

Hawker Centres

Singapore



LEVELLING THE PLAYING FIELD WITH FOOD

Hawker centres are a defining part of Singapore life. First built by the government to improve public hygiene in the 1970s, hawker centres have since become important social spaces that offer a wide selection of affordable food for all. A major policy shift in 2011 led to the restarting of the government's Hawker Centre Building programme after a 26-year hiatus and the removal of reserve rents. As a result, hawker stall rents have dropped, giving aspiring entrepreneurs – no matter their financial background – an equal stab at success, while keeping hawker food affordable.



01 Archival photo of itinerant street hawkers in the 1960s-1970s.

The Challenge

Providing affordable food to the masses was not a consideration when the Singapore government decided to build hawker centres in the early 1970s. Rather, they were created as part of a public health programme to resite street and itinerant hawkers so as to raise hygiene standards.

In the 1950s and 1960s, unemployment was rife in Singapore. Many people took up hawking as a means of livelihood. It was a lucrative trade as it required little capital and yet generated good income.

However, the proliferation of street hawkers brought about a host of social and public health problems. Lack of direct potable water supply for the preparation of street food and the washing of utensils gave rise to food hygiene concerns. Food wastes were also indiscriminately disposed of onto streets and into watercourses. Parts of the city resembled slums with dilapidated makeshift sheds and structures put up by hawkers.

The Hawkers Inquiry Commission set up by the then British colonial government in 1950 had the following to report: "There is undeniably a disposition among officials... to regard the hawkers as primarily a public nuisance to be removed from the streets."

Clearly, a new set of policies and measures was needed to tackle these issues.



The Solution

When Singapore gained independence in 1965, one of the very first things the fledgling government did was to decide on a long-term approach to solving the street hawking problem once and for all. It eventually embarked on a programme to construct hawker centres with proper amenities from 1971 to 1985. All 18,000 street hawkers were progressively resited into these newly built hawker centres and the resettlement work was completed by February 1986.



All in all, 135 hawker centres were built. Today, the National Environment Agency (NEA) manages 107 hawker centres, housing about 15,000 cooked food stalls and market stalls.

Over the years, these hawker centres became a fundamental part of Singapore life. In a 2005 government survey, 37% of respondents said they were “very frequent” customers of hawker centres, eating in these places as often as eight times or more per month, or an average of at least twice a week.

The Ministry of the Environment and Water Resources, the NEA’s parent ministry, has committed to provide a range of eating options, including Halal-certified food stalls, to serve Singapore’s multi-ethnic communities. Hawker centres are thus places where people of different races, religions and cultures mingle.

Furthermore, the affordable and delectable food sold in hawker centres attracts both the rich and poor to queue together for their favourite fare. Hawker centres also constitute an important source of employment for Singaporeans and Permanent Residents.

When some of the relocated first-generation street hawkers left the trade because of old age or death, vacant stalls became available in the hawker centres. Faced with public requests for stalls, the government introduced a tender scheme in 1993. Under this scheme, stalls were tendered out on a three-year basis at reserve rents, or the minimum rent set, of 85% of prevailing market rents for all cooked food stalls, and 80% of prevailing market rents for market produce and lock-up stalls.

While there was no cap on the tender bids, tendered rents in our hawker centres by and large remained affordable, as compared to the higher prices paid by those who operate in privately run food establishments like coffee shops and food courts.

To a large extent, it can be argued that there was an unexpected and unintended evolution in the role of the hawker centres over time. From serving the original objective of raising public hygiene standards, hawker centres began to perform a social role. Not only could people with few or no educational qualifications find employment in hawker stalls, those who work hard to earn a good livelihood even have the chance of elevating their social status.

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01 As inclusive places that provide affordable, hygienic, diverse and often delicious food, hawker centres have become cultural icons of Singapore.

An example of such success is the hawker behind Ya Kun Kaya Toast, which started as a humble stall selling toast with coconut egg jam in the Telok Ayer Food Centre in the 1960s. Today it is a well-known chain of franchises.

With the street food vendors resettled into hawker centres, the government accomplished its objective and hence stopped building new hawker centres in 1985, after which the construction of similar premises was left to the private sector.

In 2011 this policy changed, when Minister for the Environment and Water Resources Vivian Balakrishnan announced the government would restart the Hawker Centre Building programme and build 10 new hawker centres by 2017 in areas that are relatively under-served.

He said: “My objective of restarting this programme and injecting supply was to put downward pressure on rentals. In addition to the fact that there is new supply coming on, we also changed policies. For instance, we removed reserve rents and this has led to falling tender prices.”

This major policy shift was largely motivated by the rising costs of living faced by many Singaporeans, especially those residing in housing estates built after 1985 that do not have hawker centres.

While the government could not step in to control the prices of food sold by hawkers, they could, however, intervene by increasing the supply of hawker stalls so that more hawkers could ply their trade paying relatively cheaper rents, with consumers likely to benefit from these lower costs.

The government made further enhancements to push down rental costs by making changes to the tender scheme in March 2012, removing the reserve rent requirement for tenderers. This meant that vacant stalls can now be allocated to the highest bids, whatever the bid prices may be, as long as there are competitive bids.

In summary, hawker centres, being effective social tools, have been the focus of the abovementioned policy changes in a bid by the government to create more business opportunities and maintain the availability of affordable meals for the population.





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01 From students to office executives to taxi drivers, diverse people eat, mingle and sometimes share a table in hawker centres.

02 Rojak Stall at Tanglin Halt

The Outcome

The recent policy changes have started to bear fruit. The removal of the reserve rent requirement was only implemented in 2012, but in the one year after its announcement and implementation, 55% of the stalls awarded in the tender exercises were awarded at below the previous reserve rents. Successful tenders, of as low as S\$21 (US\$17) per month for a cooked food stall at Taman Jurong and S\$5 per month (US\$4) for a market stall at Changi Village, have emerged.



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According to a 2009 Lifestyle Survey by Singapore's Urban Redevelopment Authority released in 2010, food and beverage outlets, such as hawker centres, constitute an important factor in the quality of life in Singapore. The positive public feedback on the building of new hawker centres, as well as current bidders' reactions to the changes in the tender scheme, reaffirm the continued importance of and demand for hawker centres. Furthermore, hawker centres are central to the identity of a neighbourhood, and are a unique feature of what makes Singapore special to its people.

Moving forward, the NEA recognises that hawker centres should continue to be run on a not-for-profit basis and will ensure

that they provide convenient, accessible and affordable food to the general public. We have planned and initiated the building of a new generation of hawker centres, which will be attractive, practical, cost-effective and environmentally sustainable, and will encourage social bonding. These 10 new centres will be progressively completed by 2017.



Ronnie Tay became CEO of Singapore's National Environment Agency in July 2013. He was previously CEO of the Infocomm Development Authority. Mr Tay began his career with the Singapore Armed Forces in 1982, and was Chief of Navy from 2003 to 2007. He graduated with First Class Honours in Engineering Science from Oxford University, and holds a M.Sc. (Management) from the Massachusetts Institute of Technology. Mr Tay received the Public Administration Medal (Gold) (Military) in 2005.

01 Minister for the Environment and Water Resources Vivian Balakrishnan (third from right) announced in 2011 that the government will build 10 new hawker centres by 2017.