The Evolution of the Charitable Landscape in Singapore

Social Enterprises and Regulatory Power

by

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A thesis submitted in partial fulfilment of the degree of Master of Communication Management at Murdoch University, Western Australia.
Author’s Declaration

I declare that this thesis is my own account of my own research. It contains as its main content work which has not been previously submitted for a degree at any tertiary educational institution.

Signed:

Elaine Yuling Xu
Date: 1st November 2016
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<tr>
<td>BIPS</td>
<td>Business and IPC Partnership Scheme</td>
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<tr>
<td>CoC</td>
<td>Commissioner of Charities</td>
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<tr>
<td>ComChest</td>
<td>Community Chest of Singapore</td>
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<td>DSW</td>
<td>Department of Social Welfare</td>
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<td>IMC</td>
<td>Inter-Ministry Committee on the Regulation of Charities and Institutions of a Public Character</td>
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<td>IPCs</td>
<td>Institutions of a Public Character</td>
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<tr>
<td>Khaw</td>
<td>Khaw Boon Wan (Health Minister)</td>
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<td>MHH</td>
<td>Many Helping Hands approach</td>
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<td>MOH</td>
<td>Ministry of Health</td>
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<td>NCSS</td>
<td>National Council of Social Service</td>
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<td>NKF</td>
<td>National Kidney Foundation Singapore</td>
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<tr>
<td>PAP</td>
<td>People’s Action Party</td>
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<td>SCSS</td>
<td>Singapore Council of Social Service</td>
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<td>SEs</td>
<td>Social enterprises</td>
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<td>SPH</td>
<td>Singapore Press Holdings</td>
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<tr>
<td>TT Durai</td>
<td>Thambirajah Tharmadurai Durai (then-CEO of NKF)</td>
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Abstract

The nation-state of Singapore provides an informative study on how state power has been subsumed into the charitable landscape through the implementation of charity law and regulations. This thesis contends that regulatory power is concurrently an artefact of state power and a legitimisation of the state’s cultural control over its citizens. Here, the term ‘regulatory power’ refers to the establishment of regulatory mechanisms to maintain power relations and to effect state control over the actions of its citizens.

Additionally, examining the functions and problems of charity and philanthropy reveals the contrasting motivations and expectations that have been imbued into both the regulatory framework and civic participation in the charitable landscape. As the case study of the National Kidney Foundation (NKF) saga in Singapore illustrates, the public’s lack of trust in the regulatory framework then was the impetus for governmental intervention. The People’s Action Party (PAP), the country’s ruling party since independence, had intervened in the charity crisis to limit the damage to its political reputation. This thesis argues that the regulatory framework post-2006 was an enabling factor in the development of local social enterprises, which became an alternative to the government’s model of social service provision and its medium to address social needs.

To further enumerate the power relations in Singapore’s charitable landscape, the exercise and application of regulatory power are analysed using the five-point power relations framework proposed by Michel Foucault. The conceptual analysis unpacks how regulatory power shapes charitable actions by relying on the government’s ideology of self-reliance as a discourse of ‘truth.’ This thesis further contends that social enterprises and the tripartite model of social sector governance extend greater social and financial responsibilities to the citizens, thereby justifying the government’s laissez-faire approach to welfare provision.
Singapore celebrated its Golden Jubilee in 2015, and along with a multiplicity of cultural events to commemorate its fiftieth year of independence, there was also an observable, coordinated production and (re)presentation of the nation’s past (Han 2016: 3). On the social front, there were efforts to narrate its founding and progress through the lens of philanthropy and social policies, materialising in publications such as *Philanthropy on the Road to Nationhood in Singapore* and *50 Years of Social Issues in Singapore* in 2015 (Chan 2015; Prakash and Tan 2015). In brief, Singapore’s social policies, which encompass social welfare and social development policies, are shaped and influenced by its developments and ambitions, whether economic or political in nature (Khan 2001: 1).

When surveying the developments in Singapore’s charitable landscape, it is necessary to use the National Kidney Foundation Singapore (NKF) saga in 2005 as a starting point because it distinguished the ‘old’ and the ‘new’ regulatory environment. The charity scandal created lasting change in how the People’s Action Party (PAP), the ruling political party since the nation-state’s independence, applied regulatory mechanisms to the charity sector. It is also noteworthy that the ensuing changes triggered in the regulatory environment produced conditions that were conducive to establishing social enterprises (SEs) as an integral part of Singapore’s charitable landscape. In particular, the scandal ignited discussions about the responsibility of donors as ‘informed givers’ (Khin 2005) and the regulatory oversight (and blame) the government should assume when there is a mismatch of expectations.

This thesis charts some of the key regulatory changes that have taken place in Singapore’s charitable landscape. While it does not purport to be a comprehensive historical overview of the diverse changes, it does provide an overview of key regulatory developments in the country’s charitable landscape. A timeline to this effect is attached as Appendix A. This thesis looks specifically at the NKF saga in 2005 and considers it as a precursor to the local development of social entrepreneurship and SEs, as the saga illustrates the government’s dual role as
regulator and facilitator of philanthropic activities. The NKF charity saga also had a direct influence on the government’s approach towards the practice of philanthropy and fundraising in Singapore, resulting in subsequent amendments to its regulatory framework. Finally, the concerted efforts of the Singapore government to guide the evolution of its charitable landscape through regulatory mechanisms will be analysed from the perspective of how it seeks to use acts of charity and philanthropy to advance economic and political agendas.

**The Importance of the NKF Saga**

As the largest charity in Singapore, NKF, which provides subsidised kidney dialysis treatments to kidney patients, was the oft-mentioned role model of the local charity sector up until 2004 when the scandal unfolded (Long 2004). It raises a substantial amount of charitable donations from its yearly fundraising activities – it collected donations of S$67.5 million in 2002 (Tan 2004c) – and receives widespread support from both the public and government leaders. Before the scandal, two-thirds of Singaporeans were part of its monthly donation programme (Chua 2005b), and the wife of Singapore’s former Senior Minister Goh Chok Tong was its patron (ST 2005a).

In 2004, news that NKF had reserves of S$189 million (Tan 2004c) and was planning to provide insurance company Aviva with client referrals in return for S$5 million sparked public debates about the regulations surrounding charities (Tan 2004a). The public outrage was further ignited by the anecdotal account of a contractor who said a gold-plated tap was installed in the office of the Chief Executive Officer, Thambirajah Tharmadurai Durai (TT Durai), in 1995 (Long 2004). However, the subsequent defamation lawsuits NKF and TT Durai commenced against news publisher Singapore Press Holdings and its journalist in July 2005 was withdrawn when TT Durai admitted the gold-plated tap had been installed (Wong and Low 2005).

TT Durai’s admission during the trial and revelations of other financial mismanagement within the charity placed immense public pressure on the government to intervene. The government's consistent public support of NKF was viewed by the public as an endorsement that added to the charity's reputation. Two
days after the collapse of the defamation suits, Health Minister Khaw Boon Wan (Khaw) announced the resignation of TT Durai and the NKF board of directors in a televised press conference. Mrs Goh also stepped down as the charity’s patron (Berger 2005), and within a week, a new board and acting CEO for the charity was appointed by Khaw (Wee and Buche 2009: 11).

The release of the independent audit report by accounting firm KPMG in late 2015 created another crisis for the government because it subsequently received the brunt end of the public’s criticism (Wong 2005a). Specifically, the report deemed the regulatory environment in Singapore as confusing and ineffective. It detailed the failings of the Ministry of Health and National Council of Social Service (NCSS), a statutory board, to investigate the charity despite raising concerns about its finances and management a few years prior (KPMG 2005: 307, 311-312).

Fears that the scandal will impact public confidence and reduce financial support for charities in Singapore were the government's primary motivation in forming an inter-ministry committee to review regulatory practices and improve the regulatory framework (Cheng 2009: 229; Wee and Chong 2009: 20). Also, the forthcoming 2006 General Election at the time strengthened the government’s commitment to retain its electorate and limit the damage to its political reputation as Singapore’s dominant ruling party (Reuters 2005). The government’s determination stemmed from the intention of opposition political parties to draw parallels between the management of the NKF saga and their political rhetoric about the lack of transparency and accountability in statutory bodies and government-linked companies (Rodan 2006).

Consequently, relevant government bodies were accorded additional legislative power to initiate investigations under the new regulatory framework (Wee and Buche 2009: 34). Charities were required to adhere to a more stringent Code of Governance, which placed greater emphasis on greater public disclosure of information and stricter regulations governing fundraising and the auditing of their financial accounts (Wee and Buche 2009: 17). Although the legislative and regulatory changes post-2006 were spurred on by the public’s demands for governmental intervention as a result of the NKF saga, the government continues to
take the view that the responsibility for the governance of charities lies with their board of directors (Wee and Chong 2009: 20-21).

To a certain extent, NKF had benefitted from the “light touch” regime (Tan 2004b) and a “hands-off approach” (Khin 2005) that the government desired for the charity sector, and they were the impetus for the impressive growth and expansion of NKF before the public scandal erupted. The charity had expanded into cancer care with the NKF Cancer Fund and had even exported its operating model of kidney dialysis to Samoa in the South Pacific (Khaw 2005a). The relative freedom for charities to assume various forms of non-profit legal structure also contributed to the increasing authority its chief had over the management of NKF (see Yuen, Chandradas, Cheong, Blashki, and Muimhneacháín 2013: 15-18).

The State-Facilitated Growth of Social Enterprises

The NKF saga in 2005 can be seen as demarcating the shift in the Singapore government’s focus from the traditional non-profit model of charity to the for-profit social business model adopted by SEs. As a business entity with a social mission, SEs bring focus and resources to areas of unmet or underserved social needs. Even though their existence, like charities, can highlight the inadequacy of the government, including its reluctance to provide social welfare (Prakash and Tan 2015: 49), there are key differences between the need and expectation for governmental involvement between the two models of meeting social needs.

Charities typically depend on the financial support of donors and government funds to meet the needs of their beneficiaries (Prakash and Tan 2014: 10). Even if the costs associated with the provision of their services have escalated, they are not in a position to negotiate an increase in individual donation amounts by fixing a minimum ‘price’ of donations. They are also unable to reliably bargain for more grants and subsidies from the government on the basis that they have met their intended objectives and are expanding their operations to reach more beneficiaries. As charities have a ‘gift relationship’ with their donors, they are legally obligated to use the donations only for their intended beneficiaries (O'Halloran 2012: 89).
SEs, on the other hand, have more flexibility in responding to market forces, and correspondingly, they can set optimum prices because they have a transactional relationship with their customers, which is based on the buying and selling of a product or service. Unlike charities, SEs are not legally constrained to target only select markets or customers, and they have the freedom to tailor different aspects of their operations to reach demographics that can generate the highest profit for their business. As a commercial entity, they can also seek external sources of funding, such as business or foreign investments, and provide financial returns for their investors (Prakash and Tan 2014: 10).

Even though both charities and SEs function as the “government’s provision [of social services] by proxy” (O’Halloran 2012: 93), there are more incentives for governments to promote the ‘market-oriented philanthropy’ embodied by the social enterprise model (O’Halloran 2012: 463). Successful social enterprise models can be franchised, and their charitable activities can be self-financed. This model of philanthropy also reduces the need for the government’s regulatory involvement and the responsibility it has to shoulder, especially if there are future allegations of mismanagement like the NKF saga. Similar to the expectation for charities in Singapore to operate in a “caveat emptor (buyer/donor beware) marketplace” (Cheng 2009: 235), the same ‘light regulatory touch’ has been applied to SEs. Unlike the US and the UK, there is a lack of specific legislations governing the legal structures and social missions of SEs in Singapore (Yuen et al. 2013: 10).

By providing assistive financial and regulatory structures to promote the creation of SEs, the Singapore government is guiding the channelling of resources and marshalling a different approach to philanthropy in meeting social needs. At the same time, it is difficult for philanthropic endeavours to be independent of government influence. Singapore’s philanthropic ecosystem, an intertwined network of funders, corporates, charitable organisations and social service organisations, is government-directed through the disbursements of fiscal incentives and government funds. Under this ecosystem, the private sector and the community are charged with government-mandated roles and responsibilities, such that they become providers and facilitators of social welfare provision (Prakash and Tan 2015: 50).
Nomenclature: Defining Philanthropy and Other Terms

To provide clarity about the key terms used in this thesis, a contextual understanding and definitions of these terms are provided below. The definitions are guided by a mix of scholarly literature, and for some of the nomenclature, their legal definitions and operational use in Singapore have informed their meanings. It is determined that it will be more useful to provide context to the meanings of some of these terms, failing which the relationship(s) they have with the charitable landscape might not be so immediately understood. To this end, I begin by providing expanded introductions to two of the most commonly used terms, philanthropy and charity, as it is necessary to see both of them as distinct but interrelated.

Philanthropy and Charity

There are multiple definitions of ‘philanthropy,’ and each of them is altered by the time periods and academic disciplines in which they are constructed and/or interpreted (Sulek 2009; 2010). As a result, the range of conceptual definitions are broad, and at times, dissimilar. However, it is generally agreed by scholars and practitioners that philanthropy is a form of private, voluntary action that results in public good (Cheng 2009: 17; Eikenberry 2007: 860; Sacks 1960: 517; Sulek 2010: 205), and individuals create their understanding of philanthropy, and what it entails, based on their singular beliefs, values and experiences (Payton and Moody 2008: 21; Prakash and Tan 2015: 69; Sacks 1960: 518).

Some scholars have drawn a linear relationship between charity and philanthropy; while the two ‘traditions’ are separate, the latter is viewed as an institutionalised form of charity and is associated with the welfare state. Succinctly, charity governs the practice of benevolence and is a personal act of good by individuals for others (Friedman and McGarvie 2004: 30-31), but philanthropy, carried out through institutions, seeks practical reform of society and is impersonal (Friedman and McGarvie 2004: 37). However, this polar opposite does not mean both traditions cannot co-exist because philanthropy can also be regarded as a way of organised, private giving that consolidates and directs personal acts of charity (Kidd 1996: 182; Payton and Moody 2008: 25; Sulek 2010: 205).
Charitable Landscape and Charitable Activities

Charitable landscape refers to the broad arena of charitable activities that occupy any given scale. Used as an inclusive term in this thesis, it encompasses all acts of charity and philanthropy. Charitable activities, on the other hand, denote activities that are benevolent in nature; simply put, they are activities that ‘do’ social good.

