

2.4 Deputy D.W. Mezbourian of St. Lawrence of the Minister for Social Security regarding the definition of “long-term unemployed”:

Will the Minister explain how the term “long-term unemployed” is defined within the department and do the unemployment statistics include those who are in receipt of Long-Term Incapacity Allowance?

Senator P.F. Routier (The Minister for Social Security):

There is no definitive measure of unemployment in Jersey. Neither has long-term unemployment ever been properly defined. A person registers with the Social Security Department as unemployed predominantly to obtain contribution credits and to use the job seeking services we provide. But of course individuals need not register with the department to be seeking employment. They may use services of private employment services. Even at times of relatively high unemployment the majority of people registering as unemployed found work within 8 to 10 weeks. Of the 430 registered with the department in August, 284 (66 per cent) had been registered for 10 weeks or less, and only 51 (12 per cent) had been registered for more than 30 weeks. This shows that there are relatively few people who could be regarded as long-term unemployed, that is if the number registered with the department is a reflection of unemployment in the Island. Long-Term Incapacity Allowance claimants do not need to register as unemployed as they are awarded contribution credits in their own right when they make a benefit claim and they can also use the job seeking services if they want to. There are currently 55 people on L.T.I.A. (Long-Term Incapacity Allowance) making use of the department’s services to prepare for and seek employment. Those are not included in the 430 registered as unemployed for the purposes of obtaining credits.

2.4.1 Deputy A.D. Lewis of St. John:

Could the Minister advise as to whether there are any equivalents of the U.K. job seekers allowance scheme within the current arrangements, and if not, what provisions are made to help and encourage the long-term unemployed to get back to work?

Senator P.F. Routier:

There is not proposed to be a job seekers allowance, as in the U.K. system. Certainly the new income support system we are bringing in is going to encourage people - or it is going to be a requirement for them - to get back into work; to seek work if they are able to, unless they have particular reasons that they cannot. Perhaps being over the age of 65; having a disability; caring for a child under the age 5 - those will be particular valid reasons for not getting work. But the income support system itself will encourage people to get back into work. We will help them as best we can with our resources within the department - with our work zone advisors - and also we are working closely with the Education Service for people coming through the schools to ensure that they are helped with their careers.

2.4.2 Deputy G.P. Southern:

I am glad the Minister mentioned resources. Given that both LT.I.A. and low income support are supposed to be in-work benefits, what resource does he envisage - or what resource is he planning - to enable more of these people to return to work and, in fact, return to full time work which I believe is contained in the low income support scheme?

Senator P.F. Routier:

The resources, which we have already planned for, revolve around our Work Zone advisors and also for people who have a disability or further needs - we have the services of the Jersey Employment Trust who assist people with training to get into work. We have put additional resources into the Jersey Employment Trust. The building has just been refurbished and that will be opening-up very soon. That will allow far more people to use the services of Jersey Employment Trust than have in the past.

2.4.3 Deputy D.W. Mezbourian:

Will the Minister explain what systems are in place to ensure that those people who are registered as unemployed are removed from the register when they find employment?

Senator P.F. Routier:

There are regular checks carried out with the lists of people who are registered with us. It is done on a 3-monthly basis where people go through the lists to find out what has happened to the people and, as I say, we do that on a 3-monthly basis to ensure that the list is not exaggerated in any way.

2.4.4 Deputy P.V.F. Le Claire:

There are 2 elements to these questions: one is assisting the unemployed to find work and the other one is trying to ascertain an economic planning value from the numbers derived that are being collated. Given that the Minister has indicated that it is not a requirement to collate these numbers and given that some Members are trying to ascertain the fluctuation of unemployment in the Island, would there perhaps be another method for calculating the unemployed; a requirement perhaps that the department could implement? If not - if the Minister does not have any idea for that - would it not be possible through the Income Tax Department, for those people that are not working, to establish through their income tax return a submission to that effect for the months where they are unemployed so that the States can derive a reliable unemployment statistic for the years ahead?

