

## Jersey Labour Market at June 2006

This report presents information on employment in Jersey at the end of June 2006, bringing together the results of the Manpower Survey (private sector)<sup>1</sup> and the separate report on public sector manpower produced by the States Treasury<sup>2</sup>.

### Headlines

The principal features of the Jersey Labour Market at June 2006 were<sup>3</sup>:

- **total employment was 53,560, about 770 higher (1.5%) than a year previously**, and representing the highest June figure for four years.
- of the total employment: **47,080 (88%) were in the private sector** (including the States Trading Committees) and **6,480 (12%) were in the public sector**<sup>2</sup>;
- the **overall increase** in total employment in the twelve months to June 2006 was made up of an **increase of 780 in the private sector** and a **net decrease of 10 in the public sector**;
- in the private sector, the number of **locally qualified staff was 780 higher** than in June 2005, the number of **j-category employees was up by 110** (predominantly in the Finance sector), whilst the number of **non-locally qualified staff decreased by 120** over the same period;
- the **Finance and Construction sectors** accounted for most of the increase seen in private sector employment, up by 430 and 270 respectively;
- the **Finance sector** saw total employment rise above 12,000 for the first time in three years;
- almost 90% of the **rise in employment** recorded by the **Construction sector** was due to an **increase of locally qualified staff**;
- almost 2,000 people were engaged in **one-person businesses**, up by 150 on June 2005;
- the total number of **vacancies** was at a similar level to that of three years ago, with a notable increase seen throughout the Finance sector in the last six months;
- **registered unemployment** stood at 420 in June 2006, a similar level to that seen throughout the last eighteen months.

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<sup>1</sup> The Manpower Survey is analysed by the States of Jersey Statistics Unit on behalf of the Economic Development Department (Note 1).

<sup>2</sup> For more information see Report on Public Sector Manpower, June 2006: States of Jersey Treasury & Resources.

<sup>3</sup> Throughout this report employment, registered unemployment and vacancy numbers are rounded independently to the nearest 10.

## **Overview: Total Employment**

The total number in employment in Jersey in June 2006, either full-time or part-time, was 53,560 which is 770 (1.5%) more than in June 2005.

The private sector, including States Trading Committees (see Note 2) and single-person enterprises, employed 47,080 people; this total is 780 (1.7%) *more* than a year earlier. In the public sector the headcount was reported at 6,480, which is 10 (0.2%) *less* than a year earlier; public sector employment equated to 5,600 full-time equivalent (FTE) employees.

**Table 1: Employment (headcount) in the private and public sectors<sup>4</sup>.**

		<u>Private</u>	<u>Public</u>	<u>Total</u>
<b>1996</b>	Jun	45,940	5,810	<b>51,760</b>
	Dec	41,170	5,770	<b>46,950</b>
<b>1997</b>	Jun	47,010	5,930	<b>52,930</b>
	Dec	43,800	5,800	<b>49,600</b>
<b>1998</b>	Jun	49,480	5,930	<b>55,410</b>
	Dec	44,640	5,930	<b>50,570</b>
<b>1999</b>	Jun	48,770	6,130	<b>54,900</b>
	Dec	43,610	5,970	<b>49,580</b>
<b>2000</b>	Jun	47,760	6,070	<b>53,830</b>
	Dec	43,810	5,950	<b>49,770</b>
<b>2001</b>	Jun	47,550	6,200	<b>53,750</b>
	Dec	43,980	6,130	<b>50,110</b>
<b>2002</b>	Jun	47,410	6,260	<b>53,670</b>
	Dec	43,980	6,310	<b>50,300</b>
<b>2003</b>	Jun	46,780	6,470	<b>53,260</b>
	Dec	43,200	6,450	<b>49,650</b>
<b>2004</b>	Jun	45,770	6,550	<b>52,310</b>
	Dec	43,030	6,470	<b>49,500</b>
<b>2005</b>	Jun	46,300	6,490	<b>52,790</b>
	Dec	43,750	6,380	<b>50,130</b>
<b>2006</b>	Jun	47,080	6,480	<b>53,560</b>

Numbers are rounded independently to the nearest 10.

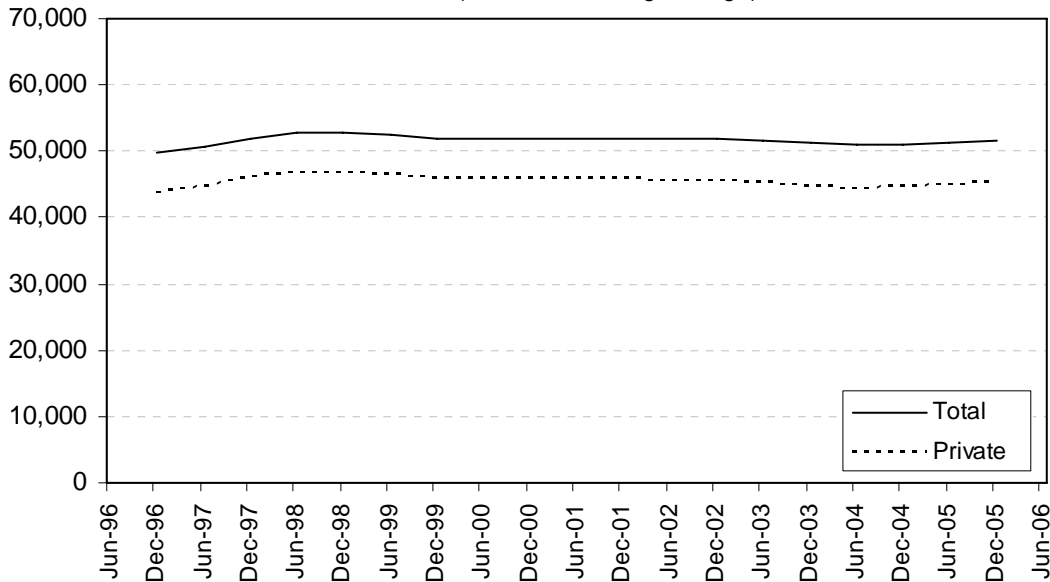
The total number of people in employment rose rapidly from 51,760 at June 1996 to a peak of 55,410 at June 1998 (table 1). Total employment in June 2006 was the highest June figure for four years.

