

IPS POPS (3) – DECEMBER 2009 'RESILIENCE IN THE ECONOMIC CRISIS'

EXECUTIVE SUMMARY

The Institute of Policy Studies (IPS) recently completed a survey on how Singaporeans were coping with the recession of 2008 - 2009. It was a re-run of a survey conducted in February 2009 (POPS 1). It examined how people's livelihood had been affected by the recession, what were the adjustments made in life choices, the duration people could cope were they to lose their main source of income, their reliance on self-help as opposed to government aid, and perceptions of government policies designed to help citizens.

2. The current study was part of the POPS or 'Perceptions of Policies in Singapore' survey. This is the third in the POPS series (POPS 3). The data using a quota sample was collected between 9 December 2009 and 6 January 2010, with a sample of 2109 Singapore citizens and permanent residents aged 21 years and above, through telephone interviews.

3. Overall, a smaller proportion of the sample compared to February 2009 sample said their income, employment, and life choices were affected by the recession. However, the average length of time the group could cope with job-loss shortened considerably, from 8.5 months at the peak of the global recession to 6.8 months; fewer were keen to take a survival job; and, more respondents felt that government should do more to help people than having to rely on taking personal initiative.

4. In line with the findings from the earlier survey, respondents from the lower income households were more adversely affected than the others. The former reported greater impact on their livelihood, made significantly more life plan adjustments, indicated a shorter coping duration if they should face job-loss, and felt that their lot was affected by foreigners working in Singapore.

5. In terms of age group, people in the 40's were the least optimistic about their prospects as the recession affected them most; more in this age bracket thought the government measures were ineffective. On other impact dimensions, people from the 21-29 age group made the most number of adjustments in life choices, they reported the lowest time they could cope if they faced job-loss, and more felt worse off with the presence of foreigners in Singapore.

6. On the sources of resilience, the ethos of self-reliance continued to be relatively strong - the majority said they would rely on savings, getting a survival job and family and friends if they lost their main source of income. The percentage of people who said they would rely on 'Welfare Agencies' and 'Government' remained small, at 3% and 8%, respectively. While a smaller percentage of this sample agreed that taking personal initiative was more important than relying on the government, a majority of 77% still embraced a self-dependent attitude.

7. On what were the most important government programmes that helped people cope, rebates on taxes and government charges, financial assistance, job training/retraining, and tax cuts were key programmes cited in the earlier study. In the current one, preferences were evenly distributed across nine different answer options. One in five respondents felt none of the government initiatives were helpful.

8. On the whole, it would appear that people from the lower income bracket continued to languish during the period of study, in spite of the fact that the Singapore economy had experienced two quarters of growth following the recession by December 2009. 56% of those with household income less than \$1,999 did not feel any positive impact from the slew of government initiatives; more than a quarter of them reported they were worse off in the immediate six months following the earlier survey (March 2009). It was also noteworthy that 16% of this group felt that none of the government support measures were useful and just a small fraction of them found job training/retraining and job provision helpful. Ironically, a good number of government measures had been targeted at this demographic. Perhaps these respondents had not correctly identified programmes they had taken advantage of, or had not realised that such schemes existed, they were applicable to them, or they had found that they did not qualify for them and were therefore, not useful.

9. In the earlier survey, a cluster analysis presented four typologies of resilience based on the following variables: household income, impact of the recession on livelihood, adjustments made to life choices to cope, and the duration one could cope if one were to face job-loss. These were named The Resourced, The Resourceful, The Pinched, and The Unprepared. A schematic display of the earlier set of clusters can be found in Figure 1.

10. In February 2009, The Resourced (31% of the sample) reported minimal impact on livelihood from the recession and adjustments to life plans, enjoyed a reasonably high income, and were able to cope for a comparatively long period of time should they face job-loss. The Resourceful (23% of the sample) had lower household income, experienced some degree of impact on livelihood and made a few adjustments to their life plans but otherwise, they could hold on for as long as The Resourced group in the case of job-loss. The Pinched (18%) faced the least favourable conditions as they experienced the greatest impact from the recession, made significant changes to life choices, had relatively lower income, and would encounter an immediate crisis if they were to lose their main source of income.

