

JERSEY LABOUR MARKET AT JUNE 2002

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This report consolidates the different sources of information about employment and vacancies in Jersey at the end of June 2002, the main sources being the Manpower Survey (private sector) and the Human Resources Manpower Report (public sector).

Overview

The principal features of the Jersey Labour Market at June 2002 are that of stability in terms of total number in employment, and a reduction in vacancies of some 9% in the private sector compared with the previous twelve months.

Although there are anecdotal reports of higher numbers of applicants to advertised posts, there has been no noticeable reduction in the number of opportunities being advertised, nor any significant increase in registered unemployment (both June and October 2002 were very marginally above the corresponding 2001 figures). Thus, there is still no clear evidence of the slowdown apparent elsewhere having an impact on the Jersey labour market.

Excluding seasonal factors, the total headcount in employment has remained virtually static since December 1999, having declined slightly from a peak occurring in the latter half of 1998. Such stability may be due in some part to the tightening of

the Regulations of Undertakings and Development (Jersey) Law in recent years, and furthermore, suggests that net migration remains at a low level (the average net migration for the inter-censal period 1996-2001 was 55 persons per year into the Island).

At June 2002, it is estimated that 80% of all those employed were locally qualified, a further 2% were “(j)” category and 18% were not locally qualified.

The public sector (excluding the States Trading Committees) accounted for approximately one in nine of all workers at June 2002.

Employment

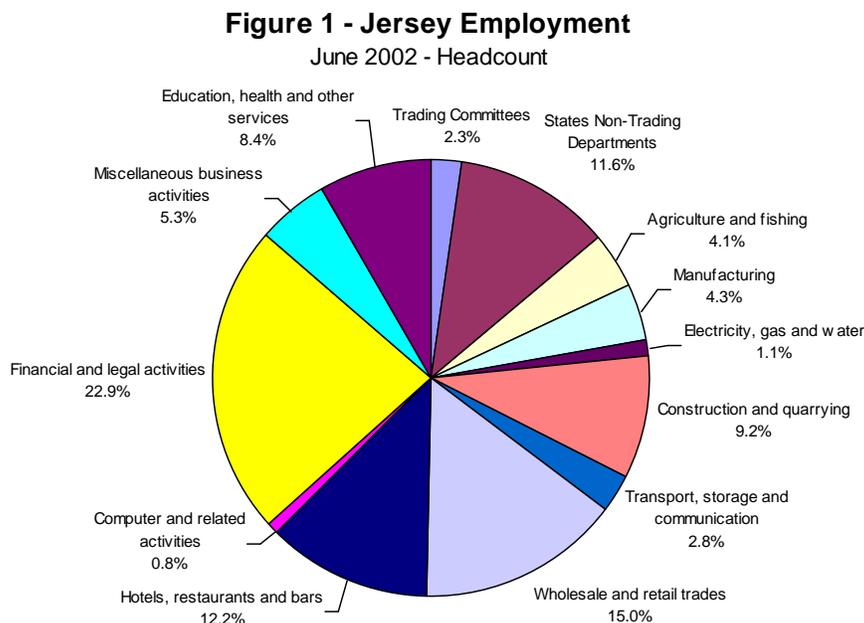
Employment on a headcount basis in the private sector¹ was reported at 47,440, including single-person enterprises; in the public sector (excluding States Trading Committees) the headcount was reported at 6,210. The total number in employment in Jersey, either full-time or part-time, was 53,640.^[*]

This latter figure should be regarded as a minimum estimate of the total number of jobs occupied, as in the private sector some of the smallest businesses do not have to make returns and in the public sector temporary staff, retained firemen, supply teachers and health bank staff are not included in the figures. There are thought to be at least 300 of these staff, mainly part-time, who were actually employed at some time in the month preceding the snapshot date. Furthermore, neither the private nor public sector figures currently include Parish employees; steps are in hand to include such staff in future editions of this report.

Over the twelve months to June 2002, total employment on a headcount basis decreased by 120, a tiny fall of 0.2%. The recent series of increases and decreases of a similar magnitude indicates that the underlying trend in employment has been effectively level for the past two years.

Sectoral Breakdown

Figure 1 shows the sectoral distribution of people employed: almost a quarter (22.9%) of the total were employed in financial and legal services (12,310) and more than one in seven (15.0%) were engaged in wholesale and retail trades (8,060).



Vacancies

3,040 vacancies were reported by the private sector in June 2002, 6.4% of the total number employed in such undertakings. In the public sector there were 260 vacancies reported, 4.2% of the total number employed within the sector.

Public sector vacancies broadly represent the difference between posts approved and staff actually employed. In the private sector, however, vacancies are only enumerated if the employer is actively trying to recruit staff to fill them. It is difficult, therefore, to draw conclusions about differences in labour market pressures in the public and private sectors because of the different mechanisms for obtaining approval for the recruitment of staff.

The total figure of 3,310 vacancies is 270 below that for the same period last year, June 2001. This overall fall was due to the reduction in vacancies occurring in the private sector. Although some departments in the public sector did record small

reductions in vacancies, overall public sector vacancies actually increased by 20 over the twelve months to June 2002.