Charity and Institutions of a Public Character in Singapore

In Singapore, charities are organisations incorporated using an existing legal form to carry out exclusively charitable purposes, and which have been registered as a charity under the Charities Act (Leow 2012: 38-41). Institutions of a Public Character (IPCs) is a status conferred to qualifying organisations which are then subject to additional governance requirements by the government. IPCs do not have to be registered as charities, but their activities have to be exclusively beneficial to the community in Singapore as a whole. Charitable donations to IPCs are tax-deductible (Leow 2012: 40-41).

Charitable Purposes in Singapore

The term ‘charitable purposes’ has a specific interpretation in Singapore through the Charities Act. Four charitable purposes are recognised but the last, “other purposes beneficial to the community,” does not have an explicit legal definition. However, a working definition has been recognised and applied by regulatory bodies in Singapore since 2005 (Leow 2012: 46). The full working definition is found in Appendix B.

Regulatory Power

Regulatory power refers to the implementation of the law and/or regulations to maintain the status quo of power relations through the regulatory framework. Thus, the position of ruler/subject is defined and enforced by the subject’s actions of resistance and submission in the relationship of power. In the context of the charitable landscape, regulatory power refers to the state’s assertion of power through regulatory mechanisms to influence the charitable actions of citizens. By
determining the scope of charitable actions through regulatory mechanisms, regulatory power maintains control over the charitable landscape (O'Halloran 2011: 16; 2012: 96).

**Social Sector and Social Innovation**

The social sector consists of individuals and organisations engaged in the process of social innovation, defined as creating or implementing ideas and solutions to alleviate social needs (Payton and Moody 2008: 31). The goal of social innovation is to initiate and accelerate social change (Chan 2015: 267). In Singapore, the government and the private sector are key stakeholders in the social sector.

**Social Enterprises and Social Entrepreneurs**

Social enterprises are commercial entities that value social impact above financial return and apply business principles and strategies to achieve their social objectives (LCSI 2014: 6). They lie on the spectrum between the traditional model of a charity and business (Prakash and Tan 2014: 10). Individuals who subscribe to the ideal of social innovation and create business entities in their pursuit of social change are described as ‘social entrepreneurs.’ (Payton and Moody 2008: 8)

**Social Policy**

Social policy is a means by which the state exercises governance over the private lives of its citizens. It encompasses both direct control through policies and indirect control through the propagation of ideology or the funding of non-state organisations which complement its social directives (Eikenberry and Nickel 2006: 4). In this regard, Singapore’s social policy influences the regulation of its charitable landscape, its approach towards social welfare provision, including social welfare policies, and how it views the role of charity and philanthropy in society.

**Overview of Chapters**

In Chapter One, the historical and contemporary practices of charity and philanthropy are articulated using a mix of scholarly literature to explicate their
functions and problems. Their social and economic benefits, including the complexities that result from their dynamic roles in society, are presented as intertwined developments. With this background, Chapter Two charts the key regulatory developments in Singapore as it responded pragmatically to historical and socio-political challenges. As a result, the nation-state capitalised on civic participation by implementing regulatory mechanisms in the charitable landscape to further its economic and political objectives.

To illustrate the government’s expansive control over the charitable landscape in Singapore, Chapter Three will look at the exercise and application of regulatory power by using the NKF saga in 2005 as the primary case study. In Chapter Four, the final chapter, the five-point analysis of power relations proposed by Michel Foucault (1982) will be employed as the conceptual framework to examine the implementation and effects of regulatory power in Singapore. The government’s discourse of ‘truth’ to rationalise roles and responsibilities in the charitable landscape is also put forward as an enabling factor for the development of local SEs.

In summary, this thesis provides a distinct perspective in evaluating developments in the practices of charity and philanthropy. It contends that the state and those subject to its power are in a push-pull relationship to effect differing agendas in the charitable landscape by using regulatory power to (re)articulate each other’s role and responsibility. It proposes that the state’s exercise of regulatory power is neither guaranteed nor oppressive because citizens have the freedom to (re)negotiate their relationship with the state. Henceforth, by neglecting to seek and/or identify opportunities to gain control over each other’s actions, the state and citizens become liable for their loss of power in the charitable landscape.
Chapter 1 –
The Functions and Problems of Philanthropy

Introduction

This chapter discusses the functions and problems of philanthropy in the context of how charity, including philanthropy as an institutionalised practice of charity, has been politicised by the government. It examines the complexities that emerge in society from the politicisation of charity through government regulations and also contends that the public value of philanthropy lies in the associated economic and political benefits it brings. Instead of focusing specifically on Singapore, this chapter takes a broader view of the practices of charity and philanthropy because the evolution of the nation-state’s charitable landscape is situated within international developments.

Firstly, from a governmental perspective, philanthropy furthers social and economic developments and builds social capital by increasing civic participation in meeting social need. The adoption of contemporary models of philanthropy, which takes a market-centric approach to addressing social needs, is a means for the government to transfer the burden of social service provision by facilitating public-private partnerships between the private and non-profit sectors.

Secondly, the problems of philanthropy stem from the government’s shift from being an initiator of social services to its role as a regulator of the charitable landscape. The government’s withdrawal from the provision of social services, therefore, necessitates the implementation of regulatory mechanisms, which facilitates the subsequent commercialisation of charity and philanthropy. As a result, the communication of social need in the media can reveal an evident ‘disconnect’ between the social and political processes that created systemic inequality in society.
The Functions of Philanthropy

Harnessing the Wealth of Public Civic-Mindedness

The distinction between charity and philanthropy lies in their functional definitions – the term ‘charity’ originates from Christianity whereas ‘philanthropy’ was associated with the period of Enlightenment (Friedman and McGarvie 2004: 31). The aim of this observation is to note that the historical context in which ‘philanthropy’ was conceived is different from that of ‘charity.’ In contrast to charity, philanthropy “serve[s] as vehicles for advancing the economic and social interests of their benefactors” (Acs and Phillips 2002: 197). For instance, the founding of private American research universities such as Stanford and Carnegie-Mellon was an investment of individual wealth into social institutions which created a positive impact on America’s economic growth through their production of knowledge (Acs and Phillips 2002: 193).

Notably, the creation of early philanthropic foundations by leading figures from the banking and industry sectors occurred in response to the challenges faced by the development of industrial society in the West. The transition from a rural to urban society had been characterised by issues such as urban poverty and industrial conflicts. Therefore, by establishing foundations, their founders were able to exert influence over the evolution of the industrial society and how its associated challenges were resolved (Karl 1997: 208-209). The focus of American philanthropic foundations to provide universal access to education was not incidental because the development of an industrial society had led to a demand for leaders who were trained in science and technology (Karl 1997: 211).

As a further example, the first philanthropic venture in late seventeenth-century England was created by London’s Foundling Hospital. The founders wanted to save and educate abandoned and illegitimate children who would then be able to make productive contributions to England’s economic growth (Friedman and McGarvie 2004: 37). The early practice of philanthropy in London was guided by a form of civic-mindedness that acknowledged the economic benefits of promoting ventures for the public good. Nevertheless, it was a civic-mindedness that included an additional pragmatic impetus beyond the original notion of charity as an expression
of ‘love to mankind’ (Friedman and McGarvie 2004: 37). Without discounting the multifarious contributions of philanthropy throughout history, it remains apparent that philanthropy has a paramount role in the process of wealth creation by complementing social and economic developments, and by extension, in creating economic prosperity for a country (Acs and Phillips 2002: 189).

In the US, philanthropy is recognised for making substantial contributions to its social, economic and political stability. America’s model of entrepreneurial capitalism has a dual focus on entrepreneurship and philanthropy – entrepreneurship accumulates wealth, but philanthropy reconstitutes wealth and catalyses further opportunities to create wealth (Acs and Phillips 2002: 189). Similarly, in recent years, there is a renewed focus on the paradigm that the dawdling resolve and resources plaguing the social sector can be bypassed through social impact investing and social-purpose finance, which relies on market-driven tools and financial instruments to induce social transformation (Salamon 2014: 34).

Governments, together with the private and non-profit sectors, are finding novel ways of leveraging on each other’s resources to solve social problems. This development results from the heavy reliance of charities on the government as a donor (O'Halloran 2012: 463). In other words, philanthropy transpires within the juxtaposition of human nature as being simultaneously the cause and solution to societal problems (Moody and Breeze 2016: 15). As governments increasingly withdraw from the provision of public service and entrust this responsibility to the non-profit sector (O'Halloran 2011: 3), the practice of contemporary philanthropy has also evolved.

As a result, new philanthropic tools and institutions such as capital aggregators, social enterprise brokers and social investment funds have been created to meet social needs in a capitalist market (Salamon 2014: 32). Nicknamed “philanthrocapitalism,” this contemporary adaptation of philanthropy uses business principles and market mechanisms to spark social transformation (Edwards 2008: 12). For example, social enterprises (SEs) are touted to usher in “a new era of entrepreneurial capitalism where for-profits serve society,” and they have legal structures and rights in American law (Blodge, Melconian, and Peterson 2016: 314).
This elevated preference for SEs also reflects the government’s intention to distribute the responsibility and liability of social service provision. The legal recognition of philanthropic institutions such as SEs makes it clear that the progress and development of philanthropy remain shaped by and is a response to “the political forces of order and the economic forces of the market” (Moody and Breeze 2016: 15). From this perspective, the public values of philanthropy are realised through safeguarding the country’s economic security because it results in the public having heightened trust in public institutions, public policymakers and the existing capitalistic system of the economy (Mendel 2014: 24).

**Fostering Civic Participation to Consolidate Civil Society**

Regardless whether it is a personal act of charity or private giving through philanthropy, charitable giving is viewed as a form of participation in civic life (Bekkers and Wiepking 2010: 4). Social capital is considered an important driver for charitable behaviours (Brown and Ferris 2007: 96-97), but there is contention over whether social capital is a property an individual possesses or the attribute of a community (Portes 2000: 3). However, the point here is to disentangle the communal exhibition of social capital as synonymous with ‘civicness’ because civic-mindedness is not always the corollary of social capital (see Portes 2000: 4-5).

In addition, the broad applicability of social capital by scholars to explain its community-level impacts entails a definition that can quantify its supposed impacts (see Saxton and Benson 2005: 24). Within this thesis, social capital is defined as an aggregate of “the networks of community and the norms of trust and reciprocity that facilitate collective action” (Brown and Ferris 2007: 86). Individuals can create and accumulate two types of social capital – network-based and norm-based social capital. The former indicates how embedded individuals are in their community or personal networks, and the latter refers to the faith and trust individuals have in others and civic institutions (Brown and Ferris 2007: 88-89).

For example, community-led philanthropic efforts by the Chinese clan associations after World War II met prevailing social needs in Singapore and made beneficial advancements in health, welfare and education (Prakash and Tan 2015: 15). In this case, the Chinese clan associations cultivated a sense of commonality among
individuals and spurred them to help their clan members and the broader community they were part of. These acts of benevolence, which were directed towards individuals of Chinese ethnicity and those of the same religious faith (Maisharah 2008: 17), parallel the observation that each type of social capital manifests itself in different charitable behaviours (Brown and Ferris 2007: 94-95).

When it comes to an individual’s ‘stock’ of social capital, network-based and norm-based social capital have the biggest impact on an individual’s secular giving and volunteering respectively. For secular giving, individuals who were more embedded in their network of relationships had a higher likelihood of supporting secular causes through their charitable giving. Volunteering, on the other hand, was influenced by the faith and trust individuals have in others and civic institutions (Brown and Ferris 2007: 94-95). Complementary to this, it is noted that social entrepreneurs gain a sense of individual empowerment when they initiate philanthropic activities because they acquire “ownership of community-based solutions” (Prakash and Tan 2015: 68).

It can be posited that turning to philanthropic models like SEs to solve social problems signifies a lack of faith and trust in civic institutions and others to address social needs. To a degree, engagement in social innovation is preceded by a lack of faith and trust in civic institutions and others. With the understanding of how each type of social capital influence different charitable behaviours, it can be contended that the creation of SEs is an outcome of social entrepreneurs having a high network-based social capital. The strong relationships social entrepreneurs have with their networks precipitate their demonstration of social innovation. Therefore, it is not counterintuitive for governments to encourage citizens to take a keen interest in catalysing community-initiated solutions. In fact, engaging in social innovation integrates them more deeply into their community and personal networks.

Compared to the norm of reciprocity and participation in formal organisations, the possession of interpersonal trust does not yield a significant impact on philanthropic behaviour (Layton and Moreno 2014: 212-213). Thus, cultivating interpersonal trust need not be a crucial strategy to increase civic engagement in solving social problems. Instead, creating opportunities for individuals to deepen their formal networks of association and increasing public trust in civic institutions through a robust regulatory framework will foster charitable behaviours and greater civic
participation in solving social problems (Brown and Ferris 2007: 90). As a result, greater levels of civic participation to solve social problems in the community consolidates civil society and prevents social divisiveness (O'Halloran 2012: 91).

The Problems of Philanthropy

Charitable Activities in the Public Arena

Philanthropy is sometimes referred to as part of the third, or independent, sector and it is considered to be an alternative to business and the government (Karl 1997: 207; Salamon, Anheier, and Associates 1999: 3). However, as it is pointed out:

All forms of philanthropy have always fulfilled functions that governments have found useful substitutes for or adjuncts to their responsibilities. The only real distinctions depend on another set of our definitions: those of power and authority and law. (Karl 1997: 207)

Governing the practices of charity and philanthropy require them to be placed under the purview of the state. Governments define what is considered ‘charitable’ under the law and then establish legal and regulatory boundaries to oversee charities and their activities. In this way, governments politicise the act of charity.

Modern charity law affects the construct of charities and the legal recognition of their charitable activities. With the government receding from its responsibility to provide social services, the enactment of modern charity law bears a clear intention to use donor incentive schemes to drive preferential financial support towards select charitable organisations. Using the law to regulate charity politicises it because it highlights the problem of the government's withdrawal from providing public services (O'Halloran 2011: 3). The considerable loss of tax revenue from tax-deductible charitable donations is the reason governments take a definite stake in the gifting relationship by determining, defining and influencing the construct of charities, their governance and their activities (O'Halloran 2011: 16).

Governments intend to use fiscal incentives to influence which charities receive greater public and financial support. Their intention has to be understood from the perspective that money contains the power to mobilise people and resources. While the legal value of money is immutable when it is transacted in the form of coins or
notes, its inherent value is derived from the link it builds between products and places. A person or place can, thus, exercise power over other individuals and places even though they are physically far apart (Latour 1986: 31). Administering the flow of money to charitable causes influences the relationships that will be built. Furthermore, having control over the channelling of financial resources allows governments to guide and determine how social change is carried out in society.

