

Exploring Unemployment in Grenada

By Laurel Theresa Bain

The rate of poverty, the distribution of income, and the rate and structure of unemployment are Among the indicators used to measure the welfare of the population. The Statistics Department has undertaken quarterly labour-force surveys and has compiled the results of the labour-force survey as of the quarter ended December 2023. The labour-force surveys for the quarters ending June, September and December of 2023 showed a declining trend in the rate of unemployment, which moved from 12 per cent at the end of June 2023 to 11.6 per cent as of September 2023 and to 11.1 per cent as of the latest labour-force survey of December 2023.

This represents the continuous decline in the rate of unemployment, which was elevated during and in the immediate aftermath of the Covid-19 Pandemic. Based on the quarterly labour-force surveys of December 2019 and 2020, the unemployment rate was 15.1 per cent and 18.5 per cent respectively. Thereafter, as the economy continued to recover from the Covid-19 Pandemic, the rate of unemployment declined, and based on the labour-force survey for the quarter ended June 2021, the unemployment rate was 16.6 per cent. The unemployment rate is now estimated at 11.1 per cent. The declining trend in the unemployment rate would need to be sustained by maintaining economic growth and the elimination of weaknesses in the economy that give rise to high unemployment, particularly among the youths. An annual rate of growth of a minimum of 4 per cent should be targeted and programmes and projects should be implemented to achieve the targeted growth rate. The structural weaknesses in the economy, including the mismatch between the skills of the young working population and the demands of the labour market, should continue to be dismantled. The trend in the overall unemployment rate is highlighted in the following table:

Table 1: Overall Unemployment Rate

	2019 4 th quarter	2020 4 th quarter	2021 2 nd quarter	2023 2 nd quarter	2023 3 rd quarter	2023 4 th Quarter
Unemployment Rate	15.1	18.5	16.6	12.0	11.6	11.1

Source: *Stats: Mgov. gov.* (2021). Retrieved December, 2021, from <https://www.gov.gd/stats>.

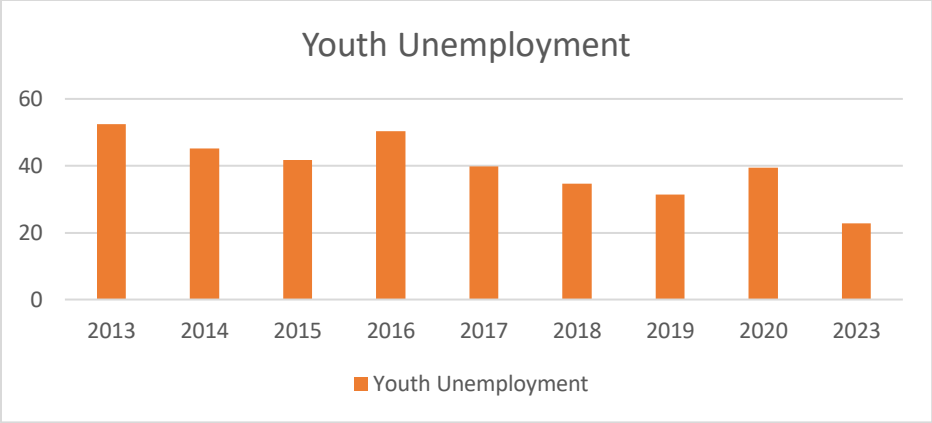
Grenada Labour-Force Survey, Department of Statistics, Grenada, November 2023; February 2024 and May 2024.

The decline in the rate of unemployment, compared with the previous periods, was influenced primarily by the fall in the rate of unemployment among youths. The analysis of unemployment by age showed that Youth unemployment was 22.8 per cent based on the labour-force survey of the fourth quarter of 2023 and stood at 24.2 per cent as of the survey of September 2023 and 36.2 per cent as of the survey of June 2023. Within that age group, the rate of unemployment was high for the ages of 15 to 19, with an unemployment rate of 39.2 per cent, comprising high rates for both males (35.7 per cent) and females (43.2 per cent), based on the labour-force survey of the quarter ended December 2023. The other challenge is that 48 per cent of the working population between the ages of 15 to 24 is not seeking employment, thereby increasing the youths in that category that are not employed.

The results of the labour-force survey for the quarter ended December 2023 showed a moderation in the rate of youth unemployment which has been chronically high. In 2019 and 2020, based on the labour-force surveys for the fourth quarters, unemployment among youths stood at 29.6 per cent and 39.5 per cent respectively. The rate of youth unemployment remained high and based on the labour-force survey of June 2021, the youth unemployment rate was 38.6 per cent, and 36.2 per cent as of the labourforce-survey of June 2023. Thereafter, the rate of youth unemployment has shown a declining trend.

The following graph shows the trend in unemployment of the youths

Chart 1: Youth unemployment



Source: Living Conditions in Grenada Poverty and Equity Update

The rate of unemployment among the youths is highlighted in the following table:

Table 2: Unemployment Rate by Age

	2019 4 th quarter	2020 4 th quarter	2021 2 nd quarter	2023 2 nd quarter	2023 3 rd quarter	2023 4 th Quarter
15-24	29.6	39.5	38.6	36.2	24.2	22.8
25-64	11.9	15.1	13.5	8.4	9.7	9.6

Source: *Stats: Mgov. gov.* (2021). Retrieved December, 2021, from <https://www.gov.gd/stats> Grenada Labour-Force Survey, Department of Statistics, Grenada, November 2023; February 2024; and May 2024. Grenada Survey of Living Conditions, World Bank 2021.

Based on the labour-force survey of the fourth quarter of 2023, the unemployment rate in the age group 25 - 64 was 9.6 per cent. Within that category, the unemployment rate for males was 5.7 per cent, while the unemployment rate for females has been consistently higher and stood at 14 per cent. There was almost full participation (a participation ratio of 86.3 per cent) of that age group in the workforce. People in the age group above 65 years are not seeking employment and unemployment among that group is virtually non-existent.

The next article examines the trend in unemployment among females.

Knowledge is power and Experience is the greatest teacher.

Disclaimer: This article is written in my personal capacity and not in my capacity as Chairwoman of the Fiscal Resilience Oversight Committee.

7th June 2024