<sup>4</sup> Some of the headcount figures shown in table 1 have been revised from those previously published (see Notes 6 and 7).

Figure 1 shows the trend in total and private sector employment since 1996 (see Note 3). The chart indicates that total and private sector employment in Jersey was substantially constant between 1999 and December 2002, decreased during 2003 and 2004, and increased throughout 2005 and the first half of 2006.

**Figure 1 - Total and Private sector Headcount**

(12-month moving average)

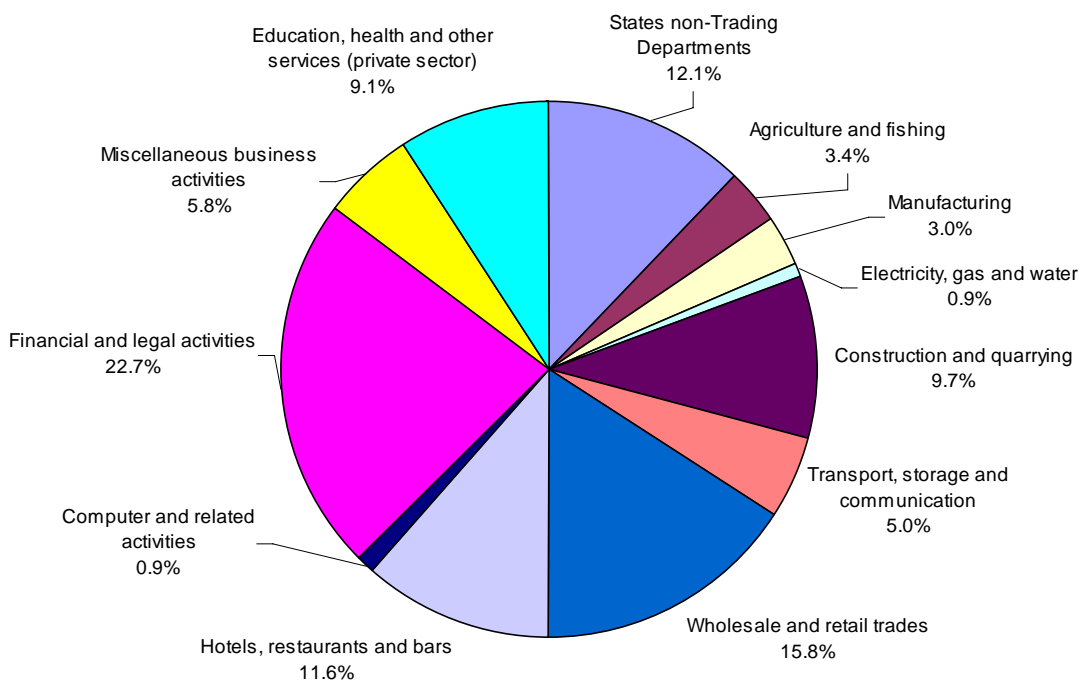


**Sectoral Breakdown**

Figure 2 shows the sectoral breakdown of employment at June 2006:

- almost a quarter (22.7%) of the total were engaged in the Finance sector (12,170)
- nearly a sixth (15.8%) were in Wholesale and retail trades (8,440);
- the public sector (excluding Trading Committees) accounted for about one in eight (12.1%) of Jersey’s labour force.

**Figure 2 - Jersey employment June 2006 headcount**



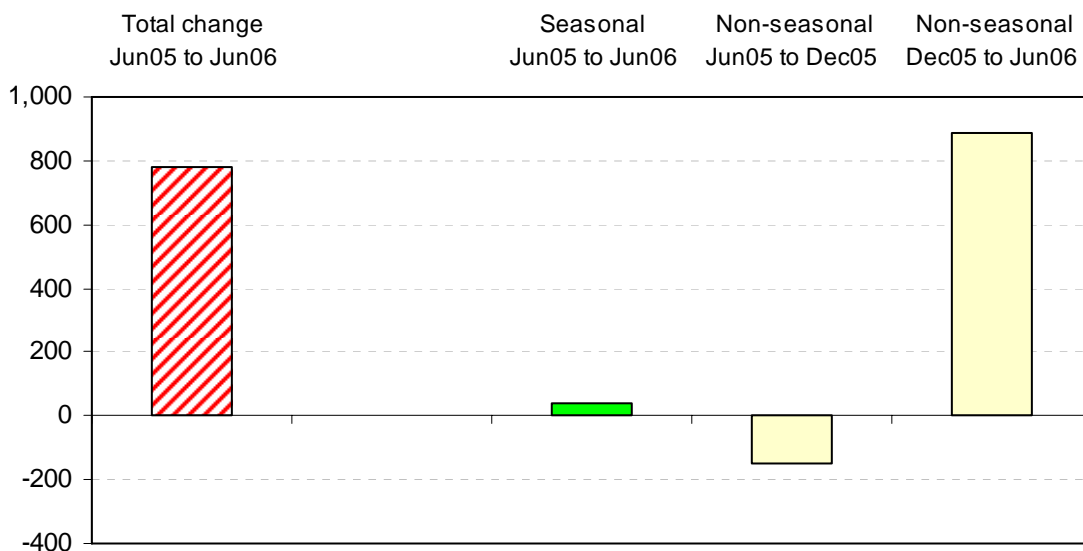
## **Overview: Private sector**

The number of people employed in Jersey businesses in June 2006 was 47,080, which is 780 more than a year earlier, made up of an increase of 760 full-time and 20 part-time employees. The overall annual rise of 1.7% is the largest June twelve-month increase for eight years and follows on from the previous similar sized increase of 720 (1.7%) seen during the twelve months to December 2005<sup>5</sup>.