In short, advancements towards social change articulates the success of governmental regulations in the charitable landscape, whereas the scarcity of social change is attributed to ineffective sectoral regulations. The government’s responsibility, then, is to ‘solve’ social needs by ensuring there are assistive sectoral regulations. The cultivation of a flourishing charitable landscape, however, is premised on encouraging external parties to initiate and take on the responsibility of meeting social needs. In doing so, social change becomes attached to and becomes an attribute of the governments’ regulatory framework, thereby legitimising their binary roles as regulators of the charitable landscape and facilitators of philanthropy.

Government-charity partnerships were premised on the widening gap between governments and their electorate. During the twenty-first century, places like the US, the UK, Canada, Australia and Singapore had a simultaneous reformation of charity law. The purpose of modernising charity law was not only aimed at addressing the limitations of the Pemsel classification of charitable purposes – the charity law of common law nations is based on this classification. The legislative amendments were means to achieve greater social cohesion by redefining the role of charity in society, and its relationship between governments and their citizens. In other words, regulating charity eventually had the effect of “[d]rafting the architecture for civil society” (O’Halloran 2011: 105-108).

Governments have a vested interest in managing the practice of charity and its resulting charitable activities, including philanthropic activities, because they are carried out in the public arena. In itself, the practice of charity constitutes a political act because it disrupts the dominant discourses, codes and identities in society (Carroll and Ratner 1999: 2). When individuals in democracies see private giving and the non-profit sector as a means to solve societal problems, they politicise their giving because they are inadvertently articulating alternatives to the government
By supporting efforts for social transformation and bringing awareness to unjust social conditions, individuals carry out forms of counter-hegemonic communication because they are critiquing the current social and material conditions (Carroll and Ratner 1999: 2).

Governments can become the unintended casualty if they do not live up to the expectations of its citizens in solving social problems (Livingstone 2013: 351-352). There are implications when additional actors participate in the “global civil society” (Lee 2010: 79). Social institutions with international and transnational reach impinge into the local civil society space when they influence the directions of the governments’ public policies. For these reasons, governments use the regulatory framework to maintain their jurisdiction over the charitable landscape and delegate the institutional infrastructures of philanthropy as ministerial responsibilities (O’Halloran 2012: 96).

Committing the scope and definition of ‘charitable purposes’ into statute accords countries like New Zealand, Singapore and the UK the ease of making future alterations to their charity legislations. Additionally, it presents governments with greater political control and influence over the practice of charity (O’Halloran 2011: 112-113). As concurrent regulators and superintendents of charities and charitable activities, governments are thus able to delegate responsibilities, decrease their perceived obligations and diminish their culpability because “state-sponsored collective action” has been replaced with the facilitation of philanthropy and voluntary action (Eikenberry 2007: 858).

Commercialising the Benefits of Charity and Philanthropy

As noted earlier in the introduction chapter, an act of charity denotes a personal act of good by individuals for others (Friedman and McGarvie 2004: 30-31) whereas philanthropy is regarded as consolidating acts of charity through the structure of an institution (Kidd 1996: 182; Payton and Moody 2008: 25; Sulek 2010: 205). Besides fulfilling demands for public goods that the government had failed to satisfy or complementing their delivery of public goods, the non-profit sector has what Young refers to as an “adversarial relationship of mutual responsibility” (Young 2000: 150-151). In this adversarial relationship, the government and non-profit organisations
are seen to work in reciprocity to shape the policy and regulatory environment to maintain public accountability while furthering separate agendas.

Importantly, institutions of philanthropy have the ability and capacity to guide the formulation of public policies. They assume stewardship for various stages of policy developments by their capacity to nurture and realise the public values of philanthropy. As the strategic partners of governments in the public arena, philanthropic institutions increase the public’s trust in policymakers and public institutions when they fulfil their social mission and stimulate policy and societal changes. This view provides meaningful context when examining three areas: the complexities that arise from commercialising acts of charity in society; the subsequent impacts on the practice of philanthropy; and the market-centric direction philanthropic institutions later took in addressing social needs (Mendel 2014: 24-27).

It is argued that the discussion of ‘needs delivery’ and ‘needs interpretation’ blinds us from the “politics of need” when philanthropists are allowed to determine the urgency and importance of particular social needs (Eikenberry and Nickel 2006: 7).

“Who gets to establish authoritative thick definitions of people’s needs” is precisely what is at stake in the current emphasis on governance, which often delegates such authority to philanthropists who have already benefitted from a definition of needs that allowed them to amass enough wealth that they are able to establish their own means of delivering social policy independent of the state. (Eikenberry and Nickel 2006: 7-8)

Involving philanthropists in the discussion of social need is an attempt to depoliticize the government’s retrenchment of state responsibility. Simply put, governance is a reprivatisation of social policy (Nickel and Eikenberry 2010: 269).

There are arguments that the ideology of the value and importance of philanthropy in society underlies its search for legitimacy through the adoption of professionalisation and marketization (Eikenberry 2013: 7). The importation of business concepts, strategies and measurements to the practice of philanthropy has resulted in a “business-like service delivery” of meeting social needs (Dart 2004: 298). Therefore, the subsequent market-centric direction philanthropy took in addressing social needs is perceived to be the product of a push-pull relationship in the public-private partnership between the government and the non-profit sector (Mendel 2014: 27).
Terms such as “philanthrocapitalism” (Edwards 2008: 12) and “marketized philanthropy” – where benevolence is subordinated to the ‘laws’ of the market – are used to describe the commonplace development of commercialised philanthropy (Nickel and Eikenberry 2009: 975). Celebrity philanthropy, the media-hyped involvement of celebrities in charitable activities, and consumption philanthropy, which affiliates purchases with charitable causes, are considered commercialised forms of philanthropy. Other examples of similar philanthropic models include foundations which use market-based solutions to solve social problems and the formation of SEs as a business-social hybrid model to self-finance their respective philanthropic goals (Chan 2015: 250-251).

In another view, acts of charity are turned into a form and reproduction of capitalism when they are commodified and ‘fetishised’ as cultural products (Livingstone 2013: 347-348). The gist of the repressiveness embodied by this form of philanthropy is explained as such:

Consumption philanthropy demands that we conform to the ontology of the market as a means to be benevolent, but it actually feeds on genuine benevolent spirit, which it traps in a philanthropy uncritically narrated by consumption. (Nickel and Eikenberry 2009: 979-980)

From this perspective, philanthropy becomes “infinately expandable in scale and conveniently malleable in scope” when seen as being the best solution to address social needs (Payton and Moody 2008: 11).

Unlike commercial entities, the greatest measure of a charity’s success should be its demise, not its growth (Cheng 2009: 53). However, by treating the ‘ills’ of modern capitalism with marketized philanthropy instead of creating viable alternatives, charity perpetuates the need for its existence (Livingstone 2013: 350-351). By searching for social transformation through marketized philanthropy, the benevolence of philanthropy is turned into an exploitation of the market (Nickel and Eikenberry 2009: 985). The transformative potential of philanthropy, henceforth, becomes constrained (Nickel and Eikenberry 2009: 975); its existence only prevents the worsening of social problems and frees the government from taking state action or responsibility (Livingstone 2013: 347-348). By channelling the people’s anger and discontent against social problems into productive social action, the practices of
charity and philanthropy become the medium of and alternatives to the state (Livingstone 2013: 351-352).

**The ‘Disconnect’ in Communicating Social Need**

This section focuses on the communication of social need through the media. It has been established that charitable giving is political and that the practices of charity and philanthropy have been politicised through the government’s regulatory mechanisms. As Webb and Wong’s (2014) study on Singaporean giving shows, donation behaviours are not acts of spontaneity driven by intrinsic motivation but instead, originate from external prompts and enticement. Equally important, media stories orchestrate everyday consciousness and are a definitive version of the reality readers cannot experience for themselves (Kensicki 2004: 54). The awareness and comprehension of social needs are contingent on how they are communicated.

An awareness of need is the antecedent of giving behaviour. The communication of social need plays a major role in increasing the incidence of donation behaviours (Bekkers and Wiepking 2010: 6). Therefore, to gauge the media’s communication of social need simply as a matter of currency or newsworthiness disregards the power play at work (Driessens, Joye, and Biltereyst 2010: 711). After all, the production of news is not a democratic process but a hegemonic system of power. The production and consumption of news would either challenge or reinforce “dominant cultural and political frames” (Carroll and Ratner 1999: 2).

In the current mediatised society, the communication of need is increasingly facilitated through mediated quasi-interaction. This form of interaction is distinct from unmediated face-to-face interaction and mediated person-to-person interaction because the latter two are dialogical and oriented towards specific ‘others.’ Mediated quasi-interaction, on the other hand, is monological and can be directed towards an indefinite range of recipients (Silk 1998: 170-171). Charity music videos and charity telethons are examples of mediated quasi-interactions. Unmediated face-to-face and mediated person-to-person interactions can give rise to “caring at a distance” – where individuals can act and respond to actions and events happening in distant locales (Silk 1998: 168). Nonetheless, producers and recipients of mediated quasi-interaction are neither obligated nor responsible for each other’s responses (Silk 1998: 171).
Communicating the mediated reality of social problems brings with it certain contradictions. For instance, charity music videos simultaneously challenge and reinforce existing cultural and political frames but they do not upset state and corporate powers. As fundraising tools, charity music videos elicit compassion from viewers without them gaining ‘compassion fatigue’ from the visual bombardment of social problems. At the same time, they prevent ‘suffering’ from becoming devalued as a ‘charity commodity’ due to its overuse. The polysemic representations of suffering and the distant ‘Other’ have also become another avenue to advertise commodities like fashion or celebrities in charity music videos (Louise Davis 2015: 1212-1215). In this instance, although mediated quasi-interaction aids and extends the communication of social problems, the relationship of the viewers to the intended beneficiaries is rendered invisible.

When social problems are disconnected from their “spatial dimension and structural causes,” they turn reality into a “mediated abstraction.” As a result, they absolve and minimise both “individual and governmental responsibilities for resolving the broader political, social and cultural inequalities associated with globalization” (Driessens, Joye, and Biltereyst 2010: 712). One example is the pervasiveness of charity telethons as a form of charitainment, where instances of distant suffering, such as victims of natural disasters, are portrayed as being remedied when viewers contribute towards disaster aid relief (Driessens, Joye, and Biltereyst 2010: 709-710). The media offers a way not only for donors to consume information about the marginal effects of their giving (Wong, Chua, and Vasoo 1998). Importantly, viewers derive the reciprocity of their gifts from the media’s representation of their generosity in ‘meeting’ social needs (Kidd 1996: 186-187). Consuming these forms of media representation also enables viewers to gain a false sense of control over distant suffering and their ability to create social change (Louise Davis 2015: 1216).

The disconnect from the causes of social problems is propelled by the “sign-value” of consumption philanthropy, which links purchases to the message that consumption is a suitable, utilitarian substitute for creating social change (Nickel and Eikenberry 2009: 979-980). The expectation of reciprocity is central to sustaining the gift cycle. Giving is an act that connotes both interest and obligations by the giver. The charitable gift is not ‘free’ and comes attached with explicit and implicit conditions the moment it is given or received (Kidd 1996: 183-184). Thus, acts of
gifting form relationships between donors and recipients, including the internal relationships donors form with their values (Kidd 1996: 187-189).

The critical weakness of consumption philanthropy is that it “individualizes solutions to collective social problems” by presenting the act of purchase as a charitable donation (Eikenberry 2009a: 52-53). The Gap (PRODUCT) RED™ campaign, for instance, thrives on forming these types of association. Buying a red t-shirt is likened to helping to save the world and wearing it implies the consumer advocates and supports social change (Nickel and Eikenberry 2009: 979-980). However, the ideology of the market is “essentially antisocial, based on self-interest rather than disinterest or the public good” (Eikenberry 2009b: 538). Despite allowing consumers to participate in the “easy virtue” of consumption philanthropy (Eikenberry 2009a: 53), this form of marketized philanthropy essentially elevates consumer actions over citizen responsibilities.

Moreover, the structure of the market is viewed as the opposite of civil society. The former is based on individualistic actions, but the latter is built through collective action: “Market freedom is the freedom to disconnect, to treat others as objects” (Edwards 2008: 61). In reality, supporters of consumption philanthropy and its close affiliate, celebrity philanthropy, are desensitised to the social processes that produced these inequalities. As a result, they feel no contradiction in their participation of consumer capitalism (Nickel and Eikenberry 2009: 983).

**Conclusion**

As the overview of the historical origins and contemporary developments of charity and philanthropy shows, both individual and government actions in creating and facilitating charitable activities have pragmatic purposes that are beyond the scope of ‘love to mankind.’ Consequently, the functions of philanthropy are defined by the purposes that governments and individuals impose onto its role in society. However, the role of philanthropy is not simply to address social needs but also to reap the associated social and economic benefits, of which the foremost is legitimising the existence of governments and charitable organisations.
On the other hand, by requiring philanthropy to conform to the regulatory framework and subjecting it to the structure of a capitalistic market, philanthropy is both politicised and commercialised. As a mean to further the differing aims of governments and charitable organisations in meeting social needs, the dissonance between their differing expectations of philanthropy results in a disconnect between the communication of need and the structural causes of inequality. Therefore, even though the practice of philanthropy has public value and is for the public good, its power to effect transformative structural changes in society is constrained.

As Chapter Two will illustrate, the charitable landscape in Singapore embodies many of the functions and problems of philanthropy detailed in this chapter. Importantly, it delineates how charity law and regulations have been used by the Singapore government to foster charitable behaviours for the purposes of fulfilling its economic and political objectives.
Chapter 2 –  
The Charitable Landscape in Singapore

Introduction

It is imperative to note that the People Action Party’s (PAP) interventionist policies from the early days of the country’s independence have carried through to its social policies and its view on the practices of charity and philanthropy. The regulatory framework governing the charitable landscape is angled towards enhancing economic objectives and to an extent, ensuring political stability to guarantee unbridled economic growth (Lee 2010: 4). The promise of economic prosperity, after all, is the government’s de rigueur means of legitimising and rationalising its authoritarian rule (Rodan 1998: 66-67).

As highlighted by Khan (2001) in her paper Social Policy in Singapore: A Confucian Model?, the government’s policies bolster the country’s economic growth, and its approach of economic pragmatism is also reflected in its social policies:

  However, as the [social] policies are mainly motivated by “efficiency” and “pragmatism,” the long-term objective of the government is to reduce such subsidies so that the problem of excess demand for social services (resulting in what is known as the “free rider problem”) can be avoided. The government also has refrained from making any firm commitments to equality and welfare to avoid conflicts with its growth objective, which constituted the foremost and single-minded priority of state action. (Khan 2001: 1)

Keeping this in mind, developments in Singapore’s charitable landscape and the government’s subsequent embrace of social enterprises (SEs) must be understood chiefly as an economic strategy, or, as means of achieving economic objectives.

