

Why Singapore's Hawkers Should Be Paid S\$1 More Per Plate

Tuesday 11 January 2022, by [WEI Lim Tse](#) (Date first published: 30 November 2021).

New data on household budgets in Singapore shows that in order for hawker food culture to thrive, and for stall owners to earn more than a subsistence income, they must be paid about S\$1 more per plate.

There is a general understanding in Singapore that food hawker incomes are too low. Hawkers commonly work 12 to 14 hours, six days per week, most of it manual labour. As a result, [few young Singaporeans are likely to become hawkers](#), especially as rising levels of educational attainment open up other career pathways for young people. This has created [widespread concern](#) that the cultural and culinary patrimony of hawker food, and the rituals of daily life in Singapore built around it, are being lost.

In January, I [wrote a piece](#) for *New Naratif* asking how much hawker food in Singapore should cost in order for the profession to be financially sustainable. That article quantified the size of the gap between hawkers' average incomes, profits and living costs, and sought to estimate how much hawker prices might need to rise in order to keep the trade—and Singapore's vaunted hawker culture—alive.

Newly released data confirms that I was correct in suggesting that hawker food prices must rise in order for hawkers to earn more than a basic subsistence income. However, I underestimated the amount Singaporeans would have to add to their tabs to bring hawker incomes to a reasonable level.

My Original Estimate

I originally proposed that current hawker incomes might be sufficient to meet most hawkers' physical needs, but not their mental or emotional ones. After all, most people want to feel like their jobs allow them to participate fully in society and share in the prosperity and opportunities their country affords. An income sufficient to feed and house yourself and your family is not always sufficient to make you feel like an equal member of society. Does an average hawker income, for example, allow for meals eaten in restaurants other than their own food stalls, entertainment and leisure activities or holiday time, not to mention a budget for savings?

When a profession provides an income sufficient only to meet the basic needs of day-to-day physical sustenance, I argued, members of that profession would tend to "feel like members of some lower caste, whose greatest dream is that their children need not follow in their footsteps. This is the kind of existence that leads to people leaving the trade as soon as they can". This is [quite evidently happening](#) with the hawker trade today.

A price hike of S\$0.95 for every single plate of hawker food sold in Singapore is the difference between what hawkers make today and what some researchers consider a minimum standard of living.

My hypothesis was consciously modelled on the Minimum Income Standards (MIS) approach to estimating what constitutes a “sufficient” income in society. The method, according to [What’s Enough SG](#), a team of Singaporean social scientists, aims to establish “what incomes households require in order to reach a [‘minimum’ standard of living](#), appropriate for the place and time in which they live”:

It is reached by talking in depth to groups of members of the public, asking them to agree what goods and services households require in order to have such a living standard. The results are used to construct minimum budgets for different household types. MIS is about more than just what is needed to survive, and refers to what is required to be part of society, according to definitions produced in each country by members of the public.

However, no MIS study had been done for households with working-age adults in Singapore, meaning I had to create an income estimate of my own while doing my best to align with the intentions behind the MIS approach.

My post-tax income estimate for hawkers, using [freely available statistics from the Singapore government](#) and a method entirely of my own devising, came to approximately S\$7,500 (US\$5,500) per month for a family of three who own an HDB flat—the privately-owned, publicly built apartments that approximately [80% of Singaporeans call home](#).

Based on this sum, I concluded that a plate of *char kway teow*—stir-fried rice noodles—that costs S\$3.50 (US\$2.55) today should really cost S\$4.30 (US\$3.15), with the entire additional S\$0.80 (US\$0.60) going to the hawkers. According to new data, this was an unintentionally lowball estimate.

New Data, New Estimate

In October 2021, What’s Enough SG published a [household budgets study](#) using an MIS approach for households of working-age adults in Singapore.

According to [the online calculator included within the new study](#), the average MIS household budget for a three-person household with two working married adults in Singapore is approximately S\$4,900 (US\$3,590) per month, which at first glance is somewhat lower than the S\$7,500 I previously estimated. However, I argued in January that the ability to save for the future is essential to long-term psychological wellbeing, so my figure included an allowance for personal savings for retirement or emergencies, whereas the MIS household budget is purely an estimate of present income needs.

