

Results Labour Force Survey 2019

Willemstad, September 2020

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Introduction

The Labour Force Survey (LFS) was conducted in September and October 2019. The Labour Force Survey is a survey aimed to measure the unemployment rate at the time of data collection. The fieldwork was initially conducted for six weeks in which a sample of 2,650 households were approached. However, due to declining participation, it was extended for another two weeks in which the soft refusals and those who were not at home were re-approached.

The resulting statistic is a snapshot of the balance between the employed and unemployed (15 years and older) population on Curaçao. The LFS seeks to understand the working population and the supply side of the labour market. The information supplied by those in the sample answer the question of education and composition of the labour force.

The year 2019 was a turbulent year for Curaçao where it had to contend with many foreclosures and liquidations resulting in loss of employment. This is characterized by the numbers from the Chamber of Commerce (Figure 1) that show an increase in closures.

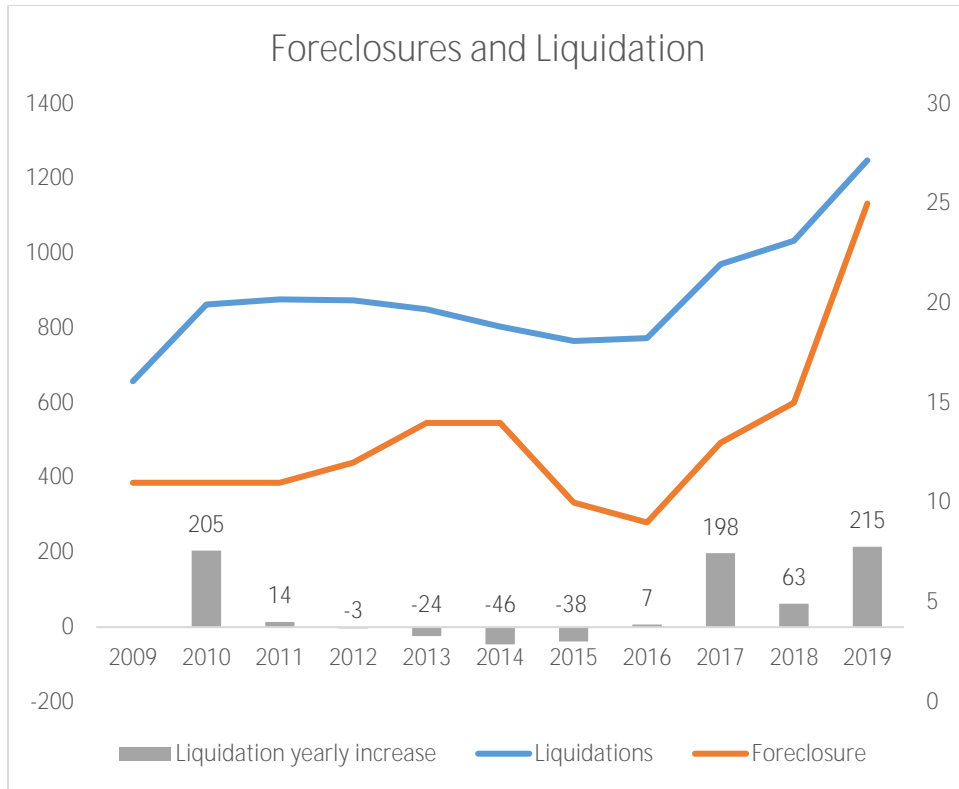


Figure 1 Foreclosures and Liquidations 2009- 2019

A monthly breakdown of all closed business, according to the Chamber of Commerce, shows that the between September 2018 and April 2019 there were more closures than the period between May 2019 and September 2019.

Of all the new registrations, past numbers show that between 15% and 35% actually turn into active businesses. Figure 2 thus shows that there are more closures than new active registrations.