This chapter analyses the Singapore government’s economic and political rationales in regulating the charitable landscape. It details regulatory governance of the charitable landscape from the vantage of how Singapore’s notion of nationhood and
construct of national identity have been harnessed to increase civic participation in addressing social needs. It also addresses the historical and contemporary struggles Singapore faced, and how these challenges were mitigated by leveraging on civic participation, and later, the public sector’s involvement in the social service sector.

**The Ideology Behind Giving**

Distinct stages of change in Singapore’s charitable landscape can be discerned via the political and economic developments of the nation-state. Singapore’s interventionist government prioritises and derives legitimacy from its ability to beget economic growth (Lee and Morris 2016: 286). It believes that social development is a tributary to economic growth (Lim 2015a: 327). In fact, integrating the practices of charity and philanthropy into the its regulatory framework is an offshoot of the government’s identification as a welfare-state regime, where “in the relation between state and economy a complex of legal and organizational features are systematically interwoven” (Holliday 2000: 707-708).

**Creating the Founding Myths of Singapore**

At this juncture, it is important to explain that Singapore’s nationhood is founded on the two ‘myths’ of multiracialism and meritocracy, which are underpinned by the ethos of self-reliance (Lee 2011: 262). In the case of Singapore, its nation building approach draws on a series of founding myths, which constitute its national culture and informs its public policy (Hill and Lian 2003b: 14). As a form of political integration, the political leadership confers its citizens with identities that complement their political agendas. The myths are then “internalized by Singaporeans through a variety of mechanisms of socialization including education, public ceremonies and the media” (Hill and Lian 2003b: 34). The utilisation of these myths is an effect of the PAP's pervasive ideology of pragmatism, which considers social and political stability to be wrought by economic growth and development (Lee 2010: 4).

Succinctly, multiracialism refers to cultural tolerance and acceptance of differences between races. By ensuring that each ethnic group has equal opportunities to achieve social mobility by virtue of their hard work, meritocracy depoliticizes ethnicity and
encourages individuals to strive for economic achievements (Hill and Lian 2003a: 102). These myths galvanise civic participation in the social sector and validate the merits of a welfare system based on the discourse of Asian values (Walker and Wong 2013: 99). These ‘values’ discourage individualism and place “familial and communal units as the basic building blocks of society” (Prakash and Tan 2015: 39), thereby instilling self-reliance and communitarianism. These values are important because the government’s ensuing creation of a national identity is based on these two myths. In addition, the country’s governmental policies and practices solidify this national identity work by perpetuating the founding myths.

In the following sections within this chapter, it becomes apparent that the government’s approach to the provision of social welfare draws heavily on the myths of multiracialism and meritocracy. The national identity of Singapore espouses the ideological and pragmatic applications of the founding myths, and the two myths frame expectations around both state and individual responsibilities. Its national identity unites its multi-ethnic population in making individual contributions for the collective, whether at the level of the community or the state.

**The Understated Risks of Community Philanthropy**

In the early days of Singapore’s colonial past, mutual self-help groups pioneered charitable initiatives that were directed at individual recipients who share the same ethnic or religious backgrounds. Subsequently, the establishment of the Department of Social Welfare (DSW) coordinated the delivery of social services and facilitated the shift of social welfare provision to one that is based on locality through its loose network of community centres (Maisharah 2008: 17-18). This notion of ‘community’ is a recurring theme in the government’s rhetoric of its national identity and features prominently in its ensuing social policies and regulations of the charitable landscape.

For instance, community philanthropy was able to unite transient migrants in rebuilding Singapore after the Second World War, (Prakash and Tan 2015: 12-13). However, the Chinese population in pre-independent Singapore was not particularly supportive of multiracialism (Hill and Lian 2003b: 4); thus, the government feared that Chinese chauvinism would take root through these vernacular schools and interfere with its aspiration to merge with Malaysia (Hill and Lian 2003a: 93). As
Singapore’s ruling party since its independence, the PAP later benefitted from the hindsight that, if unchecked, charitable behaviours can propel ideologies that are in opposition to its state objectives.

A few Chinese clan associations who provided social services also begun to extend their influence into the political sphere through their support for political parties. As different groups sought to gain political ground within the new nation-state, the social service sector became a fertile ground to campaign for political control. It became evident that charitable organisations are not only operating within the confines of the social service sector; their advocacy efforts extend into the arena of politics because a favourable political environment was deemed important for their social objectives (Maisharah 2008: 18). Eventually, under the leadership of the PAP, community philanthropic efforts began to be formalised through their registration as charities and voluntary welfare organisations (Prakash and Tan 2015: 23).

The formation of the Singapore Council of Social Service (SCSS), a statutory authority established in 1958, further integrated the provision of social service into the government’s modus operandi (Maisharah 2008: 21). The government has a vested interest in strengthening the social service sector and building social infrastructure and services because meeting social needs were crucial to achieving its economic objectives (Hill and Lian 2003b: 2). Thus, the provision of essential social services like housing, education and healthcare were delegated to the government, while the SCSS provided remedial services like firefighting and disaster relief (NCSS 2008: 6-7).

In 1960, the PAP formed the People’s Association, its grassroots arm, to oversee its network of Community Centres, Residents’ Committees and Citizen’s Consultative Committees. Besides providing social programmes, these parapolitical structures consolidated the PAP’s political power and served as intermediaries between the government and the citizens. The addition of 121 new community centres between 1962 and 1963, and the creation of the Ministry of Labour and the Ministry of Education, further diminished the control the Chinese clan associations had in the charitable landscape (Prakash and Tan 2015: 22-24).
As a result, the Chinese clan associations turned their attention to less mainstream areas of social needs that were not met by the government, such as those relating to divorcees or migrant workers (Prakash and Tan 2015: 34-35). This shift in focus by charitable organisations to address segments of social needs the government does not prioritise will eventually be cast as an oblique mandate for the charitable landscape. Likewise, the government’s push for active civic participation in the practices of charity and philanthropy is presented as the responsibility of citizens who are members of their community and their country (Hill and Lian 2003b: 8). By emphasising individual responsibility, the government shifted the obligation of addressing social needs from the state to the citizens (Prakash and Tan 2015: 49).

The Era of Social Innovation

The “Many Helping Hands” Approach

Singapore's historical past – including the government's narrativization of its past – have shaped its views towards the practices of charity and philanthropy. This section elucidates how the Many Helping Hands (MHH) approach is pragmatically applied to the charitable landscape to steer charitable behaviours. Attention is focused on the MHH approach, which relies on a community-based approach to provide social services, as its target groups are the beneficiaries of the charitable landscape (NUS 2015: 9). In other words, charitable activities in Singapore responded and arose out of gaps in its social safety net.

Under the MHH approach, social assistance is rendered by the government and the community only after individuals are unable to be self-reliant and have exhausted their family’s support (NUS 2015: 2). The government acknowledged it is seeking new directions in its social policies, but its focus remains on the ethos of self-reliance:

It may seem like a paradox, but this tension between having a more effective safety net and having that sense of self-reliance must always be there. It is not about leaving families to face uncertainties on their own. Rather it is a strategy of government support for individuals to learn and strive to achieve their aspirations. It's about state activism that is supportive of individual
efforts that helps (sic) people to stand with pride and contribute to society. (Wong 2015b)

In other words, the practice of “state activism” is premised on supporting the efforts of individuals to access the resources of their family and community.

This “strategy of government support” has considerable influence in why the country is strongly encouraging and facilitating the development of social entrepreneurship. To the government, local SEs are the “middle sector between the traditional walls of government, non-profits and business” (Tan 2015a). Rather than having the ‘community’ alleviate social needs with the government as the main funder, SEs take on the gamut of social and financial responsibilities associated with meeting social needs. Hence, the MHH approach furnishes the government with a wide latitude in allocating resources because the founding myths of multiracialism and meritocracy justify its *laissez-faire* approach to welfare provision (Chong and Ng 2016: 4).

**The Tripartite Model and the Legal Regulations of Charity**

Post-independence, the PAP continued to increase governmental and regulatory management over both the charitable landscape and civic participation in addressing social needs. A key development was the emergence of the tripartite model of government, which has the government, private sector and the public share the responsibilities of meeting social needs. In fact, implementing the tripartite model of social service governance extends the MHH approach. Under the tripartite model, the notion of ‘community’ is broadened to include the private sector and non-governmental organisations, like charities and Institutions of a Public Character (IPCs), as stakeholders in the social service sector (Prakash and Tan 2015: 29). This section expounds on the impact of this partnership model in Singapore and emphasises the regulations surrounding tax deductions for monetary donations to charities and IPCs.

From the government’s view, welfare erodes self-reliance and is antithetical to a meritocratic society (Chong and Ng 2016: 4). Early on, its social policy is premised on giving its citizens low-cost access to “welfare-enhancing infrastructure and services” like housing, secondary health care and tertiary education (Lim 2015a: 329). Rather than fund income maintenance programmes like public pensions,
Singapore’s primary modes of social provision comprise of the ownership of public housing; education as a ‘meritocratic advancement’ towards social mobility; and the Central Provident Fund, a national compulsory savings and retirement scheme (Lim 2015a: 344-345).

In addition, Singapore’s flexible labour market and arm’s length capital investment environment do not provide incentives for external investments in social infrastructure and services (Lim 2015a: 344-345). Hence, the government became the primary provider of social infrastructure and services (Lim 2015a: 329). It is the largest funder of non-profit organisations in the country, providing nearly three-quarters of their funding support (LCSI 2014: 62). Given that the costs of providing social services are increasing, the risk is that governments cannot sustainably fund charities for the longer haul (O'Halloran 2012: 463). By adopting the tripartite model of government in the social sector, the Singapore government distributes the costs of providing social services.

Launched in 1983, the Community Chest (ComChest) was one of the earliest forms of tripartite partnership in Singapore. It created the opportunity for employees and the private sector to contribute to charitable causes through monthly payroll contributions and donation-matching respectively (NCSS 2008: 56-57). Donors, however, cannot earmark their donations for specific charities because the ComChest retains the prerogative to distribute the money (Chua and Wong 2003: 439). Despite this lack of choice, donors are incentivised to give through tax deductions on their donations. This fiscal incentive, normally reserved for IPCs in Singapore, is applied to donations to the ComChest even though not all of its member charities have been granted an IPC status (Chua and Wong 2003: 434).

Donor incentive schemes is another tool for governments to drive preferential financial support towards particular charities and social needs that they deem as having political importance (O'Halloran 2011: 3). In Singapore, government-appointed administrators are responsible for granting IPC statuses to charitable organisations, which might not always be set-up as charities. In doing so, the Singapore government incentivises both the public and the private sector to donate money to select areas of need that it prioritises (Leow 2012: 50).
The government’s considerable loss of tax revenue means it takes a definite stake in the government-charity relationship by determining, defining and influencing the construct of charities, their governance and their activities O'Halloran (2011: 16). The structured supervision of non-profit organisations through the Commissioner of Charities and the Charity Council (O'Halloran 2011: 161-162) also relates to the Singapore government’s concern that charitable activities might foster dissent (O'Halloran 2011: 155). This fear, alluded to in an earlier section, had a historical basis and resulted in the government regulating the social service sector after it was used to gain political power and to advocate for social causes (Maisharah 2008: 18).

The Singapore government is not averse to making regulatory changes when it benefits from external participation and investment in its social service sector. For instance, to urge the private sector to give, the government offered corporations up to 200% tax-exemption for their donations. To improve corporate confidence in the charitable landscape, it made changes to the Charities Act in 1995 to tighten regulations governing the administration and fundraising activities of charities (Prakash and Tan 2015: 41). It has also been guiding private sector resources to strengthen its social service sector. In 2015, it made headway in developing a Singapore Roadmap for Corporate Giving to promote skills-based volunteerism to charitable organisations (Wong 2015a). The Business and IPC Partnership Scheme, launched in 2016, further incentivizes the private sector to build the capacity of the social service sector. Under this scheme, the government will provide 250% tax deduction for the wages and related expenses of employees who volunteered and/or provided services, including secondments, to IPCs in Singapore (IRAS 2016).

Despite its tractability, the regulatory framework has concrete boundaries. The Singapore government’s intent of using the tripartite governing model to address social and community issues is meant “to develop civil society and defuse social conflict” (cited in Prakash and Tan 2015: 29). To that end, it narrowed the permissible scope of charitable activities through its legal definition of ‘charitable purposes.’ It recognises four categories of charitable purposes – relief of poverty, advancement of education, advancement of religion and other purposes beneficial to the community. Even though there is no explicit legal definition for the charitable activities permissible under ‘other purposes beneficial to the community,’ a working definition has been applied by regulatory bodies since 2005 (Leow 2012: 42, 46).
Notably, Singapore’s legal definition of ‘charitable purposes’, which bears remarkable similarities to the English *Charities Act 2011*, omitted the “advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity” (Leow 2012: 44-45). This omission is salient for two reasons. Firstly, the Singapore government’s implementation of ‘Asian Values’ rationalises its adoption of the Asian model of development, which prioritises social discipline, state authority and state control over the development of democratic institutions. Human rights, defined as a Western democratic value, is thus portrayed by authoritarian governments like Singapore as “needlessly complicating the task of economic development” (De Bary 1998: 3-4).

Secondly, by not allowing charities and IPCs to promote religious and racial harmony, equality and diversity within the country, the Singapore government has firm control over the depoliticization of ethnicity, which is crucial to its founding myths of multiracialism and meritocracy. In addition, leaving the discourse of multiracialism, along with its accompanying values of multiculturalism, multilingualism and multireligiousity – termed collectively as the 4Ms – in the government’s jurisdiction puts it in charge of social integration (Lee 2010: 4). In the government’s view, having control over the development of the 4Ms counters the risks of ethnic polarisation. It also enables the government to build interstate relations with Malaysia and Indonesia, which have predominantly Muslim populations, without the fear of ethnic divisions (Hill and Lian 2003b: 32-33).

*Envisioning a ‘Self-Reliant’ Community via Social Innovation*

Although acts of charity have the potential to build social capital and encourage civic participation in meeting social needs, monetary donations only redistribute wealth and do not reconstitute it (Acs and Phillips 2002: 198). From this perspective, benevolence requires an ‘economic dimension’ for it to be sustainable and self-sufficient. At the same time, the Singapore government recognises the volatility of public donations (Prakash and Tan 2015: 41). There is a need, therefore, to implement a more market-oriented approach to funding social services while allowing civic and private sector participation to remain as the backbone of social service provision.
Singapore’s stride into social innovation began in the aftermath of the Asian Financial Crisis in 1997 when attention turned to “small-scale donors” after corporate donations to charitable organisations fell drastically (Prakash and Tan 2015: 41-43). A series of corporate philanthropy initiatives by the private sector in the 1990s also paved the way for the development of social entrepreneurship in Singapore. These corporations created ‘philanthropic niches’ that were connected to their business interests. This form of strategic giving later became a hallmark of private sector involvement in social entrepreneurship. The era of social innovation coincided with the push and receptivity towards corporate social responsibility in the 2000s, and the expectation that both individuals and the community have a part to play in the nation’s well-being (Prakash and Tan 2015: 44-46).