The reduction in private sector vacancies occurred predominantly in the area of financial services and was spread across a large number of businesses. Such a reduction in vacancies suggests some easing of the pressure in Jersey's labour market, from an employer's perspective, and has probably contributed to a reduction in wage-inflation. The most recent figure for the change in average earnings reflects this development: over the twelve months to June 2002 the Average Earnings Index increased by 4.2%; for the previous year, to June 2001, the increase was 8.1%.

Residential status

Since December 2001 the Manpower Survey has recorded the residential status of staff. Each undertaking reports the number of locally qualified and non-qualified employees according to the definitions specified by the *Regulation of Undertakings and Development (Jersey) Law 1973, as amended*.

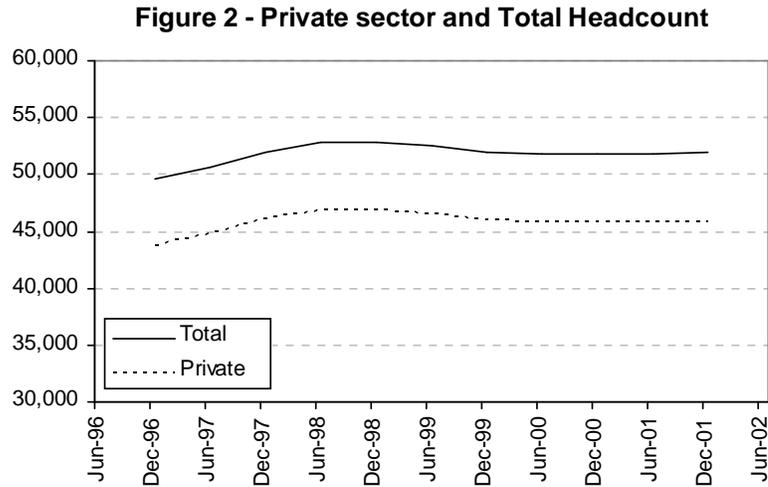
Of the 47,440 total headcount in the private sector at June 2002, 78.8% were locally qualified and a further 1.2% (some 560 staff) were qualified under "(j)" category housing regulations; the remaining 20.0%, representing one in five of all staff, were not locally qualified.

The proportion of staff who were not qualified stood at one in six in December 2001. The increase in the proportion of such staff between December 2001 and June 2002 is due to the fact that seasonal staff are predominantly non-qualified - there were an additional 1,780 non-qualified full-time seasonal staff in employment at the time of the summer survey.

The Human Resources Department estimates that 99.4% of public sector staff were locally qualified (including "(j)" category) as at June 2002. On the basis of 2001 Census information, it is estimated that 7% of public sector employees were "(j)" category.

Historical Information

Figure 2 shows the trend in private sector employment over the last five years, and also in total employment, defined as the sum of the private and public sectors². The trend line endorses the assessment that total employment in Jersey has been substantially constant for the past two years.



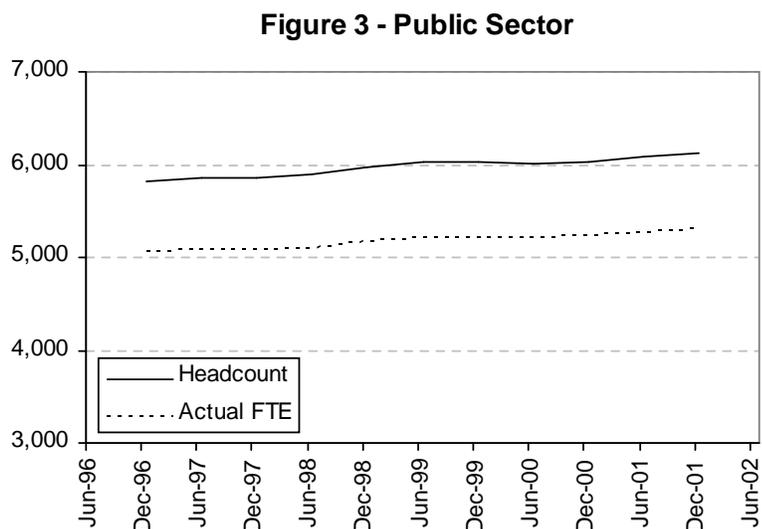
The headcount estimates³ on which Figure 2 is based are presented in Table 1. As indicated in the table, the total number in employment rose rapidly from 51,730 at June 1996 to a peak of 55,430 at June 1998 and has since fallen slightly, giving peaks of between 53,500 and 55,000 in subsequent years.

Table 1: Employment (headcount) in the private and public sectors

	<u>1996</u>		<u>1997</u>		<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>	
	Jun	Dec												
Private	45,920	41,160	47,000	43,820	49,500	44,660	48,790	43,630	47,780	43,830	47,600	44,020	47,440	47,440
Public	5,810	5,770	5,920	5,800	5,980	5,930	6,130	5,960	6,070	5,950	6,160	6,090	6,210	6,210
Total	51,730	46,940	52,920	49,620	55,430	50,590	54,910	49,590	53,850	49,780	53,760	50,100	53,640	53,640

Numbers are rounded independently to the nearest 10.

