

OPINION

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More ways to support social initiatives

PRIVATE-PUBLIC initiatives are an increasingly important phenomenon. They represent a fruitful division of labour between two partners – civic organisations and the state – with each specialising in what it does best. When community groups and public-minded individuals focus on a social problem, they can make a valuable difference because of the “local knowledge” they might possess from being closer to the ground. Their passion in devoting their skills, resources and time to resolving the problem can also make a big difference. The Government can lend its institutional, particularly administrative, and financial support and ensure that standards of probity, efficiency and so-

cial equity are met. Together, the private and public spheres can make bold grassroots initiatives a more visible part of the functioning of a caring society.

Those supporting this vision would have been heartened to hear Deputy Prime Minister and Finance Minister Tharman Shanmugaratnam promise, in his Budget speech, strong government support for community initiatives. He noted efforts by private groups to improve the lives of Singaporeans, which he called “bright spots of goodness”. One example he cited was an initiative by the philanthropic Lien Foundation and the welfare organisation Care Corner to give children from disadvantaged families access to high-quality

pre-schooling to help narrow an early gap between them and better-off children. Another example is a house-to-house health screening and counselling programme started in 2007 by a small group of medical students which has expanded to 400 students.

Private-public efforts here can draw on the experiences of other countries. The social impact bond, for example, is a promising initiative. The idea behind it is to empower civic organisations, that are proactive and inventive but hardly ever spoilt for funds, with the financial muscle of the market. At the same time, charities are subject to the market's economic discipline through the performance-based nature of invest-

ment management. The market can play a social role by, say, making low-interest loans available to non-profit organisations or funding specific projects for a reasonable gain. The state pays for a programme only when its objectives have been met; otherwise, investors lose their money. Pioneered in Britain, the scheme has spread to the United States and is used to tackle issues such as chronic homelessness.

Singapore would do well to consider a wider array of private-public initiatives because social welfare programmes will expand in the years to come, but state revenues may slide owing to slower growth in a maturing economy.