wage growth for more than 70,000 resident workers <ul style="list-style-type: none"> ○ From 2011 to 2016, the real median gross wages of full-time resident cleaners, security guards and landscape maintenance workers exceeded the resident median income growth
<p>Better access to healthcare</p> <ul style="list-style-type: none"> • Singapore performs better in service coverage than other developed economies • While 11.8% of households in the top 20% of household (based on total household expenditure as a proxy for means) spent more than one-tenth of their out-of-pocket expenditure on healthcare, 5.6% of households in the bottom 20% of households had to do so
<p>More own homes</p> <ul style="list-style-type: none"> • 87% of Singaporeans in the bottom 20% by resident household income owned their own homes • Number of public rental households progressing to homeownership doubled between 2013 and 2017, from about 500 to 1,000 • Number of requests for public rental housing fell by 44% between 2013 and 2017
<p>Higher social mobility</p> <ul style="list-style-type: none"> • 14.3% of Singaporeans born between 1978 to 1982 to families from the lowest 20% in household income made it to the highest 20% in household income • This was higher than the corresponding figures for the US (7.5%), UK (9.0%), Denmark (11.7%) and Canada (13.5%)

Section 4: Government's plans to further support low-income and vulnerable families

74. Singapore has made good progress in social mobility and uplifting the low-income and vulnerable in the past 50 years. We must continue to strengthen our collective efforts, ensure that basic needs of all Singaporeans are met, and opportunities remain available for all to develop to their fullest potential.
75. There are three key priority areas that we are working on:
 - i. Investing in every Singaporean, especially the low-income and vulnerable;
 - ii. Providing assurance to deal with life's uncertainties; and
 - iii. Improving our social services.

Investing in every Singaporean, especially the low-income and vulnerable

76. We recognise that one's starting point, in terms of family resources or disadvantages, may be passed on and amplified in the next generation. Hence, the Government will **invest even earlier in our children's educational journey, especially for those from disadvantaged families, to lay a strong foundation for every child, and to strengthen social mobility.**
77. To enable every parent who wants a preschool place for their child to be able to have one, we will continue to increase the number of accessible, affordable and quality places through the Anchor Operator and Partner Operator Schemes. We will also increase the number of MOE kindergartens from the current 18 to about 50 by 2023, which will cater to 1 in 5 children aged 5 and 6 years old. One-third of MOE Kindergarten places will be set aside for children from low-income households living within 1 km of these kindergartens.
78. We will continue to invest significantly in preschool education, with annual government spending projected to double from \$850 million in 2017 to \$1.7 billion by 2022.
79. Early childhood development will increase in importance as a social enabler, and we will continue to explore ways to better support children from disadvantaged backgrounds. Apart from the KidSTART pilot, ECDA is also piloting the Abecedarian Approach⁴⁰ in selected preschools, to provide more opportunities for learning and language acquisition among our youngest children from low-income households in Singapore.
80. To improve the quality of preschool education for our children, the Government is investing to strengthen the career prospects and professional development of our early childhood educators. The establishment of the National Institute of Early Childhood Development (NIEC), which will take in its first batch of students in 2019, is a decisive move to provide unified foundational training across the sector.

⁴⁰ The Abecedarian Approach was developed in the United States, with over 40 years of research to improve the life course of children from disadvantaged families. This approach has also been used in other countries, including Australia and China. Temasek Foundation Cares is providing funding for this pilot.