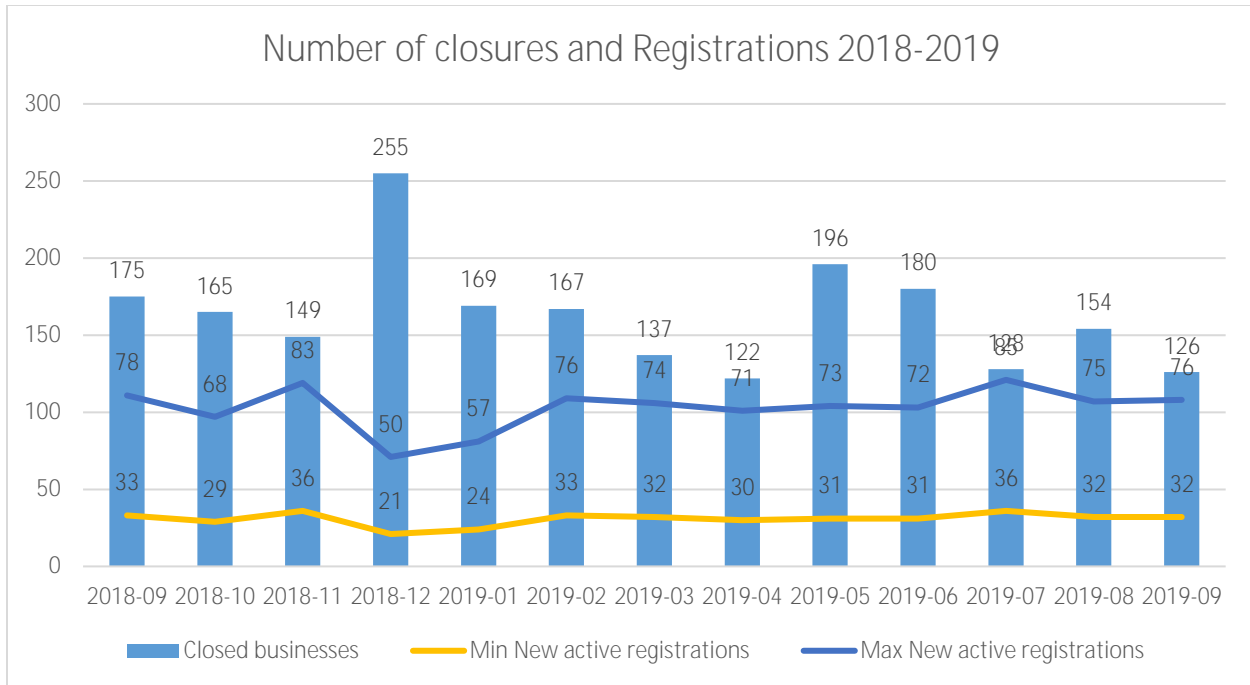


Figure 2 Number of closures 2018/09 to 2019/09 Chamber of Commerce Curaçao

Table 1 shows the average number of employees per business type based on the business registry and the National Accounts survey from the CBS. Applying the average number of employees by business type, we can estimate that an additional 6,971 people lost employment between September 2018 and September 2019.

Business Type	Average number of employees	Calculated number of employees laid off
N.V.	7	1,764
B.V.	7.1	1,945
Sole proprietorship	1.0	1,364
Foundation	11.4	1,140
Other	5.7	758
Total calculated employees laid off		6,971

Table 1 Average number of laid off employees

These numbers are also corroborated through the department of labour and social affairs. In 2019, one can see a significant higher amount of people who have indicated that they have been dismissed. According to the number seen in figure 2, the majority is concentrated in the second quarter.