Figure 3 (also based on the numbers presented in Table 1) shows the trend in public sector headcount. The headcount has risen from 5,810 at June 1996 to 6,210 by June 2002 - a 7% increase over the five-year period.



The trend in full-time equivalent numbers of filled positions (“Actual FTE”) in the public sector is also shown in Figure 3. This measure of employment includes permanent, contract, seasonal and training positions weighted according to the proportion of a full week actually worked.

Public sector full-time equivalent employment increased by 260 between June 1996 and June 2002, an increase of 5% over the five-year period. This figure constitutes a more representative indicator of the growth in employment within the public sector than that of headcount, as approval for changes in employment is granted by the Human Resources Committee on an FTE basis. In terms of Actual FTE, the public sector has grown by an average of 1% per annum over the last five years.

Vacancies in the private sector have been recorded by the Manpower Survey since March 1999; hence, the first occasion on which combined public and private sector totals could be estimated was June 1999. Table 2 shows the numbers of vacancies reported from that date and the corresponding totals.

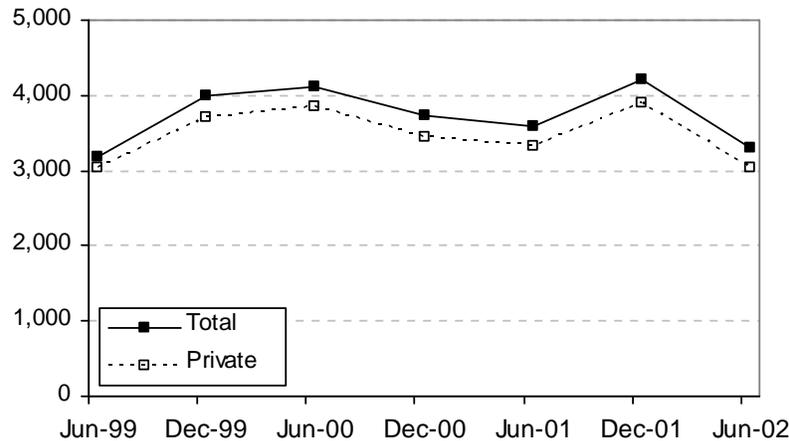
Table 2: Vacancies in the private and public sectors

	<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>
	Jun	Dec	Jun	Dec	Jun	Dec	Jun
Private	3,050	3,710	3,860	3,430	3,340	3,890	3,040
Public	130	280	250	310	250	320	260
Total	3,180	3,990	4,110	3,740	3,580	4,210	3,310
Vacancies as % of total employed	5.8	8.0	7.6	7.5	6.7	8.4	6.2

Vacancies for full-time positions constituted 80% of all private sector vacancies in June 2002.

Figure 4 shows the total number of vacancies and the number in the private sector.

Figure 4 - Vacancies



International comparisons

In the U.K., for the second quarter of 2002, there were an estimated 28.55 million people employed and 0.95 million people claiming unemployment benefits. Jobseekers were therefore 3.3% of employment in the U.K., as compared to slightly less than 0.3% in Jersey. However, this comparison is likely to be affected by the absence of unemployment benefits in Jersey, reducing the incentive to register as unemployed. A less biased indicator is the ILO unemployment rate⁴: in the U.K. this has stood between 5.1 and 5.2% since the end of 2000; at the time of the 2001 Census, the ILO unemployment rate for Jersey was 2.1%.

Publication of U.K. information on vacancies has again been deferred due to the transfer of compilation of vacancy statistics from local Jobcentres to regional customer service centres. The U.K. intends to publish figures as soon as a consistent measure is produced; hence, it is not currently possible to compare Jersey and U.K. vacancy rates.

Notes:

1. For the purposes of this analysis, the “private sector” includes States Trading Committees, the Financial Services Commission, the Family Nursing and Home Care Service and the Jersey Competition Regulatory Authority. These bodies, which are subject to the Regulation of Undertakings and Development Law, accounted for a total of 1,520 staff at June 2002.
2. Short-term variations, largely due to seasonal factors, have been removed from Figures 2 and 3 by calculating a weighted three-point moving average for each data point; entries for June 1996 and June 2002, therefore, do not appear in the plots.
3. The headcount figures shown in Table 1 for the private sector include a small adjustment to those reported by the Manpower Survey in order to account for the more complete recording of one-person undertakings over time. The figures for the public sector also incorporate a small number of estimates for certain departments for which the reported figures were implausible in previous years.
4. The International Labour Organisation (ILO) definition of unemployment includes all adults (aged 16 and over) who are looking for or waiting to take up a job, as well as those registered as unemployed.
5. This report, prepared at the request of the Industries Committee, draws on information compiled by the Statistics Unit in the Policy and Resources Department and the States of Jersey Human Resources Department.
6. Further information about the Manpower Survey is available from the Statistics Unit, telephone 603423, and about States of Jersey Manpower from the Human Resources Department, telephone 603001. Enquiries about the requirements of the Regulation of Undertakings and Development Law should be addressed to the Regulation of Undertakings Development Office, telephone 603710.

 Figures are rounded independently to the nearest 10.