The latest net increase of 780 on an annual basis consisted of (see Figure 3):

- an increase of 890 jobs in the predominantly non-seasonal sectors in the period December 2005 to June 2006;
- a decrease of 150 in the predominantly non-seasonal sectors between June and December 2005;
- a small increase of 40 in seasonal industries compared to the previous June, principally due to increased employment in catering and canteen activities within the Hotels, restaurants and bars sector.

**Figure 3 - Net changes Jun 05 to Jun 06**



The dominant feature of Figure 3 is the increase in employment (of 890) in the non-seasonal sectors during the first six months of 2006.

The decline (of 150) for the non-seasonal sectors between June and December 2005 is indicative of residual seasonal influences within these sectors, e.g. car hire in Miscellaneous business activities and sporting and entertainment activities in Education, health and other services. Such seasonal activities will also have contributed slightly to the increase observed in the predominantly non-seasonal sectors during the first six months of 2006.

In the twelve months to June 2006, Construction recorded the largest percentage increase of any sector (up by more than 5%, corresponding to 270 employees) resulting in total employment in June 2006 (5,220) being the highest seen in the sector for eight years. The cyclical nature of employment in Construction is apparent in Appendix 1, with previous periods of growth occurring in 1997/8 and 2001/2.

<sup>5</sup> Some of the annual increase in employment for the period December 04 to December 05 is also contained within the latest annual increase between June 05 and June 06.

Within the Wholesale and retail sector, a total of 650 employees were employed in fulfilment activities in June 2006, essentially the same number as twelve months previously, but down on December 2005 reflecting the seasonal nature of this sub-sector.

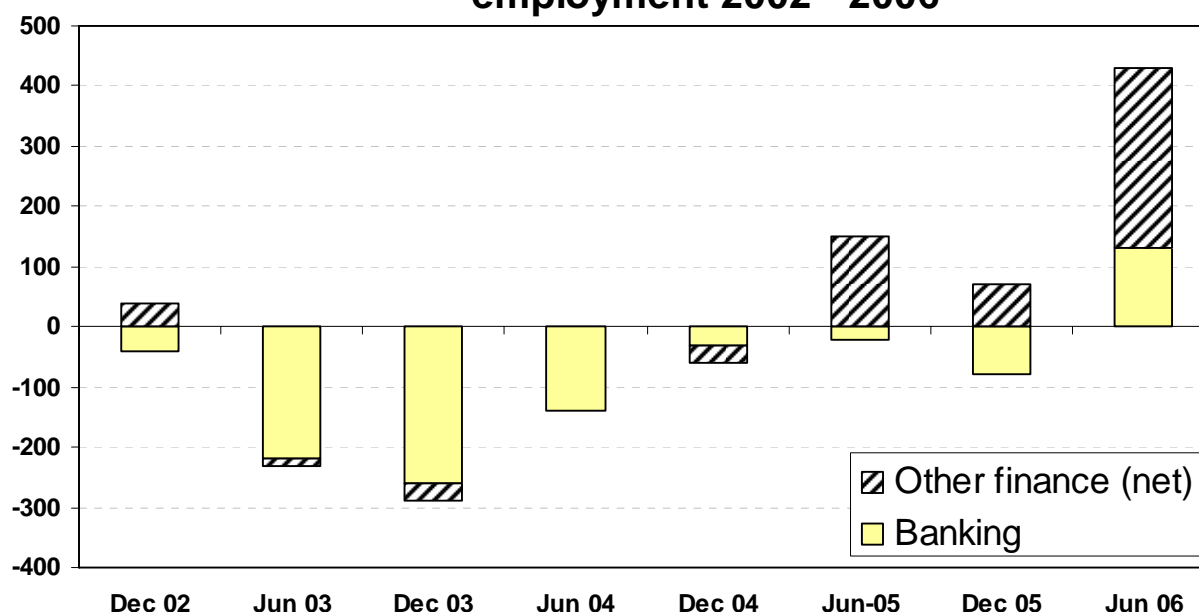
Manufacturing recorded the largest decrease in total employment over the twelve months to June 2006, reporting a net reduction of 160, predominantly due to ongoing rationalisation within a small number of larger undertakings.

During the first six months of 2006, the Financial services sector showed an increase of 420 employees (Table 2). The overall rise was the result of net increases of 130 in banking (the first increase seen in this sub-sector for more than four years), 100 in Trust & Company Administration, 180 (+8%) in legal activity and 40 in accountancy. Total employment in the Finance sector rose above 12,000 for the first time in three years.