81. MOE has **provided multiple pathways for students to maximise their potential**. Subject-based banding⁴¹ in the primary and secondary levels recognises that students may have uneven strengths, and provides them with greater flexibility in how much and how fast they learn in different subjects. We recognise that continual skills development is more important than the pursuit of academic qualifications per se. MOE has also made several changes to reduce the over-emphasis of academic results and broaden the definition of success. In 2021, the PSLE T-score will be replaced with wider Achievement Levels, so that students will not be so finely differentiated in their PSLE results. With the expansion of the Direct School Admission (DSA) scheme⁴², students have more options and opportunities to access secondary schools with distinctive programmes that match their areas of strengths and interests.
82. MOE will continue to develop school-based Student Care Centres (SCCs), and is on track to have SCCs in all primary schools by end-2020. Priority is given to those from disadvantaged backgrounds who are at-risk or from families with no alternative after-school care arrangements.
83. To strengthen support for students from disadvantaged families and enable them to achieve their potential, MOE has set up an inter-agency taskforce known as UPLIFT – “Uplifting Pupils in Life and Inspiring Families Taskforce”. UPLIFT will focus on three targeted areas: improving students’ motivation, tackling long-term absenteeism and drop-out rates, and stepping up parent outreach and engagement.
84. We need to **continue to promote more social mixing in schools in a variety of settings**. For example, by expanding the Outward Bound Singapore adventure learning experience across the entire Secondary Three cohort, we will provide an added opportunity for young Singaporeans to appreciate the diversity in our society and the value of one another’s strengths and perspectives, to strengthen social trust.
85. In housing, more help will be given to vulnerable families. Beyond improving the physical environment of our rental flats, we recognise that many rental flat residents face complex and multiple challenges, including financial hardship, caregiving burdens and a lack of family support. We will work towards better understanding the families’ needs and working with each family on a joint plan of action. We will also **help rental families plan for home ownership where possible, by guiding the families to set goals and take steps towards buying a flat**, e.g. through seeking employment, increasing their income and setting aside savings to buy a flat.

Assurance to deal with life’s uncertainties

86. A volatile global environment, the emergence of new technologies and mismatch of job skills may increase the sense of economic insecurity among Singaporeans. For some,

⁴¹ For example, if a student excels in English and Mother Tongue but needs more support in Mathematics and Science, he may choose to take the first two subjects at the standard level and the other two at the foundation level.

⁴² Starting from 2018, secondary schools can take in up to 20% of their non-Integrated Programme Secondary 1 intake via the DSA.

illness and disability may also happen unexpectedly. The Government has thus recently introduced new schemes to help Singaporeans better cope with these uncertainties.

87. To better **support mid-career jobseekers and the long-term unemployed**, the Ministry of Manpower (MOM) and Workforce Singapore (WSG) have enhanced the Place-and-Train programme. This allows more rank-and-file workers to reskill and take up new jobs by providing higher salary support to employers who hire those who are long-term unemployed. Jobseekers, who are trying out and assessing new jobs, may receive higher training allowances under the new Career Trial⁴³. For long-term unemployed jobseekers placed in jobs after the trial, they will receive an additional retention incentive if they remain in the same job for 6 months or more, while their employers will receive salary support.
88. To **ensure that wages of lower-wage workers continue to keep pace with economic and productivity growth**, MOM and NTUC will enhance the Inclusive Growth Programme, which has benefitted more than 100,000 lower-wage workers. MOM is working with tripartite partners to extend the PWM to more sectors, for example lift technicians.
89. The Adapt & Grow initiative has seen positive outcomes. In 2017, more than 25,000 workers were placed in jobs through this initiative, about 20% more compared to 2016. Among those placed in 2017, more than 13,000 were mature workers. Among this group, more than half were older workers aged 50 and above. In 2017, more than 6,600 jobseekers who were long-term unemployed were placed through Adapt & Grow, about 25% more compared to 2016.
90. These measures, together with the SkillsFuture movement to encourage and support life-long learning, will help to uplift lower-income workers and ensure that they continue to progress with the rest of the workforce.
91. Singapore's population is rapidly ageing, and more Singaporeans will need long-term care as they grow old. Hence, the Government will introduce CareShield Life in 2020, a long-term care insurance scheme, to **help Singaporeans prepare for their long-term care needs**. Similar to MediShield Life, premium subsidies will be provided for lower- to middle-income households. In addition, the Government will allow MediSave withdrawals for long-term care, where severely disabled Singaporeans can withdraw cash from their own or their spouse's MediSave to support their long-term expenses. ElderFund was also set up to provide additional support for long-term care needs. These measures serve to strengthen social risk-pooling, facilitate the use of personal and family savings, and provide an additional safety net for long-term care expenses.
92. As the population ages, more Singaporeans will also face chronic medical conditions such as diabetes or hypertension. Thus, the Community Health Assist Scheme (CHAS)⁴⁴

⁴³ Launched in April 2018, the Career Trial is an enhancement of the previous Work Trial Programme.

