

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P.SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 3rd JULY 2007

Question 1

Further to the answers given in response to Deputy J.A. Martin on 19th June 2007 on the 2006 migration and population figures, will the Chief Minister inform members –

- (a) how many of the 200 heads of households were granted time-unlimited ‘j’ category licences?
- (b) how many of the 340 dependants were –
 - (i) children?
 - (ii) eligible/likely to take up employment?

Answer

- (a) 40% of ‘j’ category applications in 2006 were granted without a time limit, equating to 80 employees.
- (b) The number of dependents associated with inward migrant ‘j’ category employees is not collected directly but is estimated from the age–gender distributions compiled by the last Census, with any potential recent change being monitored by the results of the annual Social Survey. Statistics on both pre-school and school-age children provide an additional complementary cross-analysis to this estimate.

From these complementary approaches it is estimated that there were approximately 340 dependents of inward migrant j-category employees in 2006, and that these broke down into children and working-aged adults as:

- (i) approximately 170 children aged 15 years or under
- (ii) approximately 170 adults of working age (defined as men aged 16-64 years and women aged 16-59 years).

Question 2

Given the Chief Minister’s expressed policy to maintain economic growth at 2% per year whilst containing job growth to 1% (500 jobs) –

- (a) can the Chief Minister explain to members why job growth in 2006 amounted to 1540, or 3%? (*source: Stats Unit - Jersey Labour Market December 2006*)?
- (b) what measures, if any, are envisaged to contain job growth to within the target of 1% for coming years, and if not does he expect similar figures for 2007? Will these include measures to increase productivity, and if so, what specific measures will he or his Ministers employ to bring this about?
- (c) what proportion of the increase in total employment in the private sector in 2006 is attributable to the employment of ‘j’ category and non-qualified staff?
- (d) what measures does the Chief Minister propose to limit the accelerating rate of private sector ‘j’ category job growth, led by the finance sector, illustrated by the 80% increase over 5 years in Figure 8 of the Jersey Labour Market December 2006 above?

Answer

- (a) Employment growth in 2006, based on the December figures, amounted to 1,540 because of the strong

performance of the Jersey economy, favourable international economic environment, and the approach of the Council of Ministers to promoting and facilitating economic growth in accordance with the approved Economic Growth Plan, and the Strategic Plan, 2006 - 2011. This growth was driven by 1,140 local people gaining employment and entering the workforce - accounting for 81% of the private sector employment growth. This is a welcome development, and not something that should be capped in any single year, but rather, something that should be managed within the 1% per annum target over the life of the economic cycle and the life of the Strategic Plan.

The Strategic Plan was agreed in 2004 and was set against the position in 2003. In this context, average growth in the total workforce over the 3-year period, 2003 - 2006, has been 0.44% per year, which is significantly below the 1% target. Such an average measure reflects the accepted economic reality that economic growth is not spread evenly in each and every year, but has a significant cyclical element which must be managed.

- (b) The Regulation of Undertakings and Development Law and the Housing Law continue to be applied to manage economic growth, and in particular to manage migration. The strictness with which these controls are applied is reflected in the figures, with non-local employees making up 13% of the workforce, j employees making up just 3% of the workforce, and local employees making up the vast majority, 84%. In terms of growth in employment in 2006, local people were the beneficiaries, with 81% of job growth coming from local people. These controls will continue to be applied to achieve average employment growth of no more than 1% over the life of the Strategic Plan, until such time as in the near future new migration controls are introduced.

In 2007, the economy is expected to continue to grow at a healthy rate and there will be further growth in job numbers. Any firm estimate, however, must await the publication of the 30th June 2007 manpower results.

It is a clear objective of the Economic Development Department to deliver economic growth through increased productivity, with a maximum average annual growth in the working population of 1%. This is why, amongst other things, the Council of Ministers has placed a high priority on the development of a Skills Executive which, for the first time, will bring together all aspects of the skills agenda under one organisation. Over the coming months this new body which will be charged with developing a series of measures to maximise the skills of local people to meet the needs of the local economy in the most effective way.

- (c) As recorded in the published Jersey Labour Market December 2006, 11% of employment growth came from j category essential employees, 8% from non-locally qualified persons, and the vast majority, 81% from locally qualified people.
- (d) 'j' employees account for just 3% of the total labour force, and while this may be a 1% increase on 2002, when 'j's accounted for 2% of the labour force, it remains a small proportion of the total. It has also taken place at the expense of lower skilled non-local employees who now account for 13% of the workforce, compared to 14% in 2002. Local people continue to account for 84% of the workforce.

These changes reflect improvements in productivity, in finance in particular but other industries also, as general economy activity becomes increasingly skilled, diverse, and of higher value. This is a positive development for the local labour force, who benefit from the skills transferred from this small j category labour force, enabling the Island to better compete in the international market place, as it must. Furthermore, as these skills are transferred to the local labour force, the less will be the need for j category employees in the future - while still securing the skills base the Island must have.

These structural changes – the displacement of lower skilled with higher skilled activities - have taken place within the strict controls applied under the Regulation of Undertakings Law and Housing Law within the context of balancing economic growth against the demand of resources, in particular, housing. These controls will continue to be applied to achieve this balance.