WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY BY DEPUTY M.B. ANDREWS OF ST. HELIER NORTH QUESTION SUBMITTED ON MONDAY 31st OCTOBER 2022 ANSWER TO BE TABLED ON MONDAY 7th NOVEMBER 2022

Question

"Will the Minister advise whether she considers that there needs to be an enhanced data series to assess the labour force participation rate, and if so, why?"

Answer

Labour force participation rate

The labour force participation rate is the proportion of a country's working-age population that engages actively in the labour market, either by working or looking for work. It indicates the size of the labour supply available to produce goods and services, relative to the working-age population.

Labour force participation rate (%) =

No. employed + No. unemployed
Working-age population

x 100

This measure is also referred to as the economic activity rate. In 2021, Jersey's labour force participation rate (or economic activity rate) was 84%.¹

Our labour market data

More data and analysis are always useful in developing policy. However, this must be balanced with the extra time and cost of collecting and analysing the data.

We can measure our labour force participation rate from the 2011 and 2021 Censuses.

Between the Censuses, we have other indicators of the number of employed, unemployed and the working age population. For example:

- Employment: The number of jobs produced by Statistics Jersey twice a year. Link
- Employment: The number of Social Security contributors produced by Customer and Local Services annually. <u>Link</u>
- Unemployment: The number of people registered as "Actively Seeking Work" produced by Statistics Jersey quarterly. <u>Link</u>
- Working-age population: Estimates and projections produced by Statistics Jersey. Link

Note that the number of people who are registered as "Actively Seeking Work" is an underestimate of the total number of unemployed people who are looking for work as some people who are unemployed and looking for work may not register as Actively Seeking Work. We can use the 2021 Census to adjust for this as we continue to receive more regular numbers of people "Actively Seeking Work".

International experience

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¹ 2021 Census, Bulletin 4: Employment, page 3: R CensusBulletin 420220727 SJ.pdf (gov.je)

Other countries that measure labour force participation rates between censuses carry out a Labour Force Survey (LFS). In this survey, a large sample size is important to provide quality data and insights, especially when looking at groups in the population, by age or gender, for example. The costs of conducting a LFS in a small jurisdiction like Jersey can be disproportionate to the benefit derived from the data as well as imposing a large burden on the resident population to respond.

Conclusion

Accurate and timely data sources are a key component in delivering well evidenced government policies. In this case, the advantages of collecting extra data need to be weighed against the resources that would be required. There are no current plans to introduce additional specific surveys to measure labour force participation, as we believe that the data currently available is sufficient and that the work required in obtaining additional data is disproportionate to the benefit that would be achieved.