**Table 2: Employment in the sub-sectors of Financial services: Jun-02 to Jun-06.**

	Jun-02	Dec-02	Jun-03	Dec-03	Jun-04	Dec-04	Jun-05	Dec-05	Jun-06
Banking	6,170	6,130	5,910	5,650	5,510	5,480	5,460	5,380	5,510
Trust & Co. Admin.	2,410	2,500	2,510	2,480	2,480	2,420	2,460	2,420	2,520
Legal	2,060	2,010	2,010	2,030	2,050	2,050	2,150	2,250	2,430
Accountancy	780	800	780	730	720	770	780	790	830
Other	920	930	900	930	920	900	900	900	880
<b>Total</b>	<b>12,340</b>	<b>12,340</b>	<b>12,110</b>	<b>11,810</b>	<b>11,680</b>	<b>11,610</b>	<b>11,740</b>	<b>11,750</b>	<b>12,170</b>

**Figure 4 - Six-month changes in Finance sector employment 2002 - 2006**



## Employment excluding one-person businesses<sup>6</sup>

The number in *full-time* employment increased by 680 over the twelve months to June 2006, to stand at 37,280, an increase of 1.9%. The number of staff in *part-time* employment fell by 0.8% (60), to 7,800, suggesting that some of the increase seen in full-time employment was due to part-time staff converting to full-time.

On a shorter time-frame, between December 2005 and June 2006 full-time employment increased by 3,030 and part-time employment increased by 260. These shorter-term changes are heavily influenced by seasonal factors, as can be seen from Figure 5a. The underlying trend, excluding seasonal and other short-term variations, is shown by Figure 5b (see Note 3); the twelve-month percentage changes are shown in Figure 6. Around 90% of the increase in seasonal employment is due to people filling seasonal or temporary positions.

Figure 5a - Employment in Jersey Undertakings

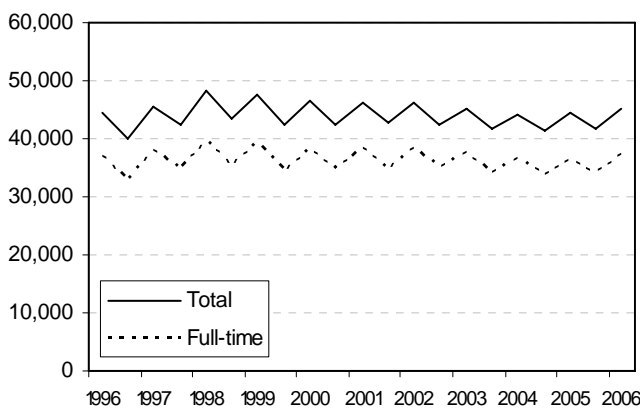


Figure 5b - Underlying trend in employment

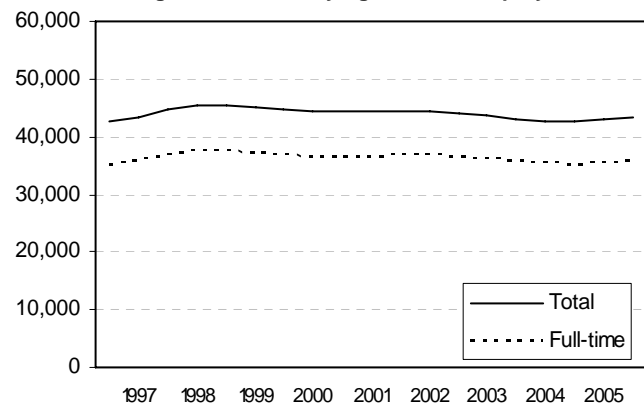


Figure 6 - Twelve month percentage changes in private sector employment



## Employment in one-person businesses

In June 2006 there were 2,000 reported single-person undertakings, about 150 more than a year earlier. Increases in one-person businesses over the twelve months to June 2006 occurred notably in the Retail sub-sector of Wholesale and retail trades, in the Building installation and completion sub-sectors of Construction, and in Other services activities within the Education, health and other services sector.

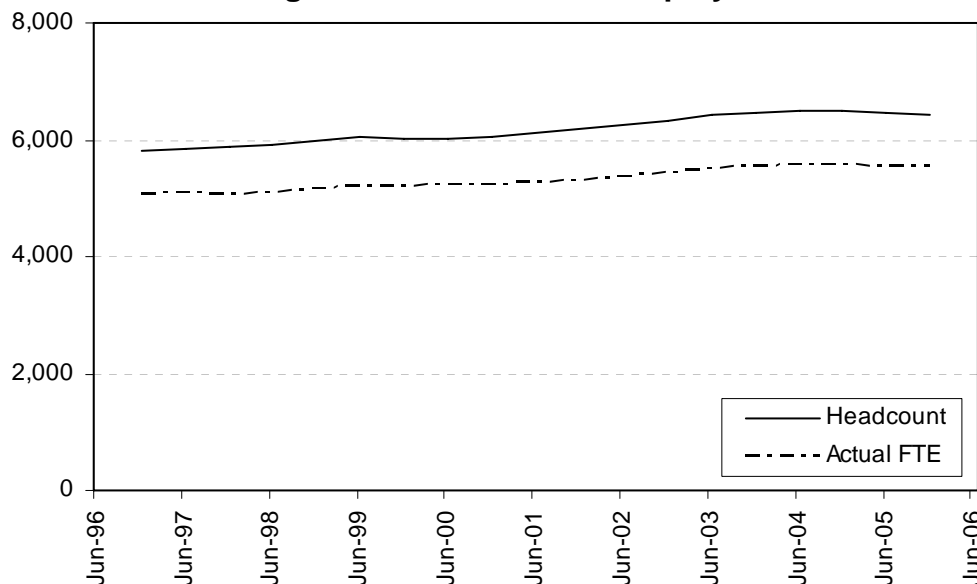
<sup>6</sup> These data are shown in order to obtain a longer term view of employment in Jersey since one-person undertakings were not consistently reported before 2000.