Senator P.F. Routier:

I thank the Deputy for that question because that is exactly what the Council of Ministers was discussing last week at its meeting. We met together to discuss the unemployment figures and we have concluded that it is really important to have a figure which is very useful for the Island as we are identifying that the figure that my department has is only a minor part of the whole picture. The manpower returns which the Economic Development Department help to feed-in figures to the Statistics Units are all going to be collated by the Statistics Unit and a 3-monthly return - or publication - will be made so that people get a full picture of the unemployment issues within the Island.

2.4.5 Deputy P.V.F. Le Claire:

May I press the Minister because during the Scrutiny process we did identify in the Immigration Panel through Deputy Southern's Shadow Scrutiny Panel that the review of 3-monthly licences through the then Economic Development Minister were not occurring because of staffing levels within the department. Given that we were given evidence that those reviews were not occurring and we were not able to derive reliable

numbers from the people employed under 3-year licences, will the Minister not perhaps consider my suggestion that there is some collation in the long term with income tax, and indications through the tax returns as to when people were working and for how long they were unemployed?

Senator P.F. Routier:

I was not aware of the lack of resources within the Economic Development Department to carry out that function but certainly it is the desire of the Council of Ministers to pull all the information together, and I thank the Deputy for his suggestion the Income Tax Department may be able to assist us in that. I am sure that the Statistics Units will inquire of the Income Tax Department to make sure we get a fuller picture.

The Bailiff:

I will take 2 more supplementaries. I saw Deputy Martin; Deputy Le Hérissier.

2.4.6 Deputy J.A. Martin:

As the Minister explained, under the new system there are only 2 types of person who will automatically be exempt from the requirement to work - i.e. job seeker - and that is someone over 65 years and someone looking after a child of 5 years. Given that there are at least 7,000 households now receiving some sort of benefit from Parish or family allowance or a housing benefit, is the Minister completely satisfied that he has the staff or has he any idea how many people will then be registered compulsorily as unemployed because they are then job seekers? Thank you, Sir.

Senator P.F. Routier:

Firstly, Sir, the Deputy just quoted 2 circumstances where people would not be required to work and it was over 65 and looking after children. There are other exemptions as well: people who are caring for somebody with disabilities; obviously people who have a disability or long-term illness will not be required to work. Those people will not be required to actively seek work. The remainder will be required to actively seek work.

2.4.7 Deputy J.A. Martin:

I am sorry, Sir, I really do not want to interrupt but this is the Minister's consultation document and we have been scrutinising it. It says on page 14: "There are only 2 groups that will automatically be completely exempt from work requirements" and that is in the Law, Sir. Would the Minister not, please, mislead the House. Thank you, Sir.

Senator P.F. Routier:

Thank you to the Deputy for that. The consultation document does highlight 2 different levels. Certainly we would not be ... the Deputy is quite right. There are over-65s and looking after children which are complete exemptions; I quite agree. There would be an expectation that for people who are either caring for somebody who has a disability or has a disability themselves, that we would think about their suitability for work? It would be an understandable reason for them not to work if their circumstances did not require them or made it possible for them to work. So, there are those other areas where people will not be required to work. With regard to the resources that will be needed to help people to get back into work ...

The Bailiff:

Minister, please try to be concise.

Senator P.F. Routier:

I will do my very best, Sir. It was a longish question. Certainly we recognise that there will be resources that are required and we will do our best to provide them.

The Bailiff:

Final supplementary: Deputy Le Hérissier?

2.4.8 Deputy R.G. Le Hérissier of St. Saviour:

Is the Minister aware that there may well be a high degree of hidden unemployment in the sense that a lot of people have been taken off permanent work, for example in the finance industry, and are only able to do contract work? Attempts often to get back in the permanent workforce are countered by the allegation that a (j) category person has been imported. What is the Minister's view of that situation?

Senator P.F. Routier:

That, I think, would be a question that would be better directed to the Economic Development Minister who has more control over these matters with regard to (j)s. Certainly we have not had any evidence of that coming through to our department because we usually find that people who are in the finance industry do not attend our department. They would use the private or recruitment agencies. So, as far as our department was concerned, we have not had any evidence of that.