Markedly, the focus of SEs have also shifted in recent years; education was the focus of most SEs (29%) in 2007 whereas in 2013, the majority (48%) are serving social and welfare needs (LCSI 2014: 75). Philanthropic activities in Singapore are not independent developments in response to social needs. On the contrary, they are part of the government-directed philanthropic ecosystem, where national bodies, the private sector and the community have assigned roles and responsibilities under the MHH approach to delivering social welfare (Prakash and Tan 2015: 50). The government’s ideological stance of self-reliance explains its embrace of social entrepreneurship, not least because it extended greater responsibilities to individuals and their community. The internalised value of meritocracy has led the majority of Singaporeans to “perceive state welfare as a burden on the economy, a social and economic ‘infection’ that has to be avoided for the sake of economic success” (Walker and Wong 2013: 99). The ideology of self-reliance, thus, became a springboard for the development of social entrepreneurship.

Similar to how the National Council of Social Services oversees the voluntary welfare organisations, the recently established Singapore Centre for Social Enterprise aims to do the same for SEs. Considering the government’s application of the tripartite model into the social sector, which parallels the MHH approach in providing social assistance, it can be determined that cultivating social innovation further delegates the social and financial responsibility of addressing social needs to individuals and their community (Low 2011; Tan 2015a). In this case, social entrepreneurship increases the ‘economic productivity’ of charitable actions. because
it forms transactional relationships with charitable givers and results in purchases. At the same time, the beneficiaries of SEs in Singapore are ‘taught’ to be self-reliant, and this decreases the likelihood of them requiring governmental assistance. To illustrate, about half of the SEs in Singapore operate under the Work Integration model, which offers the needy and disadvantaged skills training and employment opportunities (MSF 2012: 5-6).

Incorporated as legal entities, SEs in Singapore are subjected to various standards of compliance. However, unlike the US and the UK, there is no legal definition of ‘social enterprises’ in Singapore (Prakash and Tan 2014: 19). SEs in Singapore can either adopt a for-profit or non-profit legal structure, and there is flexibility for them to assume a structure that best serves their operational needs and social goals (see Yuen et al. 2013: 10-18). In contrast, SEs in the US and the UK are governed through state legislatures and creating public value is an explicit requirement (Blodge, Melconian, and Peterson 2016: 306-307). For instance, the Community Interest Company in the UK is a specialised corporate structure that requires SEs to commit their assets and revenues for public good. Similarly, the US has the Benefit Corporation structure with legally defined goals for SEs to meet (LCSI 2014: 22).

In Singapore, SEs are utilised by the Ministry of Social and Family Development as part of the social safety net. To a certain extent, the lack of legislation surrounding SEs in Singapore brings multiple benefits. Firstly, it allows SEs to adapt to market changes and apply capitalist market mechanisms. Secondly, it lowers the barrier to entry to start SEs. The Singapore government is also keen to fund youth start-ups and develop social entrepreneurship education programmes in schools to increase civic participation (Low 2011; MSF 2013). In fact, the lack of explicit legal boundaries gives the government more clout in influencing the construct and activities of SEs. It exercises control over the social sector through funding criteria and regulatory standards (see LCSI 2014: 65). SEs are then subject to “management by measurement,” with the government channelling resources to areas of needs it deems pertinent (O'Halloran 2012: 454-455).

Another reason for the Singapore government’s financial and regulatory support for SEs relates to the “widening social space” (Maisharah 2008: 19), which necessitated “a careful management of pluralism and encouragement of diverse community
stakeholders” (Prakash and Tan 2015: 29). Providing opportunities for individuals to take vested social and financial interests in community-initiated solutions, such as SEs, facilitates the “consolidation of civil society” (O'Halloran 2012: 91). For governments, increasing civic participation is “an opportunity to enhance the capacity of democratic politics” because individuals who are involved in meeting social needs are likely to be people “who cared about the local and national political frame of reference for social disadvantage (O'Halloran 2011: 107-108).

In other words, social action and civic participation in the charitable landscape hedge against the risk of political activism, where the government has to assume part of the blame for its passivity (Livingstone 2013: 351-352). Therefore, the people’s anger and discontent against social problems can be productively channelled into social action. Increasing civic participation in addressing social needs diverts attention away from the government’s inaction and “the inherent structural problems of the capitalist system” (cited in Chong and Ng 2016: 3). One can also argue that charitable organisations in Singapore, playing the part of social service providers under the MHH approach, have limited power to effect social change. They are "simply follow[ing] the piper's tune" while “[t]he brains and heart of social intervention remain with the state” (LCSI 2014: 65).

**Conclusion**

Taken together, Singapore’s financial and regulatory support for charitable organisations and SEs stem from the convergent influences of the PAP’s tenet of multiracialism, meritocracy and pragmatism. In addition to reducing the government’s burden of social service provision, regulatory power possesses a latent potential to limit the impact of charitable activities. The government has also shown its inclination to adapt its regulatory framework to restrain/expand the scope of charitable initiatives in the charitable landscape by offering fiscal incentives. The implementation of charity law and regulations serves a strategic function for the government to guide how and which social needs should be met. As a result, the “expansion of state sovereignty” in Singapore, evidenced through the state’s encroachment into the charitable landscape through funding criteria and regulatory mechanisms, confers upon its citizens increasingly clear-cut roles and obligations towards their country (Hill and Lian 2003b: 33).
Chapter 3 –
Case Study: The National Kidney Foundation Saga

Introduction

The National Kidney Foundation of Singapore (NKF) was founded in 1969 by nephrologist Khoon Oon Teik after losing his brother to kidney failure (ST 2004a). The registered charity ran 21 kidney dialysis centres in Singapore and reported having more than 2,000 patients under its care (Chua 2005b; ST 2004b). In 1995, it was given the status of an Institution of a Public Character (IPC) under the Income Tax Act, and donors received tax deductions for their giving (KPMG 2005: 28). As the ‘poster child’ of the local charity sector, it received widespread national support, including patronage from government leaders in Singapore (Wong 2005a). It had a stellar fundraising record and raised S$67.5 million in 2002, which was 18% of the total donations made in Singapore (Tan 2004c). Two-thirds of Singaporeans also donated to the charity (Long 2004), and its recurring monthly donation programme, LifeDrops, generated over $25 million annually (Chua 2005b).

In this chapter, the NKF saga in 2005 will be used as a case study to detail the Singapore government’s use of regulatory power in the charitable landscape to deal with the charity crisis, which had the likelihood of turning into a political controversy. To show the changing terms of engagement in the charitable landscape between the government and the public, the developments of the NKF saga are presented in chronological order. Additionally, the events that triggered the ‘gold tap scandal’ and the government’s approach of using regulatory reform after the saga to limit the damage to its political reputation are correlative to the ‘light touch regime’ that it implemented in the charitable landscape.

‘Regulatory power’ is understood here as the assertion of state power through regulatory mechanisms to influence the charitable actions of its citizens. As it will be
shown, the government’s exercise of regulatory power in Singapore is shaped by the public response, and changes to extant regulations are made only when forceful public resistance threatens its political legitimacy. As a result, the public and sectoral feedback the government later sought when ‘strengthening’ its regulatory framework had the effect of enhancing public receptiveness towards these new policies, essentially “forging ‘consensus politics’ between the citizenry and the government” (Lee 2010: 91). Thus, regulatory power can be said to have a mediating function between the government and the electorate. Formulating regulations requires both parties to come to a consensus despite having differing goals and purposes for the application of these regulations.

**The Gold Tap Scandal and Public Furore**

On 19th April 2004, *The Straits Times* published a news article alleging wastefulness and extravagance within NKF. The main crux of the article by journalist Susan Long centred on the anecdote of a retired contractor. He recounted his deep displeasure at having to install expensive lavatory fittings, which included a gold-plated tap, in the bathroom of the CEO’s office suite at NKF’s new headquarters (Long 2004). NKF refuted the claims made about the gold-plated tap, amongst others, and sent a lawyer’s letter to Singapore Press Holdings (SPH), which owns *The Straits Times*. The charity demanded a retraction and an apology (CNA 2004b). Along with NKF, Thambirajah Tharmadurai Durai (TT Durai), the CEO of the charity, later sued SPH and Long for defamation and sought damages of S$3.24 million (Tan 2015b).

In the weeks preceding the incriminating article, NKF had been the subject of public debate over the revelation that it had reserves of S$189 million (Tan 2004c), and was in talks with multinational insurance company Aviva to provide referrals of potential clients. These referrals would be made by NKF from its island-wide health screenings and database of one million donors. In return, it would receive S$5 million dollars from Aviva over the next five years (Tan 2004a). In response to the criticisms levelled against it, the charity provided a breakdown of how each donated dollar was spent to quell public disapproval. It asserted that S$0.56 out of every dollar it received was allocated to the 2,000 beneficiaries it supported and to administer its programmes, with S$0.26 placed in reserves, and S$0.15 spent on fundraising expenses (ST 2004b).
The NKF had previously reported different figures in its 2004 Investment Report (KPMG 2005: 152). When the discrepancy was brought to public attention, it quickly clarified that those figures were erroneous (ST 2004b). The charity also mentioned that its tax-exempt status meant it had fulfilled the legal requirement of spending “80% of its income on its beneficiaries and programmes” (Tan 2004c). Government ministers also came out in support of the beleaguered charity (CNA 2004a). Then-Acting Health Minister Khaw Boon Wan (Khaw) noted that the Commissioner of Charities (CoC) and the Ministry of Finance “would have reacted many years ago” if rules or regulations had been disregarded (cited in CNA 2004a). Importantly, this deference to regulations as the mode of ‘government’ would eventually become a point of public contention as the NKF saga unfolded.

A year later, on 11 July 2005, the defamation lawsuit against SPH and Long commenced and was scheduled to go on for ten days (Lim 2005). However, the case was withdrawn after two days when TT Durai admitted in court that the gold-plated tap was indeed installed, but was later removed and replaced with a cheaper, chrome-plated version (Wong and Low 2005). In addition, it was disclosed that the charity had inflated its patient numbers (Berger 2005), TT Durai was paid a monthly salary of S$25,000, and that he was awarded almost S$1.8 million in bonuses between 2002 and 2004 (CNA 2005e). Significantly, he confessed that he flew first-class using the charity’s funds (Berger 2005) – a statement he disputed in the two libel cases he won in the 1990s and an allegation firmly denied by then-NKF chairman Richard Yong when he was interviewed by Long in 2004 (Loh and Lum 2005; Long 2004).

The court proceedings were made front page stories in every newspaper in Singapore (Wee and Chong 2009: 14), and the anger of Singaporeans was palpable. More than 6,800 LifeDrops donors withdrew from the monthly donation programme two days after the close of the legal proceedings (Henson 2005), and more than 50,000 LifeDrops donors eventually dropped out after the independent audit by accounting firm KPMG was published in December 2005 (CNA 2005d). TT Durai, who had been involved with the charity for 37 years, including 13 years as its CEO, remarked that he had done nothing wrong and did not intend to resign (Wong 2005b). However, the topic of his extravagant salary and bonuses dominated Internet forums and an online petition calling for his resignation garnered more than 40,000 signatures in two days (Berger 2005). A few hundred members of the public also
called or wrote to The Straits Times, conveying their outrage (Chang 2005). Vandals spray also painted the word ‘liar’ at the NKF’s headquarters (Chua 2005a).

What inflamed the situation even more was when Mrs Goh, the wife of then-Senior Minister Goh Chok Tong, defended TT Durai’s high salary: “For a person who runs a million-dollar charitable organisation, S$600,000 is peanuts as [NKF] has a few hundred millions in reserves” (cited in Burton 2005). She maintained she had “complete trust in the NKF and Mr Durai,” and would continue to stay on as the patron of the charity (ST 2005a). The crisis was further fuelled by reports of her “peanuts” comment – it spawned a meme of a Peanut Series of dollar bills which stated that “the average Singaporean will need about 2 lifetimes to save [for] a Peanut” (2005). Her comment was also seen to highlight the widening income gap and asymmetrical power relations between the ruling elite and everyday citizens (De Clercq 2006).

Regulating the Regulator

In the wake of the NKF saga, a corporate lawyer commenting on the public’s reaction said that it was “an expression of collective anger” and “an exercise in civil society notable for its broad range of participants” (Siew 2005). Addressing the vandalism at NKF’s headquarters (Chua 2005a), Prime Minister Lee Hsien Loong attempted to allay the public’s unprecedented display of anger by appealing to reason, saying: "Unhappiness is understandable but take it calmly. We are already acting to fix it, so spray-painting the premises is not going to make things better" (cited in Berger 2005). Then-Minister for Community Development, Youth and Sports Vivan Balakrishnan also expressed that the board of NKF must “do the right thing” and win back public trust by initiating the required changes to the organisation (cited in Azhar 2005). He also noted that the government cannot compel the decisions of NKF, but it will “watch very closely” and “nudge people in the right direction” (cited in Chua and Lee 2005). It became clear by this time that TT Durai’s position was untenable.

In a dramatic turn of events, Khaw announced the resignations of TT Durai and the entire board of directors in a televised press conference on 14 July 2005, two days after the lawsuit was withdrawn (Wee and Buche 2009: 11). Despite Khaw’s
acknowledgement that the government had “no legal right to ‘to intervene in a private charity’” (cited in Chua and Lee 2005), the Ministry of Health (MOH) released a press statement on the same day to explain its minister’s involvement in the NKF saga:

On restoring public confidence, the NKF Board and the CEO sought the Minister's intervention and offered to resign in order to give him a free hand in this. In particular, they requested Minister's assistance to reconstitute a new Board and appoint a new CEO. NKF is an independent non-Governmental Voluntary Welfare Organisation. However, in the interest of the dialysis patients and the NKF, the Minister agreed to help in this effort… Pending completion of these reviews, NKF will suspend active fund-raising activities. (MOH 2005b)

News of the board’s en masse resignation was followed soon after by news of Mrs Goh stepping down as the NKF patron (Berger 2005). There were also two days of Parliamentary debate where Members of Parliament brought forward their constituents’ concerns and questions (Siew 2005). Following the press conference, Gerard Ee, President of the National Council of Social Service (NCSS), was appointed the interim chairman and acting CEO of NKF (CNA 2005b). Six days later, the names of a new eight-member board were announced in Parliament (Wee and Chong 2009: 16). It was evident that the government had been working feverishly in the background to contain what was shaping up to be a full-blown corruption scandal and a government crisis.

