

## Budget Alert 4.1: Exploring Unemployment in Grenada

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Economic policies are aimed at improving the welfare of the population. Among the social indicators, unemployment and poverty are commonly used to monitor the welfare of the population.

The Statistics Department has compiled the results of the labour-force survey as of the quarter ended 30<sup>th</sup> September 2023. Based on the labour-force survey, the unemployment rate was placed at 11.6 percent, representing a decline from the 12 percent rate of unemployment derived from the labour-force survey as of the end of June 2023. This represents a continuous decline in the rate of unemployment.

Economic growth, averaging 5.8 percent between 2021 and 2023 mainly on account of expansion in tourism and construction, would have contributed to the declining trend in the rate of unemployment. The fall in the unemployment rate in 2023 (11.6 percent as of September and 12 percent as of June) was preceded by declines in the unemployment rate of 16.6 percent based on the labour-force survey as of June 2021, and an unemployment rate of 28.4 percent as of the labour-force survey of June 2020.

The trend in the overall unemployment rate is highlighted in the following table:

**Table 1: Overall Unemployment Rate**

	2019 4 <sup>th</sup> quarter	2020 4 <sup>th</sup> quarter	2021 2 <sup>nd</sup> quarter	2023 2 <sup>nd</sup> quarter	2023 3 <sup>rd</sup> quarter
<b>Unemployment Rate</b>	15.1	18.5	16.6	12.0	11.6

Source: *Stats: Mgov. gov.* (2021). Retrieved December, 2021, from <https://www.gov.gd/stats>.  
Grenada Labour-Force Survey, Department of Statistics, Grenada, November 2023.  
Labour-force Survey, Department of Statistics, Grenada, February 2023.

An analysis of unemployment by age showed a notable decline in youth unemployment during the third quarter of 2023 which contributed to the overall decline in unemployment. Youth unemployment stood at 24.2 percent as of September 2023, compared with 36.2 percent as of June

2023. Over the years, youth unemployment has been chronically high. As of June 2021, the youth unemployment rate was 38.6 percent; and in 2019 and 2020, at the end of the fourth quarter, unemployment among youths stood at 29.6 percent and 39.5 percent respectively.

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

**Table 2: Unemployment Rate by Age**

	2019 4 <sup>th</sup> quarter	2020 4 <sup>th</sup> quarter	2021 2 <sup>nd</sup> quarter	2023 2 <sup>nd</sup> quarter	2023 3 <sup>rd</sup> quarter
<b>15-24</b>	29.6	39.5	38.6	36.2	24.2
<b>25-64</b>	11.9	15.1	13.5	8.4	9.7

Source: *Stats: Mgov. gov.* (2021). Retrieved December, 2021, from <https://www.gov.gd/stats>  
Grenada Labour-Force Survey, Department of Statistics, Grenada, November 2023.  
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The analysis of the overall unemployment rate by sex showed that the rate of unemployment for females, which was 14.6 percent at the end of June, increased to 18.1 percent as at the end of September and represented a moderate decline from 19.5 percent in June 2021. Unemployment rates for females are higher than males and are above the overall unemployment rate. As of September 2023, the unemployment rate for male was 6.0 percent, while female was 18.1 percent; in the context of the overall unemployment rate of 11.6 percent. The unemployment rate among females has been consistently higher than males. The comparative unemployment rates for males and females are depicted in the following table:

**Table 3: Unemployment by Sex in Percentage**

	2019 4 <sup>th</sup> quarter	2020 4 <sup>th</sup> quarter	2021 2 <sup>nd</sup> quarter	2023 2 <sup>nd</sup> quarter	2023 3 <sup>rd</sup> quarter
<b>Male</b>	12.5	15.9	14.2	9.6	6.0
<b>Female</b>	18.3	21.6	19.5	14.6	18.1

Source: *Stats: Mgov. gov.* (2021). Retrieved December, 2021, from <https://www.gov.gd/stats>  
Grenada Labour-Force Survey, Department of Statistics, Grenada, November 2023.  
Labour-force Survey, Department of Statistics, Grenada, February 2023.

A cross tabulation of the unemployment rates by sex and age highlighted a higher youth unemployment (15 – 24years) in females, and a significant decline in the unemployment rate for males in this age group. Based on the labour-force survey of September 2023, the unemployment rate among youth was 12.6percent for males and 36.6 percent for females; representing a decline in the male unemployment rate, and a widening of the divergence in the rate of unemployment between males and females in favour of males.

The development in September 2023 was a break in the disparity in the unemployment rate among males and females. As of June 2023, the rate of unemployment among young males was 37.8 percent and the rate for young females was 34.9 percent, and this close proximity was maintained in previous years. In 2020, the unemployment rate for males was 40.9 percent and females was 37.8 percent, and in the second quarter of 2021, female youth unemployment stood at 42 percent and males at 36.2 percent.

The unemployment rate in the age group 25 – 65 of 9.7 percent was below the overall unemployment rate. Within that category, there was almost full employment for males (4.7 percent) while unemployment rate for females was higher at 15.3 percent. The rate of unemployment for the age group above sixty-five years of 9.3 percent was below the overall rate, and the disparity between males (7.9) and females (12.8) was less pronounced. However, the number of people seeking employment was low and may reflect a lack of interest of this group in being employed.

Public policy would need to focus on the unemployed youth and women. The policies should be targeted at the 15 – 24 age group where the unemployment rate is high, and a large portion of the working population has dropped out of the labour-force. Programmes for improving education standards and upgrading skills will need to be implemented, particularly as the unemployed are dominated by those who have never worked and with education levels up to secondary school.

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.**

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