NUS National University of Singapore

Source: *The Straits Times,* pB2
Date: 30 January 2026

Budget meals are needed, but why should hawkers bear the burden?

Many stallholders struggle to sustain their businesses. Is it fair to ask them to subsidise an altruistic initiative?

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Hawkers occupy a unique place in our society. We are proud of our UNESCO-listed hawker culture, but we sometimes place too much pressure on it.

People go to hawker stalls and kopitiams expecting a quick, affordable meal, and it is the one place where a billionaire might sit practically shoulder to shoulder with diners earning far less. Perhaps it is this accessibility that makes low prices seem less like a commercial choice and more like a societal expectation in these spaces.

That is why we need to talk about the budget meal scheme, which has now been made optional for stallholders. Quite frankly, that is good news and a step in the right direction.

When the scheme was first implemented, it required all stalls operating in Housing Board coffee shops to offer cheaper options.

Snags surfaced in the implementation. Stallholders indicated that rising operating costs made the scheme hard to sustain. Another complication was uneven demand for these budget meals across locations. Consumers noted that some of these cheap offerings seemed to be tokenistic and did not meet dietary needs. In addition, public awareness of the scheme appeared to be limited, as some residents seemed unaware of the scheme, or how they could find participating stalls.

It also seemed that the vendors interpreted the scheme rather liberally. Some stalls would offer downsized portions of their regular offerings as the budget meal item. Reports of less-than-satisfactory offerings have also occasionally made headlines or surfaced in discussion forums, for example, mashed potatoes going for $3.50 or fishball noodles with very little ingredients other than noodles.

The question is: Why should we have been surprised? Also, who should bear the responsibility of supporting the less advantaged? Should it be the stallholder, to start with?

GOOD INTENTIONS, REAL PRESSURES

To be clear, the budget meal scheme is well intentioned. In a time of rising costs, there will be a disproportionate impact on the less advantaged in society as they have fewer buffers to maintain their standard of living. Government policy is an important lever to help them bridge this gap, and food, being one of the main daily expenditure items, is an instinctive go-to policy intervention point.

Yet it is important to distinguish between these dining establishments as spaces, and the individual stallholders who operate within them. Hawker centres and kopitiams are venues that aggregate many small, independent businesses under one roof. Stallholders bear their own costs and risks as they sustain their livelihoods through making daily sales to consumers.

If we look at the food establishments as a whole, it makes sense to have lower-cost offerings on the menu so that the food remains accessible to people who earn less.

But the picture is far more complex from the perspective of the individual stallholder. Prices of cooked food are typically determined by varying factors such as the cost of ingredients, utilities charges, manpower costs and stall rentals, as well as a viable profit margin. Stallholders have to balance these to keep their businesses afloat while ensuring they can earn enough to feed their own families and put a roof over their heads. In this age of rising costs, this balancing act may be more precarious than ever for these small businesses.

Individual stallholders may have chosen to sell food in this socially inclusive space, but they are also affected by rising costs both at home and in terms of operating expenditure.

Already, they are being hit on many fronts. Rising stall rental costs have been a topic of discussion in recent years, including debates in Parliament on how best to keep them sustainable. While NEA notes that stall rentals do not constitute the bulk of most hawkers' operating costs, they do face other challenges, including the rising costs of raw materials and manpower issues.

When we conducted fieldwork for the Makan Index 2.0 in 2022, stallholders we spoke with had already cited rising operational and ingredient costs as important factors behind price increases they reluctantly undertook.

Given that the trend of rising costs has not tapered since then, it is likely that these pressures still remain or have in fact increased in recent times.

Popular culture may play on the image of the millionaire hawker who wears branded watches and drives luxury cars, but these examples are not the norm. They are newsworthy precisely because they are uncommon.

It is important to remember that most hawkers are small business owners, and it is reasonable for them to aim for sustainability and profitability.

Mandated budget meals add even more obstacles to an already beleaguered profession in which many well-loved food establishments continue to down their shutters as the younger generation is reluctant to take over from ageing founders. No wonder then, that when the budget meal scheme was mandatory, it led to smaller portions, tokenistic offerings, and quiet opt-outs.

Let's face it. For all its good intentions, the budget meal scheme is ultimately an altruistic measure. Food affordability is a very real problem for the less advantaged, but why should it fall on these small businesses and struggling stallholders to bear costs on behalf of needy diners? Many individual stallholders are price-takers themselves and in no position to shoulder the responsibility and costs of providing pocket-friendly alternatives to consumers.

That is why making the budget meal scheme optional, with incentives for those who opt in, is a good thing.

The stallholders who are able to offer budget meals without undermining their business model are free to do so, while those already struggling gain more breathing space.

In places where budget meals have a low take-up rate, stallholders can also opt not to offer any, which can reduce costs and unnecessary preparation. Hopefully, we will see an end to budget meals that lack nutritional value and may not even fill the stomach, simply because only those who can and are willing will offer these meals.

In this sense, a voluntary, incentive-based scheme may better offer meaningful genuine low-cost options where they are most needed.

A SHARED RESPONSIBILITY

But beyond this scheme, we must recognise that rising costs will remain a reality, especially with the increasing volatility of the international economic environment.

As a society we must consider how we want to distribute the burden of providing affordable meals to those in need. Government policies that help to redistribute resources remain essential, and many such mechanisms are already in place.

However, public intervention alone is rarely sufficient to address the full range of social and economic vulnerabilities that the lower-income face.

Beyond state-led efforts, ground-up or individual initiatives can play a complementary role to soften the impact on those who are most affected. We have seen some redistributive efforts initiated by organisations under their corporate social responsibility programmes. This includes DBS' cashback scheme for consumers spending at hawker stalls, wet markets and heartland shops, as well as The Straits Times' School Pocket Money Fund for underprivileged schoolchildren. Individuals with less reach can also chip in with pay-it-forward acts, like redirecting CDC vouchers to those who need them more and participating in neighbourhood movements like the Belanja A Meal initiative.

While altruism may not be something that can be enforced or mandated, it remains a conscious choice, especially for the better-off among us. Policies matter, but a society is ultimately held together by what people choose to do for each other beyond the rules.

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