

Less resilience, higher expectations

Residents can last only 6.8 months with no job, will not accept steep pay cuts

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The recession has chipped away at the economic resilience of Singapore residents, while the recovery has inflated their expectations, according to a local think-tank.

Should they lose their job, they can cope for only 6.8 months on average, down from 8.5 months a year ago.

Also, they are less willing now to take a steep pay cut even after being laid off.

On average, they will take a new job if it pays 81.9 per cent of their previous salary. A year ago, they would settle for just 58 per cent.

These findings emerged from an Institute of Policy Studies (IPS) survey of 2,109 Singaporeans and permanent residents aged 21 years and older.

It was conducted between December last year and January this year, and follows on the first survey carried out in February last year.

The findings cast some light on the impact of a year-long cycle of recession and recovery.

IPS senior research fellow Gillian Koh attributes the results to this post-crisis hue.

'Some have been trying to bear the recession for a long time. There has been an erosion of their savings.

'For others, they may feel the economy has picked up, so they don't need to be prepared to last a long time without a job,' she said.

This optimism has also led to the reluctance to settle for a drastically lower pay grade, she added.

The impact of the recession was also measured in the survey, with surprising results.

More than half of the respondents said there had been 'no difference' in their livelihoods, despite the crisis.

And although an array of government assistance schemes was unrolled during the downturn, more than six out of 10 said the measures made no difference to them during the economic slump.

When asked if they had used or applied for any government schemes, only 6 per cent said they had participated in training, 4 per cent had received financial aid and 2 per cent had received help to find a job.

The proportion did not vary much for those earning below \$2,000, despite the bulk of the schemes being targeted at this lower-income group.

Only 11 per cent said they were on financial aid, 9 per cent had job training and 5 per cent received help in finding a job.

Academics chalked this up to several factors, including a lack of awareness these schemes existed, or that they were eligible for them.

'The publicity must be communicated in a manner that your target audience can understand,' said Dr Ngiam Tee Liang, associate professor of social work at the National University of Singapore.

'This low-income group - we expect them to read the newspapers, to keep up with current affairs. But they may not. Some don't go out to community events or roadshows. This group may be out of the loop,' he said.

Others point to a culture of self-reliance in Singapore society, owing in part to the Government's strong message warning against welfare dependency.

This mentality was reflected in other findings in the survey: 77 per cent strongly agreed that people should rely on themselves and not on the Government during a recession.

The respondents also indicated they would turn to the Government only after most other avenues had been exhausted. These were: Dipping into savings, turning to family and friends, taking a new job regardless of salary or having someone else in the family go out to work.

These were signs of an 'anti-welfare' ethos, said Nanyang Technological University Assistant Professor Teo You Yenn.

'The negative connotations attached to welfare may make it difficult for people to either admit to needing social services or to actively seek them out.'