The NKF saga was a landmark development in Singapore’s charitable landscape because it was the first time a charitable organisation had been found to misappropriate public funds. With Singapore’s reputation as one of the least corrupt countries in the world and the government’s strong anti-corruption stance, the saga incited questions about the integrity of the government’s regulations on charities and dented public confidence in the charity sector, which was worth more than S$400 million in 2006 (Lee, Lee, and Pang 2009: 2). The PAP stands the risk of tarnishing its “gleaming example of moral political rectitude” (cited in Lee, Lee, and Pang 2009: 12), which extends to its reputation for being corruption-free and is the reason most Singaporeans trust the government (Mellish 2006).
One of the first tasks undertaken by the new board was to commission accounting firm KPMG to undertake an independent audit of NKF’s past practices (Wee and Chong 2009: 15). The 442-page report, released on 19 December 2005, uncovered both financial irregularities and lapses in governance and accountability, such as the communication of misleading claims relating to its patient numbers, patient subsidies and treatment costs (KPMG 2005: 158-161). One of the most damning revelations from the report was how little each donated dollar went to helping its patients offset treatment costs. Instead of the S$0.56 it asserted was put aside for its beneficiaries and programmes (ST 2004b), only approximately S$0.10 had been used to subsidise the direct treatment costs of its patients (KPMG 2005: 151-152).

The release of the comprehensive KPMG report not only placed the spotlight on NKF, but also on the Singapore government and government agencies responsible for regulatory management of the charity sector. In particular, what raised public ire against the government’s regulation of the charitable landscape was how there had been multiple missed opportunities to investigate NKF. Both the MOH and NCSS had, on separate occasions, raised concerns about its management of funds and high expenditures but no meaningful remedial actions were taken (KPMG 2005: 307, 311-312). The government’s preference for a ‘light touch’ regime when regulating the charity sector (Khin 2005; Tan 2004b) backfired with the occurrence of the NKF saga and turned it into a target for public criticism (see Au 2006; Chua 2004; Khalik 2005a). Political commentator Seah Chiang Nee was quoted by news agency Reuters to have said: “There is a very deep public anger that has also gone to the government. The least you can accuse them of is poor judgment and also a certain amount of dereliction of duties” (Wong 2005a).

The government’s active involvement in implementing corrective actions, which later resulted in additional regulations for the charitable landscape, was necessary because the public demanded for it to “play the arbiter’s role” (Chua 2004). In itself, this was a sign the public had entrusted the government with the responsibility to oversee the charitable landscape (Lee, Lee, and Pang 2009: 7). Any negativity resulting from the NKF saga will thus be redirected at the government. As such, the government stepped in to appoint a new board whom it had confidence in to turn the crisis around and delegated the responsibility of restructuring the regulations governing the charitable landscape to various governmental ministries (Khaw
The purpose of ‘tightening’ regulations was for donors to become informed givers – charitable organisations had to ‘win’ their trust. In fact, by using regulations to ‘govern’ the charitable landscape, they had the effect of turning charitable giving into arm’s length transactions (Cheng 2009: 231).

**Governing through Regulations**

I would argue here that the governance of NKF had failed at all three levels of non-profit governance – corporate governance, regulation and public opinion (Cheng 2009: 231-232). Still, the Singapore government reminded donors that it was their duty to exercise wisdom and conduct due diligence when donating to charities and IPCs (CNA 2006; Tan 2004b). As mentioned earlier, the use of regulations as the mode of governing the charitable landscape reflects the government’s ‘light touch’ regime. It believes that “regulatory rigidity” will “shrink the role of volunteers and civic society” (Khaw 2005b). However, as the NKF saga grew in scale and intensity after the collapse of the libel suits, there were concerns it would have a severe impact on public confidence and lead to the withdrawal of support for other charities in Singapore (Wee and Chong 2009: 20).

In order to reduce the ‘offensiveness’ of the gold tap scandal, the government set up an Inter-Ministry Committee on the Regulation of Charities and Institutions of a Public Character (IMC) to review its regulatory practices and to consult the public and charity sector on the regulation of the charitable landscape (Cheng 2009: 229). These measures culminated in the introduction of the Charities (Amendment) Bill to effect the regulatory changes recommended by the IMC and the drafting of a new code of governance and governance evaluation checklist for charitable organisations (Wee and Buche 2009: 34; Wee and Chong 2009: 20-21). To better regulate charities and protect the public interest, the bill also endowed the CoC with the additional legislative power to launch investigations and take remedial actions (Wee and Buche 2009: 34).

When examining the regulatory changes post-2006, it is evident that the public’s contention with NKF’s *modus operandi* then had a direct impact in influencing the new regulations. For example, to address the issue the public had about NKF’s massive reserves, the current regulatory framework prohibited charities with more
than five years of sufficient reserves from organising further fundraising activities. The issue of accounting firm PricewaterhouseCoopers being found wanting in its oversight of NKF’s corporate governance was also dealt with through the new regulations. NKF had appointed the same accounting firm as its statutory auditor for 16 years; now, large charities with an annual income of above S10 million are required to appoint a minimum of 10 trustees and change auditors every five years (Wee and Buche 2009: 17).

The regulations implemented for the charity sector were guided by three principles: “the approach should be driven by the community, encourage self-regulation and that the boards of the charities were ultimately responsible for the charities” (Wee and Chong 2009: 20-21). Accordingly, governance is expressed as public and individual responsibilities rather than state responsibility. For instance, the Charity Council was formed after the saga and comprised 14 representatives from the private and public sectors. The government intends to use their professional expertise to advise the CoC on regulatory issues, promote governance standards and build the governance capabilities of charitable organisations (Charity Council).

In fact, establishing the IMC and Charity Council are techniques of bolstering and compensation (Lee, Lee, and Pang 2009: 9). In the case of NKF, the former technique highlighted regulatory reform as a positive outcome of the saga and the latter involved the public as quasi-regulators whose opinions guide the regulatory reform. Altogether, these are attempts to restore the public’s faith in the efficacy of self-regulatory mechanisms. In this way, governance becomes effected and maintained by regulations and not by the government per se.

The Political Necessity of Governmental Intervention

As the KPMG report revealed, the IPC status of NKF was retracted in 2001, but the MOH reinstated it for another three years (KPMG 2005: 314). By revoking the charity’s IPC status, donors would no longer receive tax deductions on their giving, and this would, in turn, impact its fundraising efforts. In fact, the NKF was filling an important gap in the health system. There were rising incidences of renal disease in Singapore, and outpatient chronic dialysis treatment was unavailable in public hospitals and government medical clinics. Over time, NKF became the largest
private provider of palliative dialysis treatment and was an indispensable service provider (Wee and Buche 2009: 3-4). In addition, the charity had benefited from government regulations which allowed it to carry out large-scale fundraising activities through state media (MOH 2005a). Thus, the NKF saga could insinuate that the government had failed in its governance of the charitable landscape. The government could be blamed for allowing NKF to continue soliciting public funds despite the concerns it had about its management of finances and its failure to follow regulatory procedures (KPMG 2005: 311-312).

The NKF saga necessitated governmental intervention as the government is responding to “a serious threat [that] exists in the socio-political system” (Lee, Lee, and Pang 2009: 3). The NKF saga was politically important because the MOH was one of the key government ministries that regulated the charity and had renewed its IPC status despite NCSS’s previous concerns (Wee and Chong 2009: 15-16). There was a need for Khaw as the health minister to implement corrective actions if not he, and by extension, the government, would be deemed negligent.

Compared to its previous incorporation as a society, the current structure of the NKF as a company limited by guarantee vested its board with greater powers (Wee and Chong 2009: 11). For this reason, Khaw appointed people who had “high standing in their professions and in the community” (Khaw 2005a). He knew most of the appointees personally, and they had previous experience either in government institutions or the public sector. The new board, thus, could mitigate the risk that the appointed individuals would be at odds with the government’s task of ‘cleaning up’ the NKF – a responsibility Khaw likened to as performing “national service” (Khaw 2005b).

In itself, the NKF saga appears to challenge “the popular perception that Singaporean institutions are well managed and typically reinforce the country’s reputation for a lack of corruption” (Lloyd-Smith 2005). As civil rights group, the Think Centre, pointed out:

… over the years, through [NKF’s] fund raising activities on state television, it has been closely identified with the government. If fraud was uncovered at the NKF, Singaporeans will inevitably direct their resentment towards the
government, which has been seen as extremely supportive of the NKF even at
the height of the scandal. (cited in Reuters 2005)

When the scandal occurred, the Singapore charity sector was operating on a black
box model – where “charities are trusted institutions with the government’s seal of
approval” – and this explains why there was “public outcry and calls for government
accountability” during the NKF saga. However, it is observed that “the response and
messages from the authorities suggest that the charity environment had been
operating, and should continue to operate, on the glass house model.” Under this
model, self-regulation takes precedence and organisations “need to be transparent in
a caveat emptor (buyer/donor beware) marketplace” (Cheng 2009: 235).

For instance, Balakrishnan emphasised that ‘tightening’ of the regulations for the
charity sector is “not the key focus of this [saga]” and called for the board of
directors of charities to be more active and (CNA 2005a). In its press release and
statements to the media, the government also shrewdly distanced itself from the
responsibility it had to assume as the regulator of the charity sector, putting the onus
on organisations seeking public funds to ensure they are capable of standing up to
public scrutiny (see Khin 2005; MOH 2005b; Tan 2004b; 2005).

When the KPMG report was released in December 2005, the judgment that the
government was found lacking in its regulatory duties was detailed in the report
(KPMG 2005: 25-26), and repeated by numerous news articles (see CNA 2005c;
Khalik 2005a; 2005b; Lloyd-Smith 2005; ST 2005b; Wong 2005a). Before the
KPMG report, the government could easily shift the blame to TT Durai and the
former NKF board, but extensive news coverage of the report meant that it could no
longer maintain its distance from the saga. Responding to the report, Khaw said the
government “take[s] part of the blame for allowing this to drag on for longer than
necessary” (cited in Wong 2005a). He later clarified that “[a]ccepting responsibility
[as regulators] means we acknowledge the problems as identified by KPMG” (cited
in Li 2006). In other words, Khaw’s initial acceptance of responsibility for his
ministry’s failing was tokenistic; it was a strategy to appease the electorate because
the government’s oversight in the charitable landscape had become undeniable (Lee,
The government’s earnest efforts to subdue the public furore resulting from the NKF saga also relate to the 2006 General Elections (that was upcoming then). The prompt reaction by the government is hardly unexpected because as Mellish contends:

…[the PAP’s] biggest assets are Singapore’s economy and its reputation for being corruption-free. This generates the implicit trust most Singaporeans have in their government. That’s why it acted so quickly to end talk about the cronyism at the National Kidney Foundation. (Mellish 2006)

Analysts concluded that the government’s swift regulatory response in the aftermath of the saga was to limit the damage to its electoral outcomes and to “turn the situation around to show their commitment to clean governance” (Reuters 2005).

To illustrate, the opposition Singapore Democratic Party (SDP) alluded that the PAP’s management of the NKF saga was not conducted at arm’s length. In response, the PAP implied that the SDP had to resort to politicising the scandal because it was capitalising on public sentiment to gain popular votes. The PAP maintained that the SDP’s arguments lacked merit because it had, in fact, played a pivotal role in curtailing the crisis and implementing corrective actions to the charitable landscape (Lee, Lee, and Pang 2009: 20). The government took the stance that NKF had been able to satisfy both government regulators and external auditors that its operations and administration of finances were above board. Therefore, the government claimed it was unfairly attributed with the resulting lapse in governance (Khaw 2006).

The SDP had intended to use the gold tap scandal to challenge Khaw’s constituency in Sembawang during the Singapore general election in May 2006. It wanted to draw parallels between the government’s management of the scandal with the lack of transparency and accountability in statutory bodies and government-linked companies. However, its plan was foiled when 12 of its central executive members were served defamation suits from Prime Minister Lee Hsien Loong and his father, the late Lee Kuan Yew. The threats of defamation and libel had been employed to quell oppositional voices in Singapore for some time, and this was no exception. The SDP had essentially suggested that the government was “perpetuating a corrupt political system for the benefit of the political elite” (Rodan 2006). As a result of the defamation suits, the charity scandal was conspicuously absent from all the opposition parties’ election rally speeches during the bulk of the two-week campaign period (Mellish 2006).
Despite three opposition parties contesting for more than half of the total seats in Parliament for the first time in more than a decade (Mellish 2006), the PAP ended up taking 66.6% of the votes. It secured an overwhelming majority – 82 out of 84 – of the seats in Parliament in the 2006 General Election (Rodan 2006). For one thing, serving the SDP with defamation suits had halted public discussion about the government’s management of the NKF scandal, and with that, it could deflect criticism because its ‘gagging order’ had put a lid on public discourse about its involvement.

**Conclusion**

Two complementary strategies were discerned in the Singapore government’s response to the NKF crisis, which was at risk of becoming a political controversy. Firstly, the government framed how the charity scandal was perceived by “either keeping its stance or framing the issue in a new way that would be more in line with constituents’ needs” (Lee, Lee, and Pang 2009: 10). Since the NKF saga began in 2004, the government had taken an active interest in its development and used the media effectively either to drive support for NKF or to influence public opinion (see CNA 2004a; Khalik 2005d; Lee, Lee, and Pang 2009: 10). The sometimes contradictory stances taken by the government – such as the weak admission of responsibility by Khaw (Wong 2005a) and later, chastening NKF as more details emerged about the mismanagement within the charity (Khalik 2005c) – were part of pandering to the electorate.

Secondly, to preserve its objective of a ‘light touch’ regime, the government relied on the involvement of the public and the charity sector to guide the changes for the charitable landscape. In doing so, the government balanced demands from the angry public with sectoral feedback on the practicality of the new regulatory changes. Although there was a decrease in public confidence in the charity sector after the NKF saga, evidenced by a S$97 million drop in total donations the following year (Tai 2015), the government’s subsequent implementation of regulatory reforms had a tangible positive impact. The success is evident in the tripling of donation amounts in 2008. According to a survey conducted by the National Volunteer and Philanthropy Centre, there was also an increase in public confidence compared to two years ago.
(Lee, Lee, and Pang 2009: 5-6). As such, even though the Singapore government and the charity sector did not escape from the crisis unscathed, they managed to restore their credibility because of these two strategies.
Chapter 4 – Regulatory Power in Singapore

Introduction

I don't think that we should consider the "modern state" as an entity which was developed above individuals, ignoring what they are and even their very existence, but, on the contrary, as a very sophisticated structure, in which individuals can be integrated, under one condition: that this individuality would be shaped in a new form and submitted to a set of very specific patterns. (Foucault 1982: 783).

