

## **2.11 Deputy R.G. Le Hérisser of the Minister for Treasury and Resources regarding ‘white collar’ unemployment:**

Is the fiscal stimulus package designed to deal with the very real possibility of white collar unemployment?

### **Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

The fiscal stimulus package is designed to protect employment across the whole economy and, following the very helpful input from Scrutiny and after discussions with the Council of Ministers last week, I can say that I will be making the first allocations under the fiscal stimulus package later this week or early next. I can say that I am very supportive of the initiatives that have been put forward by Jersey Enterprise to help businesses to promote new ones: Highlands, to help young unemployed people that may find it challenging to find work and help to retrain people from whatever industry they come from irrespective of any jobs; support to the Careers and Employment Service to advise and support unemployed people. What I should also say is that while fiscal stimulus is important, there are a number of other major initiatives designed to help the whole of the economy; the automatic stabilisers funded from the fiscal stimulus package support the economy by having more money circulating in the economy between businesses and Islanders. Also the co-ordinated actions by government and central banks across the world help to support our economy as well as their own. We have increased the funding for Jersey Finance, put resources into law drafting to develop intellectual property. We have also seen the Skills Board bring forward innovative projects such as the new teacher retraining scheme that was put forward last week. All of these policies and initiatives are designed to help the whole of the economy which helps white collar workers too.

### **2.11.1 Deputy R.G. Le Hérisser:**

Given the very circuitous approach adopted to the problem, would the Minister identify the specific programmes and would he give his analysis of what the white collar unemployment situation is, in his view, at the moment?

### **Senator P.F.C. Ozouf:**

It is good to hear that the Deputy is coming off the fence. Circuitous, I do not think my answer could be described as circuitous. I think my answer could be described as pretty decisive, acting early, designed to ensure that those people who could be unemployed are given every assistance. So I am not going to speculate on the amount of unemployment in the white-collar areas, if you can describe white-collar - I do not particularly like that differentiation between people - but certainly we are expecting there to be a contraction within financial services as a result of mergers of organisations, a result of the very substantial freeze-up of financial markets, that is having an impact on white-collar employment. But also, on the other side, are policies designed to support Jersey Finance, winning business by the creation of new products such as foundations, intellectual property, reaching out to new markets in Asia Pacific and elsewhere, Jersey Finance's visit a couple of weeks ago to European states; all designed to bring business to Jersey that otherwise would not be brought.

### **2.11.2 Deputy M.R. Higgins:**

I would just like to follow up on that. Would the Minister confirm, we have no idea what white-collar unemployment or unemployment is generally because we do not have the statistics?

**Senator P.F.C. Ozouf:**

Deputy Higgins is getting quite a reputation in asking questions that I think he knows the answer to. I have sat... and he is suggesting that we do not know ... I have sat with the Corporate Affairs Scrutiny Panel and spoken in great detail, off the record and confidentially where commercial confidentiality is necessary and explained what we think is going to be the downturn in certain areas of financial services and what the ranges of jobs under various different scenarios will be. What I can say is that while there was real concern that there could be serious problems in our financial services industry earlier on this year, some of those worst case scenarios are not appearing at the present time, and I would say to Deputy Higgins that he would join me in welcoming that situation that our industry is holding up very strongly against fierce international competition and unprecedented problems in financial markets.

**2.11.3 Deputy M.R. Higgins:**

I would just like to follow up on that. The question I asked was... the reason I say about unemployment is we do not have the figures. We do not have the ability to collect the figures. For example, people working in the finance industry do not register with Social Security, they go to job agencies. There is no official measure at the present time of gathering that data. So what I am referring to is I do not know what the situation is out there. I hope it is not as bad as people think it might be, but I think it is time we started adopting and gathering data so we know what the true position is.

**Senator P.F.C. Ozouf:**

The Deputy knows that we are gathering an enormous amount of information. Certainly we did not have the systems to count unemployed because unemployment has not been a problem in the Island. What we do know is that we have some of the best employment data available of any country in terms of the returns from Social Security. I was speaking only to the Minister for Economic Development yesterday to ensure that we were getting up-to-date feedback from, for example, recruitment agencies, *et cetera*, to understand exactly what the areas of problems in financial services in the other service sectors of the economies are. In addition, the Minister for Social Security has already answered a question in this Assembly saying that he is doing work with his department on identifying what the real numbers of Income Support are and he is working with the Statistics Unit too. This is a small Island, we are capable very quickly of getting good information of what is going on, moreover inviting this Assembly to make decisive decisions like the fiscal stimulus package designed to help keep people in work and that is exactly what we are doing.

**2.11.4 Deputy R.G. Le Hérisser:**

A final question. Would the Minister confirm that other than generating some very general programmes, would he confirm he is specifically looking at issues, for example, like allowing people to have transitional terms at work so they are not immediately made unemployed, where there are expansion projects but a gap in work, he will allow transition support available to employees? Because there is a real danger that there is, according to anecdote, a drip, drip of increasing unemployment in the white-collar sector and we are avoiding that issue in terms of the so-called general programme.

**Senator P.F.C. Ozouf:**

I would expect that this Assembly would wish Ministers to take decisions, not on anecdote, but good research and proper feedback from industry. We have excellent networks with the finance industry, with Jersey Finance, with all of the different trade associations, we hold regular discussions with all of the key employers to understand what their job recruitment patterns are going to be, whether or not they want a recruitment freeze; there is an incredible amount of information held in the Population Office because every single job is licensed in Jersey, every (j) cat. is issued, every non-qualified license is given, we have a very clear picture of employment with designed, focused and targeted programmes.