Single-person undertakings were not being consistently recorded prior to 2000, so detailed figures excluding single-person undertakings are presented in Appendix 1; those including single-person undertakings are shown in Appendix 2 (see Note 6).

## **Overview: Public sector**

Total headcount in the public sector stood at 6,480 in June 2006, a reduction of 10 compared to the same period in 2005. As Table 1 and Figure 7 show, public sector headcount increased by about 11% between June 1996 and June 2006.

**Figure 7 - Public Sector employment**



For the public sector it is possible to calculate the number of Actual “Full-Time Equivalent” (FTE) employees. This measure of employment includes filled permanent, contract, seasonal and training positions weighted according to the proportion of a full week worked. On this basis, the total number of public sector staff employed in June 2006 was 5,600 FTE.

In June 2006, Civil Servants accounted for almost a third (32%) of total public sector actual FTE, Manual Workers for about a sixth (18%), and Other Employees (e.g. teachers, nurses, doctors, police, firemen, Crown Appointees) for the remaining half (50%).

In terms of departments, in June 2006 Education, Sport & Culture accounted for about a quarter of total actual FTE (27%), Health & Social Services for almost two-fifths (37%) and all other departments for the remaining 37%.

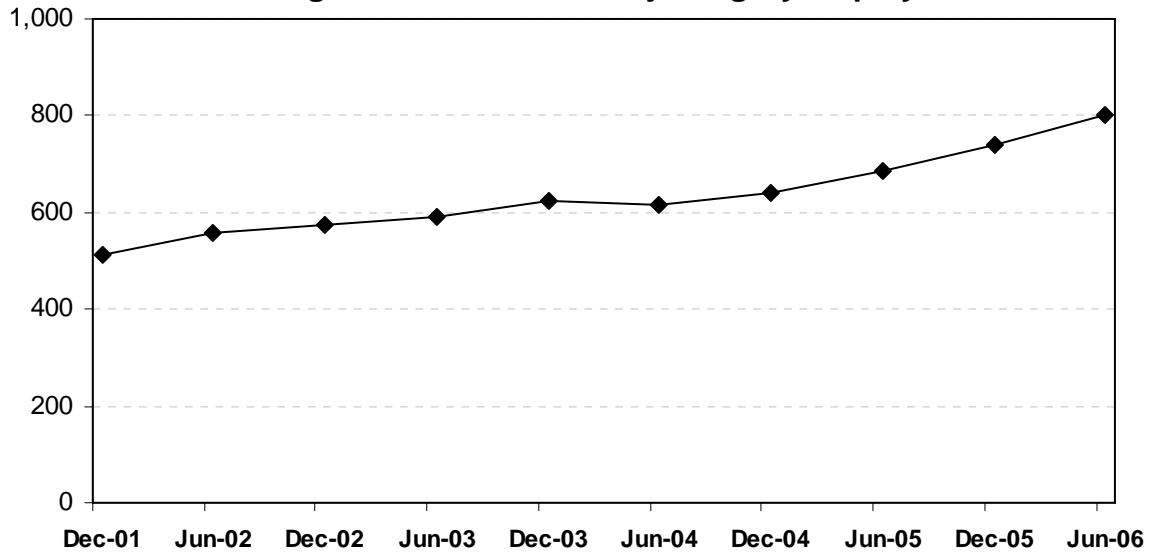
## **Residential qualifications**

Overall, about 82% of people employed in Jersey in June 2006 were locally qualified (as defined by the Regulation of Undertakings and Development Law, see Note 4), almost 3% were j category and 15% (about one in seven workers) were not locally qualified.

Of the 47,080 people employed in the private sector in June 2006, about four-fifths (80.8%) were locally qualified. A further 1.7% (800 staff) were qualified as j-category. The remaining 17.5% (8,230), about one in six of all private sector staff, were not locally qualified.

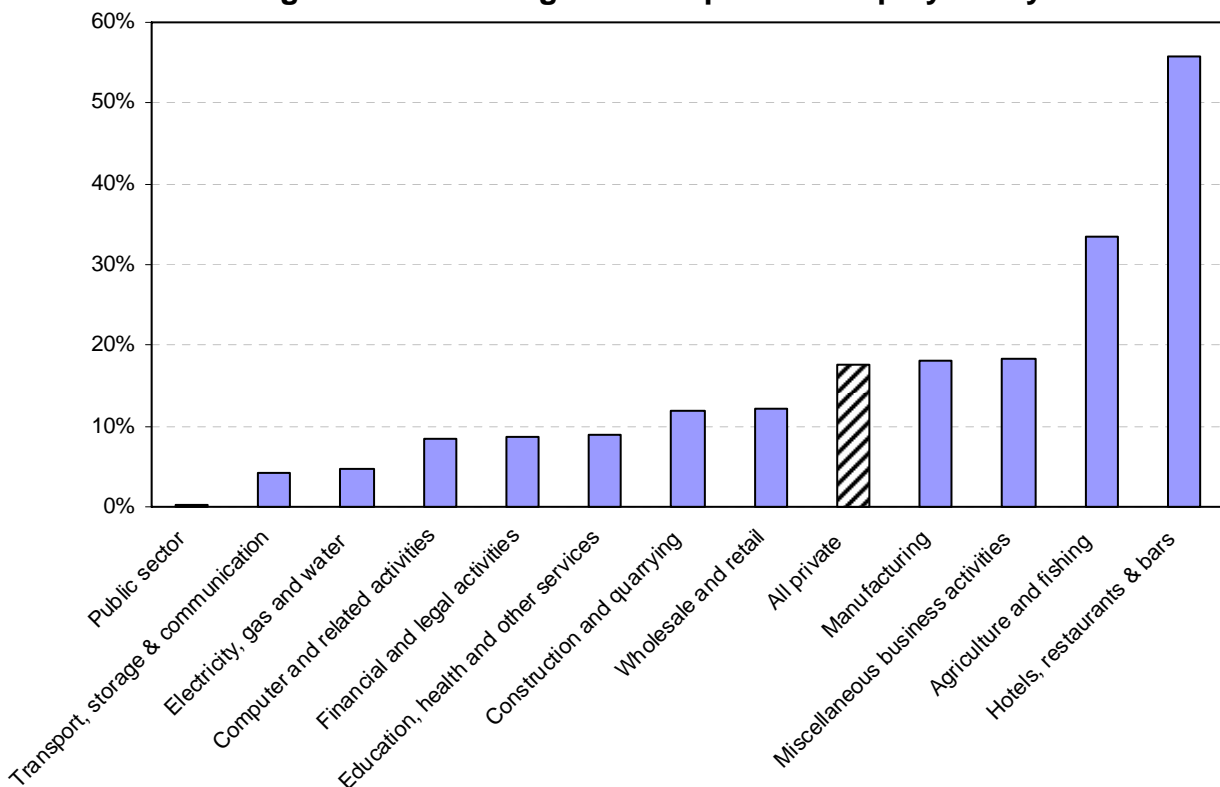
The number of locally qualified staff in the private sector in June 2006 was 780 more than in June 2005. Over the same period, the number of j-category employees in the private sector increased by 110 (Figure 8), more than 90% of which were in Financial services, whilst the number of private sector staff who were not locally qualified was 120 lower.