The Unprepared (28% of the sample) was the surprise given that it comprised people with relatively high incomes, who suffered marginally low impact from the recession, made relatively few changes to their lives but reported that they would not be able to cope if they were to face job-loss.

11. Cluster analysis was performed for the current study too, resulting in the emergence of only three clusters. The three groups shared similar characteristics and therefore for easy reference, identical names were applied to them. They were The Pinched, The Resourceful, and The Resourced (See Figure 2).

12. Comparisons between the results of the two studies revealed that The Resourced (now 54.1%) and The Resourceful (30%) had increased in proportion to the sample, whilst the proportion of The Pinched had fallen (to 15.9%). What is noteworthy is that The Pinched cluster in this study reported much longer duration over which they could cope in the case of job-loss – greater resilience. The Unprepared cluster had disappeared. With the improved economic conditions, it is likely that those who would have otherwise been classified as the Unprepared had migrated to The Resourced, and The Resourceful. The Resourceful cluster on the other hand, which to reiterate were among the poorest, reported that they suffered greater impact from the recession on their livelihoods. If they were to lose their main source of income, this cluster could cope for a much shorter time than the similar cluster in the earlier survey. It was this cluster that saw an erosion of resilience.

13. Given that this study is based on a quota sample of over 2000 individuals, this suggests that resilience has improved among most of the national population but it was the poorest that had seen their resilience weathered away.

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21 June 2010.

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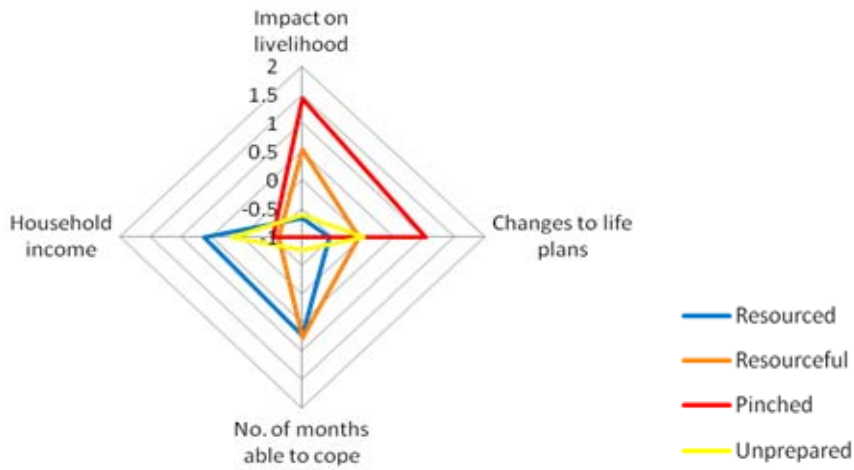


FIGURE 1: POPS (1) Cluster Analysis – April 2009

Resourced (n = 188, 31%)

Resourceful (n = 141, 23%)

Pinched (n = 109, 18%)

Unprepared (n = 171, 28%)

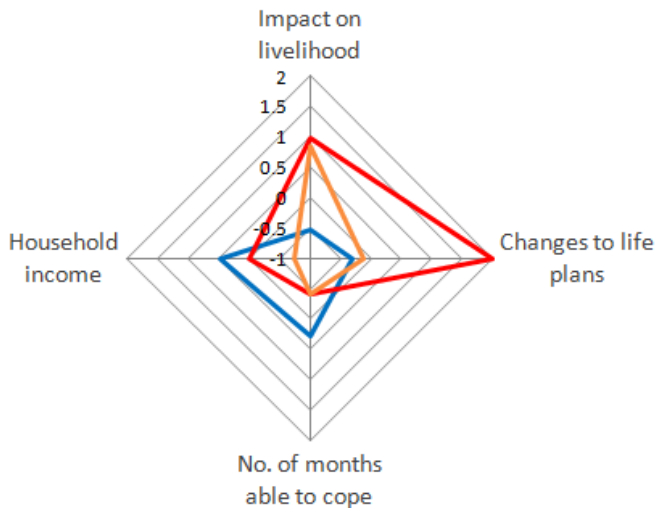


FIGURE 2: POPS (3) Cluster Analysis – June 2010

Resourced (n = 618, 54.1%)

Resourceful (n = 343, 30%)

Pinched (n = 182, 15.9%)