My original estimate assumed that present income needs should represent approximately 60% of total gross income, meaning that present income needs accounted for only S\$4,500 (US\$3,300) of the S\$7,500 figure I used. Applying this principle to the MIS household budget, I arrived at a target gross income of about S\$8,170 (US\$5,990)—approximately 9% higher than the figure I originally proposed.

Using the cost and profit estimates I laid out before, this suggests we should be paying hawkers almost a dollar more per plate of food—S\$0.95 (US\$0.70)—an increase of 27% over a base of S\$3.50.

What Does This Mean for the Cost of Living?

In January, I set aside the question of how increasing the price of hawker food would impact Singaporeans more broadly. I simply noted that it would “have a devastating effect on the living

costs of many Singaporeans”.

According to the government’s most recent Household Expenditure Survey from 2017–2018, Singaporean households [spend an average of S\\$437 per month on hawker food](#) (7.4% of household expenditure including imputed expenditure on housing). This is the [single largest category of food expenditure](#) for most Singaporean households, in most cases outstripping the amount spent on home-cooked food. Notably, Singaporeans in lower income groups spend a higher proportion of their income on hawker food.

This means that if hawker prices were to rise by an average of 27%, assuming most Singaporeans would continue to rely on hawker food as much as they do now, most Singaporeans would face an increase in their household income needs of 2–3%, or in absolute terms, S\$80–140, according to the HES survey. Lower income earners would face the largest relative increase and would likely find it hardest to absorb such an impact.

What’s Enough SG’s household budgets assign an even greater proportion of household expenditures to hawker food, and consequently suggest an even greater impact on overall household income needs, of approximately 3–4%, or S\$40–280, depending on household demographics

Who’s Subsidising Whom?

This additional S\$0.95 for every hawker meal is, of course, a hypothetical. It’s extraordinarily unlikely that anything short of legislation could bring about this much of an increase in prices of hawker food nationwide, at least not in a short time.

Precisely because hawker food is such an important part of the Singaporean household budget, keeping hawker food cheap has, for decades, been a [cornerstone of government policy](#). In a [2012 interview](#), Ravi Menon, managing director of the Monetary Authority of Singapore, referred to hawker food as “one of our safety nets”, saying:

Singapore is one of the few First World cities which offer good quality meals at almost Third World prices—thanks to its hawker centres. How is this possible? It is in large part through the provision of “hidden” subsidies that keep rental costs low. It is therefore a general subsidy that is available to all those who patronise hawker centres—rich and poor alike.

In other words, the government subsidises the cost of living by keeping the rent on hawker stalls low, which in turn keeps hawker food cheap. Indeed, the online inflation calculator from the Monetary Authority of Singapore suggests that [hawker prices have kept pace with inflation](#) since the 1980s—and inflation in Singapore has been very moderate (it’s hard to say for sure, since I’m not aware of any reliable data on aggregate hawker prices from that era).

Whether or not the price of hawker food has kept up with inflation, it has not kept up with the changing definition of what it means to live like a Singaporean.

A price hike of S\$0.95 for every plate of hawker food sold in Singapore—millions of plates each day, from before the MRT staff start work to after the last taxi driver on the late shift goes home—is the difference between what hawkers make today and what a panel of Singaporean researchers consider “a ‘minimum’ standard of living, appropriate for the place and time in which they live”. Whether or not the price of hawker food has kept up with inflation, it has not kept up with the changing definition of what it means to live like a Singaporean.

Cheap hawker food, which helps to stabilise inflation, has always been taken for granted in

Singapore, and it's been one of the factors behind the incredible rise in Singapore's standard of living. But the cost seems to have been social stagnation for hawkers and their families. Judging by the gap between their present-day incomes and a sufficient living wage, the Singapore dream is increasingly out of their reach. In a sense, this extra S\$0.95 per plate is a continual subsidy paid not by the government, but by the hawkers of Singapore to the people they feed.

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