**Figure 8 - Private sector j-category employees**



Within the private sector in June 2006, the highest proportions of non-qualified employees (excluding j-category) were in Hotel, restaurants and bars (56%) and Agriculture and fishing (34%); whilst Transport, storage and communication and Electricity, gas and water had the lowest, at around 4% (Figure 9). About 9% of employees in the Finance sector and 13% in the fulfilment sub-sector of Wholesale and retail trades were non-locally qualified.

**Figure 9 - Percentage of non-qualified employees by sector**



The number of j-category staff in the public sector (recorded for the first time in June 2006) was 680, representing about 10% of public sector employees.



## Employment by nationality

Utilising data from the Department of Social Security (DSS) it is possible to get an insight into the make up of Jersey's workforce by nationality<sup>7</sup>. However, in using these data it is important to understand a number of key points.

Firstly the nationality data compiled by DSS is based on contributions, that is the number of actual contributions paid in a given quarter, of employees only (excluding the self-employed and non-employed contributors). The number of contributions will differ from the number employed for a variety of reasons including:

- social security contributions are deducted from earnings and paid by the employer on behalf of the employee (for the majority of the workforce). This means that any person changing jobs in a quarter will be counted twice as a different contribution will be received on their behalf from two employers. To give a guide to the scale of this, around 10% of the Finance sector's workforce changed jobs within Jersey in 2005<sup>8</sup>. Equally if two people are involved in a changeover of a position or contract post it will be counted as two; and
- the data on social security contributions represent the number of unique contributions paid over the entire quarter, whilst the employment data is a point in time estimate at either 30 June or 31 December each year.

As a result of these differences it is not possible to undertake a direct comparison of social security contributions and numbers in employment as the former will always be definitionally higher<sup>9</sup> (as table 3 shows). However, the overall trend and seasonality are evident in both series.

**Table 3: Number of unique Social Security contributions and people in employment**

	2004				2005				2006	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Number of unique Social Security contributions received	52,841	54,880	56,254	53,920	52,321	55,696	56,928	56,121	53,447	56,505
Total employment (at 30 Jun and 31 Dec) excluding one person businesses		50,670		47,810		51,090		48,270		51,560

Nationality recorded by DSS is self reported and historically it has not been a key variable for social security purposes. One result of this is that it is not possible to separate Jersey and United Kingdom nationals. As individually these two groups are the largest two nationalities working in Jersey, the fact that they are combined does limit the usefulness of the data in examining migration trends.

Table 4 provides a breakdown of contributions paid by nationality and shows that, for example, during the second quarter of 2006 a total of 4,523 (8% of total) unique contributions were received from or on behalf of Polish nationals. However, for reasons given above, the actual number of Polish people in work, many of which are in seasonal jobs, will be slightly lower.

<sup>7</sup> Under the Social Security (Jersey) Law 1974 one of the pieces of information held against everyone's unique registration number is their nationality.

<sup>8</sup> Source: analysis from the Survey of Financial Institutions 2005, States of Jersey Statistics Unit.

<sup>9</sup> Both sources count people with more than one job as multiples.

**Table 4: Number of unique Social Security contributions by nationality**

	2004				2005				2006	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Jersey and UK	37,156	37,460	38,399	36,786	36,141	37,475	38,582	37,755	36,710	37,781
Portuguese	6,720	7,286	7,250	6,869	6,459	7,050	6,923	7,252	6,494	7,027
Polish	1,581	2,536	2,962	2,761	2,564	3,598	3,889	3,762	3,147	4,523
Other	7,384	7,598	7,643	7,504	7,157	7,573	7,534	7,352	7,096	7,174
<b>Total</b>	<b>52,841</b>	<b>54,880</b>	<b>56,254</b>	<b>53,920</b>	<b>52,321</b>	<b>55,696</b>	<b>56,928</b>	<b>56,121</b>	<b>53,447</b>	<b>56,505</b>

Comparing the most recent data (Q2 2006) with the equivalent period a year earlier does show some changes. Compared to a year ago, around 900 more contributions were received from Polish nationals, with around the same number (although down on 2004) from Portuguese. People from other nationalities not specified making contributions, and therefore working, fell by 400 and although Jersey and UK nationals can't be broken down, given that the increase in employment reported above for locally qualified people is greater than the aggregate change in contributions from this group, it is likely that there has been in a net reduction in contributions from UK nationals as well.