⁴⁴ CHAS is currently extended to Singaporeans who have monthly household income per person of \$1,800 and below; and households with no income and whose homes have an Annual Value of \$21,000 and below. The

which currently enables Singaporeans from lower- to middle-income households to receive subsidies for primary medical and dental care at participating General Practitioners and dental clinics, will be extended to all Singaporeans with chronic conditions regardless of income. The Merdeka Generation Package will also be introduced to help Singaporeans born between 1950 and 1959 to cope with their medical expenses, through outpatient subsidies, MediSave top-ups, MediShield Life premium subsidies and payouts for long-term care.

93. We will **step up support for low-income and vulnerable seniors**. For example, MOH funds the Senior Activity Centres (SACs) to provide information, referral and support, and engage vulnerable and socially-isolated seniors living in HDB rental flats. Community Networks for Seniors will be rolled out nationwide by 2020, bringing together various stakeholders – government, community partners and volunteers – to promote active ageing, befriend seniors living on their own, and refer vulnerable seniors to appropriate health and social care services. In partnership with the community, MOH will bring vision, hearing and dental screening as well as follow-up care to the neighbourhoods.
94. MSF has introduced the Vulnerable Adults Act to strengthen the adult protection framework. The Act allows the Government to step in and protect seniors and people with disabilities from abuse and neglect. It empowers the State to step in for high-risk cases, e.g. entering private homes to bring vulnerable adults in imminent danger to places of safety such as shelters and disability homes.
95. On a broader level, there are ongoing efforts to **help Singaporeans build up their financial capability**, so that they can plan and actively prepare for their financial needs and better prepare themselves for various uncertainties, from unemployment to medical emergencies. This starts with equipping Singaporeans with the knowledge and skills to build a good financial foundation, right before they start work. MOE and MOM, together with the polytechnics and ITE, are piloting a new Financial Education curriculum for Polytechnic and ITE students.
96. We will also provide guidance and tools for Singaporeans to make better-informed financial decisions at key life milestones, and build up their assets, towards retirement adequacy. HDB is making it easier for home buyers to consider different financing options for their flat purchase, and CPF Board is enhancing its CPF Retirement Planning Service, which includes providing options to enhance retirement savings.
97. Enhancing Singaporeans' financial capability will empower the lower- and middle-income to build up their financial capital and resilience and uplift themselves and their families.

scheme enables Singaporeans from lower- to- middle income households, as well as all Pioneers, to receive subsidies for medical and dental care at participating General Practitioner (GP) and dental clinics.

98. MSF also regularly reviews ComCare coverage to ensure that we continue to meet the needs of low-income and vulnerable Singaporeans. The latest ComCare review is in progress, and is expected to be completed in 2019.

Improving social services

99. The needs of the low-income and vulnerable are often diverse and complex, and they require coordinated help from multiple agencies. Prior to 2013, there were “Many Helping Hands” in the community, but not everyone in need knew where to get the help they needed. This is why we have made significant effort to make help more accessible and coordinated over the past five years. We are continuing and accelerating this effort.
100. **To provide more accessible help to the low-income and vulnerable, MSF, together with other government agencies, will strengthen social service delivery across five key thrusts.**
101. First, we will ensure that individuals or families in need can receive holistic help by equipping frontline officers across Government and community agencies with basic knowledge on a range of help schemes. This means that when an individual or family in need approaches any government or community agency (such as the SSOs, HDB and People’s Association) to seek help for a specific need, they are not only advised on that agency’s schemes and services, but also referred to other social assistance schemes and services that support their needs.
102. Second, we are making it more convenient for clients to apply for assistance schemes and services from different agencies. Eligible clients who apply for ComCare assistance will be automatically assessed for other relevant schemes or services, and need not submit the same documents or fill in multiple application forms. For example, if a client living in public rental housing is receiving ComCare assistance from the SSO, and he is unable to keep up with rent, the SSO will share its assessment with HDB to consider a reduction in rent. ITE students from households receiving ComCare assistance will be assessed for their eligibility to receive a CDC/CCC Bursary or an MOE Bursary, without them having to apply separately. MOE and MSF will progressively extend this to the schools, polytechnics and autonomous universities.
103. Third, we are continuing to strengthen cross-agency coordination, so that clients have a common action plan across different agencies, aimed at providing holistic assistance to help them back on their feet. Individuals and families with multiple needs may receive concurrent help from a range of agencies such as SSOs, FSCs, HDB, WSG (employment assistance), MOE (support from school counsellors), and MOH (support from medical social workers). For complex cases known to SSOs and/or FSCs, SSOs will facilitate the assignment of a case lead, who will coordinate among agencies to work on a common action plan in partnership with the client.
104. Fourth, we will make it easier for clients with multiple needs by providing more integrated service delivery through the co-location of services and video-conferencing. Today, two SSOs have VWO-run family services teams co-located in shared premises