This chapter explains how Singapore utilises regulatory power in its charitable landscape to implement the ‘Many Helping Hands’ approach to addressing social needs. It also explains the tripartite model of social service sector governance in Singapore. ‘Regulatory power’ refers to the state’s assertion of power through regulatory mechanisms to influence the charitable actions of its citizens. The NKF saga detailed in the third chapter forms part of this analysis because the Singapore government dealt with the charity scandal primarily through regulatory evaluations and refinements. This chapter also unpacks the distinct position social enterprises (SEs) occupy as a form of social innovation that is simultaneously led and directed by both the state and its citizens.

This chapter aims to fulfil two objectives: first, to examine how regulatory power is the result of the state’s rationalisation about the discourse of truth, which outlines the role and responsibility of its citizens in the charitable landscape; and second, to examine how regulatory mechanisms shape the responses of its citizens towards social needs, specifically the development of local SEs. In particular, the dynamic and intersecting relationships between the state, its citizens, the regulatory environment, and the social needs either prioritised or neglected by the state are the main attention of this chapter. It argues that the enactment of regulatory power relies...
on self-reliance as the discourse of truth in the charitable landscape and that this pervasive ideology facilitated the development of local SEs in Singapore.

A Conceptual Analysis of Power Relations

The conceptual framework used to study the effects of regulatory power in Singapore’s charitable landscape is based on the five-point analysis of power relations proposed by French philosopher Michel Foucault (1982: 792) in his seminal work on “The Subject and Power.” The aim of applying Foucault’s framework for the analysis of power relations is not to offer a reductionist view of complex developments in Singapore’s charitable landscape. Rather, Foucault’s mode of analysis is useful when one wants to reconsider the presupposed asymmetrical distribution of power in the relationship between the state and its citizens.

Even though each power relationship constitutes the role of ruler and subject, it does not mean that their roles are fixed in perpetuity. Power, then, is not the hallmark of a de facto ruler. In this view, power becomes ‘mobile’ because it is not the cause of power relationships but the result of their existence (McHoul and Grace 1993: 88). The specific effects of power can be elucidated by surveying how those in power produce ‘truths’ using instruments of power (Foucault 1980b: 93-94). In doing so, it provides a way to gain insights into the acquiescence and resistance of the state and its citizens concerning their role and responsibility in addressing social needs.

The five-point analysis of power framework that Foucault (1982: 792) puts forward is summarised here for the purpose of providing context. Brief explanations of the points are also provided. To undertake an analysis of power relations, Foucault states that five points must be clearly established: (1) the system of differentiations, (2) the types of objectives, (3) the means of bringing power relations into being, (4) forms of institutionalisation, and (5) the degrees of rationalisation. In the following subsections, these five points will be identified in the context of Singapore’s charitable landscape, albeit not under these headings or in the exact order.

Firstly, the system of differentiations refers to elements of society, such as the law, traditions of status and privilege, and economic or cultural differences, that allow one person to act upon the actions of another. In short, these differentiations are both
required and enabled by power relations. Secondly, those who act upon the actions of others determine the types of objectives to be derived from each relationship of power. Thirdly, explicating the tangible nature of power begins from identifying the means in which power relations are brought into actuality, for example, through surveillance, the threat of arms or economic disparities, and other means of control.

Fourthly, forms of institutionalisation relate to state, legal, societal, and cultural structures and systems that enable power relations to be built or maintained. For instance, legal systems, military institutions, charity regulations, and the state itself constitute forms of institutionalisation. Lastly, degrees of rationalisation refer to considerations by those in power about the effectiveness and appropriateness of the instruments of power being used to create or advance power relations, which in turn justify their use of these instruments of power.

The ‘Truth’ of Regulatory Power

The formalisation of regulatory power in Singapore’s charitable landscape occurred when the Department of Social Welfare (DSW) was established in 1946. In Singapore, charitable actions are mainly directed to address social needs that the government either does not prioritise or is inadequate to serve. In fact, the exercise of regulatory power is an artefact of state power, and I will contend that the application of regulatory power politicises the practices of charity and philanthropy.

Before the enactment of regulatory power, charitable giving in Singapore was practised as ‘community philanthropy,’ where the community was primarily responsible for identifying and implementing solutions to address social needs. When the DSW was established, its role was to leverage the practices of charity and philanthropy to unite transient migrants into exhibiting their “Singaporean-ness” by responding to social needs (Prakash and Tan 2015: 16). The DSW was a means to achieve political objectives because addressing social needs enabled the political leaders to rebuild the country and gain legitimacy (Prakash and Tan 2015: 11-20).

If, as Foucault says, the production of truth is the facilitation, establishment and outcome of a power relation (Foucault 1980a: 131-132), then power needs to subsist in a discourse of truth to be installed, exercised or maintained (McHoul and Grace
The discourse of truth in Singapore’s charitable landscape is a striking example of how its citizens’ actions and capacity to act have been subjected to regulatory power. When applying this Foucauldian view of truth and power into the context of Singapore, it can be determined that the developments of the charitable landscape are the result of citizens resisting and submitting to regulatory power.

In Singapore, the discourse of truth in the charitable landscape revolves around the notion of self-reliance. This discourse of truth is embodied by the founding myths of multiracialism and meritocracy, which was explained in Chapter 2 as the construction of its nationhood to accomplish political integration. The myths of multiracialism and meritocracy have been pragmatically applied by the government in policy making (Lee 2010: 4), and in the same fashion, they shape the rules and conduct of the charitable landscape by instilling ‘politically correct’ behaviours.

Effecting regulatory power in the charitable landscape requires a production of ‘truth’ that rationalises the Singapore government’s management of the charitable landscape. At the same time, the ‘truth’ has to obscure the resulting charitable actions as premeditated outcomes. In this manner, resistance to the ‘truth’ of self-reliance would revolve around their forms of expression and not the question of its legitimacy. The focus, therefore, shifts to how citizens can be self-reliant, wherein self-reliance becomes the “new mechanism of power” that capsulizes the value of subjects by extracting their time and labour (McHoul and Grace 1993: 63). The national SkillsFuture initiative in Singapore, which encourages skills development and lifelong learning, is aimed at promoting lifelong employability (Lee and Morris 2016: 287). To be self-reliant is to be economically productive and broadly, to be as productive as one possibly can without requiring governmental assistance.

Being a citizen of Singapore and/or identifying with the national identity elicits a particular code of behaviour that is aimed at safeguarding and strengthening its nationhood (Han 2016: 202). The encouragement to depend on oneself, familial relations and the community – in that order – before seeking state assistance is the rationale behind the MHH approach. This approach implicates individuals and their communities as social service providers whom the government then relies on as part of its social welfare strategy (Chan 2012; NUS 2015: 2). To that end, the government
has set-up social service offices to coordinate the civic provision of social services in major public housing estates across Singapore (Tai 2015).

The government’s pervasive ideology of self-reliance relies on a survivalist narrative, which communicates that the hardships of the past could reprise themselves if citizens do not take up individual responsibility for the country’s success (Han 2016: 208-210). This ‘truth’ is impressed onto the citizens through citizenship education and the national ideology of Shared Values (Lim 2015b). The Business and Institutions of a Public Character Partnership Scheme exemplify the inclusion of the private sector as subjects of regulatory power in Singapore. When seen in this way, the subjection of individuals to the application of regulatory power is carried out not only through political and cultural citizenships but also through economic citizenship, where the private sector is mobilised as part of the government’s tripartite model of social sector governance.

The Singapore government holds firmly to its belief that social service provision is a responsibility that pertains to every individual in the community. Saliently, when charitable actions are elevated as the be-all and end-all of addressing social needs, the structural causes of inequality are concealed. In fact, the two founding myths act as a form of cultural control where their internalisation governs the actions and behaviours of individuals (Lee 2010: 119). Of worthy mention is that most Singaporeans have internalised the rhetoric that self-reliance is underpinned by hard work and meritocratic access to opportunities. This perspective has, in turn, engendered their views on the attribution of poverty and the obligation of the state to provide welfare (Chong and Ng 2016: 14).

For the Singapore government, which derives political legitimacy from the delivery of economic growth and development, meeting social needs and building a strong social service sector allows it to achieve its economic growth objectives (Hill and Lian 2003b: 2). Although charitable giving is a form of participation in civic life (Bekkers and Wiepking 2010: 4), leaving the provision of social services to individuals presents inherent political risks. The exertion of political influence by the Chinese clan associations in Singapore’s early years clearly demonstrates the risks of unregulated charitable behaviours. In other words, charitable donors amplify their influence when they mobilise people and resources towards their causes (Latour
1986: 31), which might not always complement the government’s objectives. To counter this possibility, the Singapore government uses the Community Chest and the granting of Institutions of a Public Character statuses offer tax offsets and to incentivise the public and the private sector to channel resources towards social needs it prioritise (Leow 2012: 50).

The government’s involvement of the private sector as a social service provider under the MHH approach also has the intention of turning them into cultural citizens where they are party to the governance of the charitable landscape. At the same time, the irony is that providing fiscal benefits to encourage acts of charity de-individualises its practice. Altogether, these regulatory mechanisms are the result of the tripartite model of social sector governance, where the government expects the public and the private sector to share its burden of social service provision.

**Forced Refinements to the Regulatory Mechanisms**

The effects and application of regulatory power in Singapore’s charitable landscape provide the context to understand the importance of the NKF saga and how the government sought to gain control through regulatory changes. Explaining the limits of state power, Foucault is clear that the state is a “codification of a whole number of power relations” (Foucault 1980a: 122). Power is not omnipresent because subjects can move beyond its reach. By this token, regulating the charitable landscape can consolidate civil society (O’Halloran 2012: 91). In Singapore, the use of regulatory power is the core means of institutionalising state power in the charitable landscape. The implementation of the new regulatory framework post-2006 reflects the government’s attempt to cope with the public furore, which had exposed its weaknesses in “guiding the possibility of conduct and putting in order the possible outcome” (Foucault 1982: 789).

What was at stake in the aftermath of the NKF saga was not simply the nation-wide reduction of about S$100 million in donations (Tai 2015), but the public’s lack of trust in the government’s regulatory mechanisms. Therefore, there was a need for the Singapore government to move the public within reach of its regulatory power so that it can exert influence over their charitable actions. It can also be reasoned that the purposefully visible role the government had in ‘cleaning up’ the NKF saga was
no less a ‘governmentalizing’ of power relations (Foucault 1982: 793). In fact, the new regulatory framework gives the government increased control but diminished responsibilities within the charitable landscape (Charity Council 2011: 5). The public and the private sector have taken on heightened responsibilities in the charitable landscape. The public is expected to be informed givers by conducting due diligence, and the private sector is incentivised to be capacity builders for charitable organisations (NUS 2015: 11).

By requiring charitable organisations to adhere to more stringent regulatory standards and public disclosure requirements so that the public can become informed givers, the government is applying regulatory power as an individualising and totalising form of power (Foucault 1982: 782-783). Through its exercise of regulatory power, the government has control over the development of the charitable landscape, the management of charitable organisations and the individuals’ charitable actions. Implementing tiered regulatory standards for charitable organisations based on their annual income, which was intended to offer operational flexibility and reduce the cost of compliance (Goy 2016b), actually endows the government with increased regulatory control over their operations.

**The Conundrum of Social Enterprises**

In Singapore, the “wealth gap challenge” is perhaps the most instrumental in shaping the structure and governance of its social service sector because between 12% to 14% of Singaporean households are determined to be living in poverty (LCSI 2014: 9). In recent years, the government has expanded the provision of social welfare to strengthen its social safety net because poverty and inequality had been trending upwards from the 1970s (Chong and Ng 2016: 1-2). Since the 1990s, Singapore has remained as the most unequal nation in terms of income distribution among all developed economies (Lee and Morris 2016: 288).

According to the Gini-coefficient, which measures the distribution of income within a country, Singapore is perhaps one of the most inequitable societies in the world. It had a Gini-coefficient score of 0.43 before taxes and transfers in 2014 and 0.37 after accounting for taxes and transfers. The reduction of its Gini-coefficient can be partially attributed to the expansion of social policies such as the Workfare Income
Supplement scheme, which supplements the income and retirement savings of low-wage workers (MOF 2015: 8-10). Even then, the broadening of its social policy is still a form of “state activism” that ‘rewards’ self-reliance (Wong 2015b). Nevertheless, the rising income inequality has fuelled political dissatisfaction with the government, resulting in a loss of popular votes from its electorate in past general elections (Prakash and Tan 2015: 49), especially in 2011.

There are two main contradictions that must be understood before the development of local SEs in Singapore can be explained. Firstly, the government contends that the MHH approach of meeting social needs “ensure[s] that finite resources go to those who need help most” (Government of Singapore 2015). Yet, Singapore saw a 23% increase in registered charities within a decade. The ‘charity boom’ indicates an increase in “niche charities” catering to underserved and non-mainstream areas of social needs (Tai 2015). Secondly, the government has stuck zealously to the conviction that self-reliance must take primacy over welfare entitlements (Wong 2015b). However, it is also the primary funder of non-profit organisations in Singapore (LCSI 2014: 62).

The two contradictions are, really, two sides of the same coin because the government has always been subjugating its social policy to economic growth, wherein it acquires political legitimacy (Lee and Morris 2016: 286; Lim 2015a: 327). Even the government’s intent to reduce income inequality and promote social mobility, which it terms “broad-based social uplifting” (Shanmugaratnam 2015), is aimed at producing economically productive citizens. SEs occupy a distinct position in Singapore’s charitable landscape. The government’s policy narrative is such that economic productivity at the individual level will lead to economic growth for the country and importantly, provide enhanced public services and funding for social services (Lee and Morris 2016: 293). A thriving social sector can be used to stimulate economic growth, not least because there is the possibility of gaining external and foreign investments.

The application of regulatory power in the charitable landscape has successfully harnessed private resources to meet societal needs. In fact, accessing the productive capacity of human bodies ‘incorporates’ power and is a manifestation of power (Foucault 1980a: 125). Moreover, the government has integrated SEs as part of the
country’s social safety net. The lack of legislations governing the legal structures and social mission of SEs in Singapore offer increased flexibility, compared to charities, for social entrepreneurs to develop innovative ways of meeting social needs. Even if the government is unable to exercise control through funding criteria and regulatory standards – such as if government grants were not disbursed – it is already applying regulatory power by effecting charitable actions to address social needs.