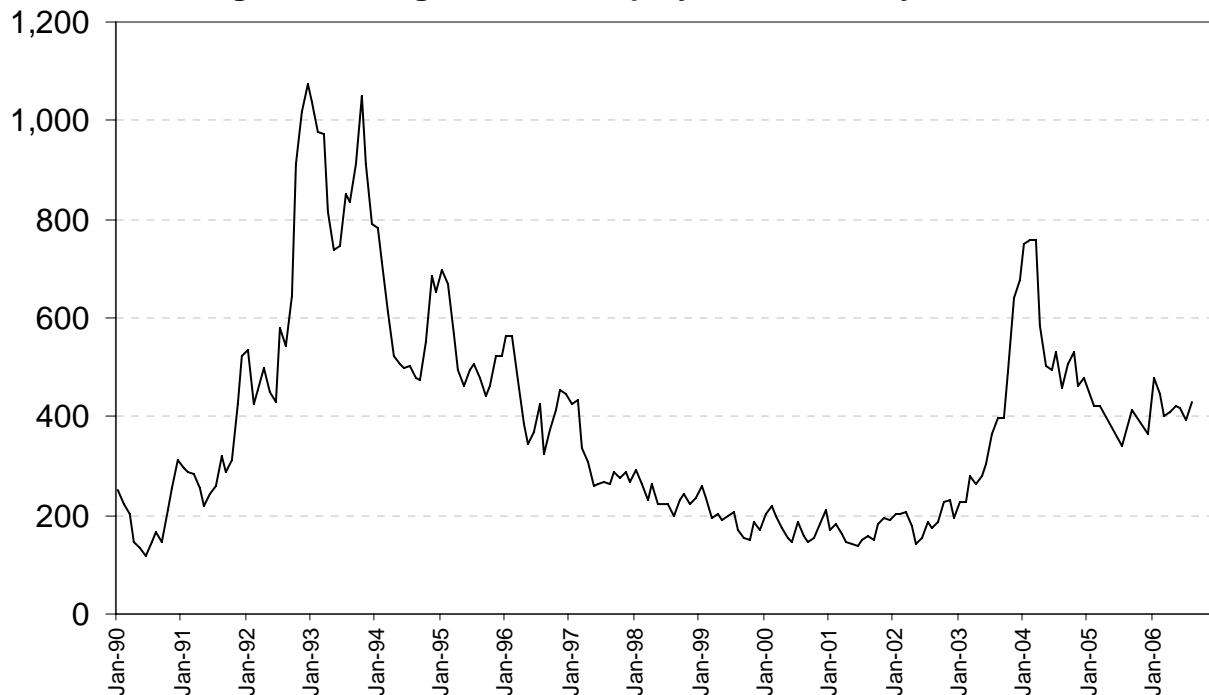
The data also allows analysis of seasonal employment. As reported earlier a large proportion of the increase in employment between December and June each year is due to specific industries taking on seasonal workers (that is workers who are in Jersey for a specific period and do not make a permanent residency in the island). Seasonal workers are still required to make social security contributions and thus are included in the contributions data. As such a large degree of the increase in contributions between Q1 and Q2 is a result of more seasonal workers. Indeed looking at the increase between Q1 and Q2 and then Q2 and Q3 each year shows that the vast majority of seasonal workers arrive during the second quarter with the increase to Q3 made up of increased contributions from Jersey and UK nationals group, (a significant number of which will be school leavers and students working during the summer holidays).

## **Unemployment**

The number of people registered as unemployed in Jersey in June 2006 was 420, a similar level to that seen throughout the last eighteen months (Figure 10). The most recent figures were comparable, 390 and 430 in July and August 2006, respectively.

It must be re-iterated that due to the absence of unemployment benefit in Jersey the number of people registered as unemployed should be regarded as an indicator rather than a measure of the actual level of unemployment, and can be influenced by factors such as greater awareness of the other benefits of registering as unemployed.

The number of people registered with Employment and Social Services as unemployed in Jersey is presented in figure 10. This chart shows that registered unemployment in Jersey increased during the economic slowdown of the early 1990s before declining over the subsequent years to 1999; registered unemployment was then fairly constant for three years before rising in early 2004 and then falling again. The level has been substantially stable, at around 400, for the past eighteen months.

**Figure 10 - Registered unemployment in Jersey 1990-2006**

### International comparisons

In the UK, for the second quarter of 2006 there were almost 29 million people employed and nearly 1 million people claiming Jobseeker's Allowance (the Claimant Count). In Jersey there were 420 persons registered as unemployed in June 2006. People *registered* as unemployed were therefore less than 1% of total employment in Jersey in June 2006, compared to about 3% in the UK<sup>10</sup>.

However, such a comparison based on the numbers of *registered* unemployed is likely to be affected by the absence of unemployment benefit in Jersey, reducing the incentive to register as unemployed. A better indicator is the ILO unemployment rate (see Note 5): for Jersey this stood at 2.2% in the third quarter of 2005<sup>11</sup>. For the UK the ILO unemployment rate was 4.7% in the third quarter of 2005 and 5.5% in the second quarter of 2006.