and five SSOs are piloting the integrated delivery of social and employment assistance provided by the same SSO officer. Silver Generation Office (SGO) officers have also started operating at two of our SSOs. We are working towards co-locating more complementary services at more SSOs.

105. Where co-location is not feasible, we are exploring the use of video-conferencing so that clients are able to communicate with officers from other agencies at the SSO without having to travel, thereby reducing the number of trips they have to make. The SSO at Geylang Serai, for example, will pilot video-conferencing links with SG Enable (located at Lengkok Bahru), the Special Needs Trust Company (SNTC) (located at Tiong Bahru) and HDB by end 2018. Clients at the SSO who need to have discussions with case officers from SG Enable, SNTC or HDB will be able to do so from the SSO.
106. To strengthen support for vulnerable families, MND and MSF are setting up social service hubs located at or near rental housing, where SSO officers and social workers will partner government agencies and the community to better understand the families' needs, and work with them on a joint plan of action. There will be white spaces in those hubs, where volunteers, civic organisations and companies can establish and run services and programmes. We will start with two to three sites over the next few years. For families who have with potential to purchase their own flats, we will support them to take steps towards homeownership.
107. Fifth, we are enabling and supporting community efforts by bringing together community partners to forge a common picture of local service needs, and facilitate collaboration and partnerships. The community has contributed and given their skills, time and resources to promote social inclusion, in both big ways and small. MSF and MCCY co-organise regular SG Cares Community Network sessions across all our HDB towns, to bring together Grassroots leaders, VWOs and community partners, to support community partners in developing local programmes and services. Moving forward under the SG Cares movement, we will harness and channel community resources including mobilising and organising volunteers more effectively to meet local needs.

Conclusion

108. Singapore is at a crossroads. Our economy is maturing and evolving, and our society is ageing. There are significant challenges before us on the economic and social fronts, as the pace of our economic development moderates and demands for social spending increase. Many of our measures have worked well in boosting progress and social mobility, but the same measures now bring new challenges that we need to address, to ensure that stratification is not enshrined and social mobility continues to be spurred. We are committed to safeguarding our social mobility and enabling Singaporeans to develop to their full potential, so that they can do well in life and we progress together as a society and nation.
109. We have to adapt our policies in response to changing circumstances and needs, as we learn from past experiences. We will keep studying fresh ideas and approaches, including those from other societies, and try them out where they have promise to help improve Singapore and the lives of Singaporeans. But we must not forget that trade-offs are unavoidable in social policy, and all too often good intentions have led to counter-productive results.
110. The Singapore system is not perfect, but it has performed better than most. The key is not just government policy, but a coordinated approach across our many helping hands, strong family and community support, and also a strong sense of self-reliance and personal responsibility – without which no government effort can succeed. We will endeavour to improve our system without losing the strengths which have served us well and helped build Singapore as a nation.
111. We invite everyone from all sectors in Singapore – individuals, groups and organisations – to join hands with us in a collective effort to build a Singapore that we can be proud of, where every person is respected and valued, and no one is left behind. Realising this aspiration is a difficult but worthy endeavour. This is not a nice-to-do, but a national imperative. For in working together to improve the lives of the low-income and vulnerable families of today, we are building the Singapore of tomorrow.