To make it plain, relationships of power do not act directly on the subjects, only on their actions and capacity to act. Participating in the charitable landscape does not entail individuals endorsing, or even comprehending, the government’s discourse of self-reliance as long as their actions add to its legitimacy and do not threaten it. Maintaining power relations is thus a balance of two contrasting objectives for those in power – firstly, to ensure cultural domination by putting in place conditions and a discourse of truth that ensures subordination; and secondly, to minimise the risk that resistance to its power will turn subjects into their adversaries (Foucault 1982: 794).

**Conclusion**

The Foucauldian view of power presented in this chapter allows the complex network of power relations in Singapore’s charitable landscape to be more easily discerned. Regulatory power is not a one-way implementation of state power (Foucault 1982: 788-789). Rather than see power as possessing an inherently oppressive function, it should be considered as a “productive network which runs through the social body” (Foucault 1980a: 119). The use of the five-point analysis of power relations conceptual framework highlights the dual participation of the state and its subjects in resisting and reinforcing power relations in the charitable landscape. Therefore, the capacity to govern results from the ability “to structure the possible field of action of others” (Foucault 1982: 790). In fact, the synchronous interactions between those in power and their subjects continually define and redefine the confines of power relationships and put the position of ruler/subject in constant flux.
Conclusion

Facets of Regulatory Power in the Charitable Landscape

Singapore is instructive to understanding the effects of regulatory power in the charitable landscape. The People’s Action Party (PAP), the country’s ruling political party since its independence, relies on regulatory power to galvanise civic participation in addressing social needs. Since wresting the control of its charitable landscape from ‘community philanthropists,’ the Singapore government has efficiently implemented a range of regulatory mechanisms to guide the development of its charitable landscape and direct resources towards the social needs it prioritises.

To a certain extent, integrating the practices of charity and philanthropy into society through the law and charity regulations are guided by the perceived social and economic benefits of addressing social needs. For the Singapore government, the social benefits of meeting social needs complement and further its economic objectives. The government’s paradigm is such that unmet social needs hinder the economic growth of the country and threatens its political legitimacy. The functions and problems of charity and philanthropy, thus, arise from governments and individuals articulating their interpretations of the causes and/or consequences of social problems. The subsequent commercialisation of the charitable landscape, such as marketized philanthropy and celebrity philanthropy, is simply a contemporary, neoliberal adaptation of the practice of philanthropy to address social need.

Primarily, the use of fiscal incentives has been effective in encouraging charitable donations in Singapore, evident in the S$800 million that the public and private sector donated during the 28-month Care & Share Movement. Encouraging the growth of local social enterprises (SEs), however, reduces the need for tax offsets. By that token, SEs relieve the financial commitment of the government and instead, take on both the social and financial responsibilities of addressing social needs. The shift in focus of local SEs – moving from the area of education to meeting social and welfare needs – demonstrates the expansion of the government’s regulatory power. Even if SEs are ‘independent’ of the government’s influence through funding
criteria, they are still regulated through the cultural control it exerts over the charitable landscape to effect charitable behaviours.

Cultural control over the charitable landscape in Singapore is premised on the PAP’s ideology of self-reliance as the discourse of ‘truth,’ which is propagated by the two founding myths of multiracialism and meritocracy. The government has pragmatically applied this ideology of self-reliance through the Many Helping Hands approach and the tripartite model of social sector governance, where individuals and the private sector take on heightened responsibilities as social service providers. To be subjected to cultural control does not mean that individuals have to subscribe to the ideology of self-reliance. Rather, cultural control governs the actions and behaviours of individuals. Regulatory power is also a form of cultural control because the individuals’ actions and capacity to act are governed by the state.

It is possible for governments and individuals to imbue their aims of charity and philanthropy into the charitable landscape without having a consensus of the role of such practices in society. In the case of the National Kidney Foundation saga, the public and the government had differing aims and purposes for the regulatory framework. In other words, the ‘ineffectiveness’ of the regulatory framework only comes to the fore of the public debate and deliberation when governments and/or individuals are inhibited from carrying out their aims and purposes through the practices of charity and philanthropy.

When seen this way, charity regulations mediate the dissonance between the government and its citizens. The tension and schism arising from the dissimilarity of their aims and purposes have the effect of shaping the evolution of and developments within the charitable landscape. In fact, gathering public feedback to guide proposed changes to the regulatory framework, which the Singapore government has again utilised in 2016 to refine the Code of Governance for the charity sector (Goy 2016a), predisposes individuals to accept the exercise and application of regulatory power. The enactment and enforcement of regulatory power, then, is an artefact of state power because it facilitates state control over the charitable landscape.
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## Appendix A –
### Timeline of Key Historical and Regulatory Developments in Singapore’s Charitable Landscape

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945</td>
<td>• End of War II</td>
</tr>
<tr>
<td>1946</td>
<td>• Department of Social Welfare (DSW) was set-up</td>
</tr>
<tr>
<td>1952</td>
<td>• Chinese clan associations planned to construct Chinese-language Nanyang University</td>
</tr>
<tr>
<td>1953</td>
<td>• Singapore Hokkien Association donated 523 acres of land to set-up Nantah, now known as Nanyang Technological University</td>
</tr>
<tr>
<td>1954</td>
<td>• People’s Action Party (PAP), Singapore’s ruling political party, was formed</td>
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<tr>
<td>1957</td>
<td>• Shaw Foundation was set-up by Tan Sri Runme Shaw and Sir Run Run Shaw</td>
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<tr>
<td>1958</td>
<td>• Singapore Council of Social Service (SCSS) was set-up by DSW</td>
</tr>
<tr>
<td>1959</td>
<td>• PAP won the national elections; Period of self-government in Singapore</td>
</tr>
<tr>
<td>1960</td>
<td>• The People’s Association was formed by PAP and integrated into its network of parapolitical structures such Community Centres, Residents’ Committees and Citizens’ Consultative Committees</td>
</tr>
<tr>
<td>1962</td>
<td>• First-ever coordinated exhibition and fundraiser involving voluntary welfare organisations</td>
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<tr>
<td>1963</td>
<td>• Singapore merged with Federation of Malaya</td>
</tr>
<tr>
<td>1965</td>
<td>• Singapore gained independence</td>
</tr>
<tr>
<td>1968</td>
<td>• SCSS became statutory board through an Act of Parliament</td>
</tr>
<tr>
<td>1969</td>
<td>• National Kidney Foundation (NKF) was set-up by Dr Khoo Oon Teik</td>
</tr>
<tr>
<td>1980</td>
<td>• Lien Foundation was set-up by Lien Ying Chow</td>
</tr>
<tr>
<td>1981</td>
<td>• Khoo Foundation was set-up by Khoo Teck Puat</td>
</tr>
<tr>
<td>1982</td>
<td>• Mendaki, an ethnic self-help group for Malay/Muslims, was formed</td>
</tr>
<tr>
<td>1983</td>
<td>• Community Chest of Singapore (ComChest) was set-up by SCSS • ComChest launched monthly payroll deduction, Social Help and Assistance Raised by Employees (SHARE)</td>
</tr>
<tr>
<td>1985</td>
<td>• Broadcast of first televised charity telethon, <em>Heartstrings Show</em></td>
</tr>
<tr>
<td>1986</td>
<td>• Singapore Federation of Chinese Clan Associations was formed</td>
</tr>
<tr>
<td>1987</td>
<td>• 94,000 people participated in SHARE</td>
</tr>
<tr>
<td>1988</td>
<td>• Introduction of national ideology, <em>Shared Values</em> • Totaliser Board (Tote Board) was formed (gambling revenues are redistributed to fund social and community initiatives)</td>
</tr>
<tr>
<td>1989</td>
<td>• The Ethnic Integration Policy was implemented in public housing estates for inter-racial cohesion</td>
</tr>
<tr>
<td>1990</td>
<td>• 25th Anniversary Charity Fund was launched to celebrate Singapore’s independence, and it raised S$190 million with donation-matching by government</td>
</tr>
<tr>
<td>Year</td>
<td>Events</td>
</tr>
<tr>
<td>------</td>
<td>--------</td>
</tr>
</tbody>
</table>
| 1991 | - *Shared Values* adopted by Parliament  
       - Government formalised ethnic self-help group structure to meet community needs  
       - Singapore Indian Development Association, an ethnic self-help group, was formed  |
| 1992 | - SCSS became known as National Council of Social Service (NCSS)  
       - NCSS took over management of ComChest  
       - Chinese Development Assistance, an ethnic self-help group, was formed with S$10 million grant from the government  |
| 1994 | - Eurasian Association, ethnic self-help group, was formed  |
| 1995 | - ‘Many Helping Hands’ approach became paradigm for social development  
       - *Charities Act* was amended to improve public and private sector confidence  |
| 1997 | - Asian Financial Crisis  
       - Ministry of Education launched Community Involvement Programme (students had to fulfil six hours of compulsory community service every year)  |
| 1998 | - Organisation of Senior Volunteers was formed to encourage senior volunteerism  
       - Government offered tax deductions for charitable donations  |
| 2000 | - National Volunteer Centre (NVC) was formed  
       - The Straits Times School Pocket Money Fund was launched to assist children from low-income families with school-related expenses  
       - Ngee Ann Polytechnic gave 1,6000 staff time off to do community service  
       - President’s Challenge was launched as an annual campaign to raise funds for beneficiaries chosen by the President’s Office  |
| 2001 | - Global dot-com crash  
       - President’s Volunteerism and Philanthropy Awards was launched  |
| 2002 | - Remaking Singapore Committee was formed  
       - Singtel Touching Lives Fund was launched to raise funds for charities which focus on children and youth with special needs  
       - Government offered 200% tax deductions for charitable donations  
       - Citibank pioneered social entrepreneurship with launch of Citi-YMCA Youth for Causes Initiative  |
| 2003 | - Social Enterprise Fund was launched by Ministry of Community Development, Youth and Sports  
       - Association of Fundraisers was formed  
       - NVC renamed as National Volunteer and Philanthropy Centre (NVPC)  
       - NVPC launched corporate philanthropy programme and awards  |
| 2004 | - National Tripartite Initiative on Corporate Social Responsibility was launched to help businesses align with the UN Global Compact’s principles of CSR  
       - Susan Long published news article about NKF  |
| 2005 | - NKF trial commenced and later, withdrawn by NKF and its then-CEO TT Durai  |
| 2006 | - Commissioner of Charities (CoC) was formed  
       - Charities Unit was formed  
       - Charity Council was formed  
       - Social Enterprise Committee was formed  |
| 2007 | - Code of Governance for charity sector released by Charity Council  
       - International Organisations Programme Office was formed by Economic Development Board  
       - Board Match programme was launched by NVPC to help charities find volunteer corporate executives  |
<table>
<thead>
<tr>
<th>Year</th>
<th>Events</th>
</tr>
</thead>
</table>
| 2009 | • Notion of ‘social enterprise’ entered public discourse  
     | • Government offered 250% tax deductions for charitable donations  
     | • SG Cares, an online platform, was launched by NVPC to match volunteers with relevant charities  
     | • Social Enterprise Package was launched by DBS Bank for social enterprises in Singapore |
| 2010 | • SG Gives, an online donation platform, was launched by NVPC  
     | • Refinements made to Code of Governance for charity sector |
| 2011 | • Charities Accounting Standard was issued by Singapore Accounting Standards Council  
     | • Asian Venture Philanthropy Network was formed |
| 2012 | • Three funds were launched by Tote Board to fund charitable projects  
     | • President’s Challenge Volunteer Drive was launched to promote volunteerism  
     | • President’s Challenge Social Enterprise Award was launched to recognise the contributions social enterprises made to the community |
| 2013 | • Decline of S$60 million tax-deductible donations compared to 2012  
     | • Care & Share Movement was launched by ComChest to celebrate nation’s upcoming jubilee year of independence in 2015 |
| 2014 | • Eighteen Chefs, a local social enterprise employing ex-offenders, was franchised  
     | • Total tax-deductible donations increased by almost 30% compared to 2013 |
| 2015 | • The number of registered charities increased by 23% to 2,215 in the last decade  
     | • Pioneer Generation Package was launched by the government for lower-income citizens  
     | • Government offered 300% tax deductions for charitable donations to celebrate nation’s 50th anniversary  
     | • President’s Challenge Silver Volunteer Fund was launched to encourage seniors to volunteer their time and skills for the community |
| 2016 | • Care & Share Movement involved 275,000 volunteers and raised S$1.3 billion for 241 charities, including a S$500 million matching grant from the government  
     | • Business and Institutions of a Public Character Partnership was launched  
     | • Government offered 82,000 civil servants a day of volunteer leave every year  
     | • Public consultation in progress for further amendments to Code of Governance for charity sector |

Sources: (NCSS 2008; Prakash and Tan 2015)
Appendix B –

Working Definition of “Other Purposes Beneficial to the Community” in Singapore

Four categories of charitable purposes are recognised in Singapore – relief of poverty, the advancement of education, the advancement of religion and other purposes beneficial to the community. While the definition of “other purposes beneficial to the community” is not defined in the Charities Act, regulatory bodies have recognised and applied the following definition since 2005 (Leow 2012: 46).

The charitable purposes included in “other purposes beneficial to the community” are:

• The advancement of health;
• The advancement of citizenship or community development;
• The advancement of arts, heritage or science;
• The advancement of environmental protection or improvement;
• The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantages;
• The advancement of animal welfare; and
• The advancement of sport, where the sport advances the health.
Appendix C –
Four Models of Social Enterprise in Singapore

Social enterprises (SEs) in Singapore can be categorised into four operating models (see LCSI 2014: 74-75; Prakash and Tan 2014: 14-16; Yuen et al. 2013: 8-9). Some SEs adopt a hybrid model, but they are still a combination of these four main models.

1. **Profit Plough Back Social Enterprises**
   Under this operating model, the profits generated from the trading activities of SEs are reinvested to advance their social mission. SEs set-up by charities tend to plough back a higher percentage of their profits, and SEs set-up by for-profit enterprises have lower plough back rates.

2. **Work Integration Social Enterprises (WISE)**
   The WISE model provides training and/or employment opportunities to marginalised individuals in the community, including the elderly, ex-offenders and those with physical or intellectual disabilities.

3. **Subsidised Services**
   These SEs charge mainstream customers a commercial rate for their services but allow the needy and/or disadvantaged to utilise their services at a subsided rate. Examples include organisations that provide health or education services.

4. **Social Needs**
   SEs with this operating model are primarily concerned with addressing social needs and/or social issues, and they structure their activities around the provision of such services.