### Vacancies

The total number of vacancies in June 2006 (2,820) was the highest June figure reported for three years. The net increase of more than 200 vacancies compared to June 2005 occurred essentially for full-time positions and was driven by the increased number of vacancies (more than 300) recorded in the Finance sector. Figure 11 shows the total number of vacancies (full- and part-time) and the number reported in the private sector over the past six years.

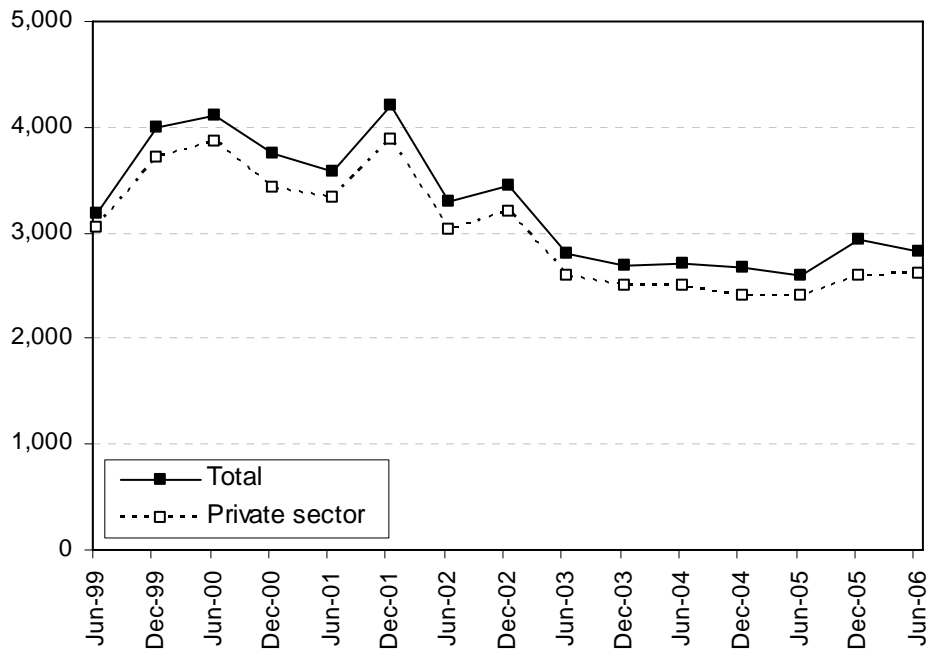
2,610 vacancies were reported by the private sector in June 2006, constituting about 6% of the total number employed in such undertakings.

In the public sector there were 220 vacancies reported, approximately 3% of the total number employed within the sector.

<sup>10</sup> Figures for the UK are from: Labour Market Trends, Vol 114 No 9.

<sup>11</sup> Jersey Annual Social Survey, 2005; States of Jersey Statistics Unit, March 2006.

**Figure 11 - Vacancies**



Acknowledging that there may be some inconsistency in the reporting of vacancies by undertakings in the private sector, and also the possible effect of recent changes in wording on the Manpower Survey form itself, Figure 11 nevertheless indicates the overall level of vacancies since 2003 has been substantially below that of the prior period 1999-2002.

**Notes**

1. The Manpower Survey is a census of the approximate 5,000 undertakings in Jersey, which employ a total of more than 47,000 staff (June 2006) including some 8,500 part-time staff (who may have more than one job). Prior to December 2001, the Survey was conducted quarterly; from June 2002 the survey has taken place at six-monthly intervals.
2. The "private sector" includes States Trading Committees, the Jersey 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 1,350 staff at June 2006.
3. For the six-monthly data of figures 1, 5b and 7, short-term variations (largely due to seasonal factors) were removed by calculating a weighted three-point moving average; entries for June 1996 and June 2006, therefore, do not appear in these plots.
4. The definition of "locally qualified" as applied under the *Regulation of Undertakings and Development (Jersey) Law, 1973 as amended* includes all persons in the following categories:
  - i) residentially qualified persons falling within any of the Housing Regulations, excluding Regulation (l) and Regulation (m);
  - ii) persons resident for the whole of the past consecutive 5 years;
  - iii) the spouses of (i) or (ii) above;
  - iv) the children under 18 years (or if students under 25 years) of those in (i), (ii) or (iii) above.

The analysis in this report further divides the locally qualified between j-category and the remainder.

The residential status of staff in the private sector was recorded for the first time by the December 2001 Manpower Survey. Each undertaking reported the numbers of locally qualified and non-locally qualified employees; full-time employees with j-category housing qualifications were recorded separately from other locally qualified staff.

5. The International Labour Organisation (ILO) definition of unemployment includes all adults (aged 16 and over) who are not working and looking for or waiting to take up a job.
6. The historic numbers for the private sector presented in table 1 and in the appendices show some minor differences from those presented in previous Manpower Survey reports; these arise from minor revisions to staffing levels reported by a small number of undertakings.
7. The public sector headcount figure for June 2006 is the number of posts filled in the sector, and as such incorporates some restructuring and transfer of staff due to the transition from a departmental to ministerial system.
 

The public sector headcount figure for June 2005 has been restated by the States Treasury from that previously reported to include an additional 75 posts in the Education, Sport and Culture Department. This addition relates to multiple part-time roles undertaken by individual staff which had previously been reported as only one headcount for each individual.
8. Further information about the Manpower Survey is available from the States of Jersey Statistics Unit, telephone 440403, and about the States of Jersey Manpower Report from the Treasury, telephone 440220. Enquiries about the Regulation of Undertakings and Development Law should be addressed to the Regulation of Undertakings and Development Office, telephone 448930.