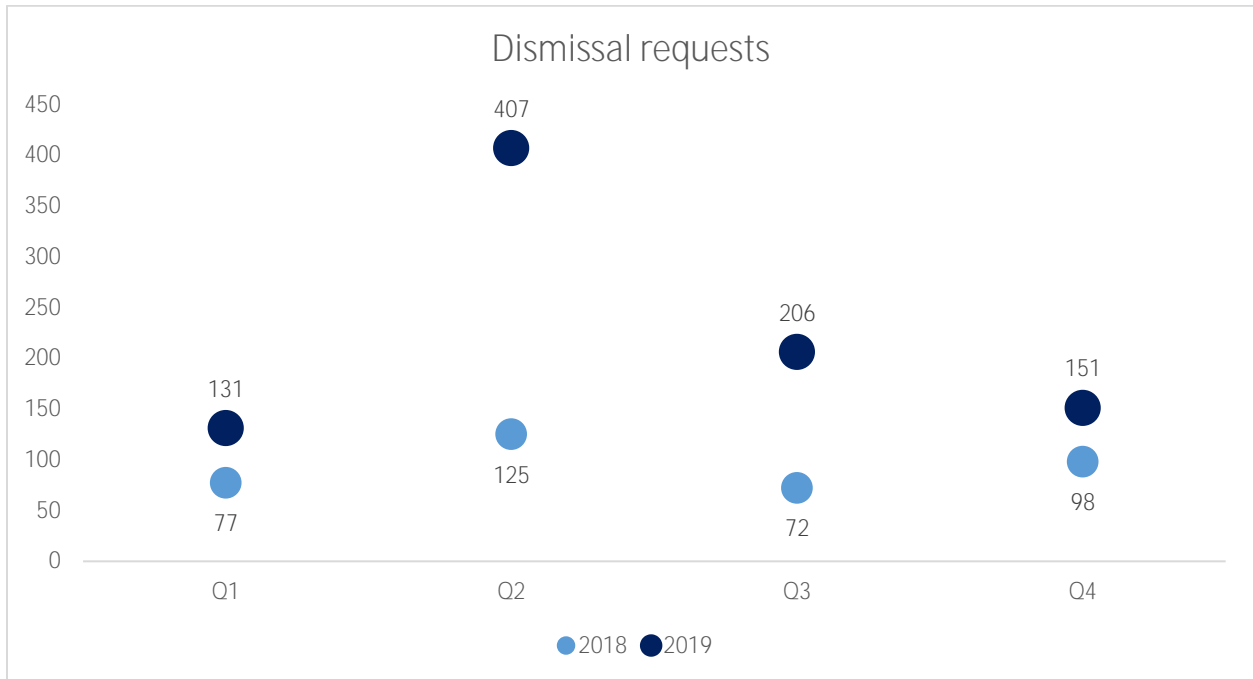


Figure 3 Dismissal Requests 2018-2019 Department of Labour and Social Affairs

Summary

Between September 2018 and September 2019, the labour market of Curaçao has gone through many changes. All of these changes fueled by loss of employment across the country. The unemployment rate went from 13.4 to 17.4 with a peak of 21.3 in April 2019.

Business closures, especially within big companies have resulted in higher number of unemployment. Higher unemployment resulted in movements within the employment categories. Those who were previously classified as economically inactive, have become active jobseekers as a decreasing economy warrants a higher need for an income.

Two important groups who are always indicative of a tumultuous labour market are the youth (15-24 year-old) and the pensioners (65 and older). The unemployment of these two groups have increased significantly between 2018 and 2019. The unemployed youth have nearly doubled in size, while there is also movement in the 65 and older age group as they are either re-entering the labour market or staying in the labour market and are actively seeking more employment.

Methodology

Sample: The sample for the LFS consisted of 2,650 households. This number has been calculated with oversampling due to the increasing non-response rate and with the confidence interval of 95%. The sampling frame is based on the building point inventory exercise conducted by the Central Bureau of Statistics (CBS) in 2017. The sample excludes households that have already been contacted for other household surveys in 2019 and the 2018 LFS survey.

Fieldwork: The sample was divided among 29 interviewers. The interviewers are always trained on the questionnaire, technical aspects and communication skills. Each interviewer conducted their interviews on a tablet. One of the advantages of using the tablet is the speed at which the data is received and thus can be corrected if needed.

Non-response: A household is classified as a non-response for different reasons including hard refusal, when no one is at home, when the address is uninhabited or a business. The non-response rate for the 2019 LFS was 32.5%. This was 35.6% and 37.3% for 2018 and 2017 respectively. After the initial fieldwork period, the non-response was 47.8%.

Confidence interval and reliability: Surveys can be conducted as sample surveys or population surveys. A population survey is when all the elements of the populations are approached and interviewed. The census is a good example of a population survey. A sample survey is when a representative portion of the population is approached. This sample has to be big enough that the results reflect the patterns in the populations. This size is determined taking into consideration the size of the population and the reliability with which the results will be reported. The theory behind is that the more people you approach, eventually answers and patterns can be predicted within a reasonable interval so that not all persons need to be interviewed. Oftentimes one will not have the time or finances to interview everyone in the population. This reasonable interval is called the confidence interval. Each statistic based on sample surveys thus have an error margin associated with it. Acceptable error margins are 2% or less. The LFS sample has an error margin of 1.94%.

The 2019 LFS yielded an unemployment rate of 17.4%. This particular statistic has an error margin of 1.61%. In layman terms, this means that the actual unemployment rate is between 15.8% and 19.0%.

Definitions:

The definitions used in the LFS are based on the KILM and the local labour market situation. Accordingly, individuals 15 years and older were classified in one of the three categories of the labour market (labour status): employed, unemployed, or economically not active. The definitions are given in this paragraph.

Employed

All persons of 15 years and older who during the research period:

- a. had a job or have their own business; or
- b. who during the week preceding the research period performed any work for pay in cash or in kind, for 4 hours or more.

Unemployed

All persons of 15 years and older who during the research period:

- a. did not have a job or a business of their own; and
- b. had actively been seeking work in the preceding month of the research period; and
- c. who were available to start working or start a business within two weeks.

Economically not active

All persons of 15 years and older who during the research period:

- a. did not have a job or own a business; and
- b. who were not actively seeking work.

This group consists of mostly students, housewives or househusbands and pensioners who are not working or looking for a job.

Labour force

The total number of persons who are employed added to the total number of persons who are unemployed.

Unemployment rate

The number of unemployed persons as a percentage of the labour force (employed and not employed). The economically inactive group is not counted in this calculation.

Youth unemployment rate

The unemployment rate in the age category of 15–24 years.

Participation rate

The number of persons in the labour force as a percentage of the total population.

Labour Force participation rate

The number of persons in the labour force as a percentage of the working age population.

Underemployment

The percentage of employed people who are employed and are seeking or are available for additional work during the reference period.

Results of the Labour Force Survey 2019

The labour force of Cuacao increased in 2019 with approximately 6.3 percent (Table 2). This increase is largely due to an increase of more than 3,500 unemployed people between September 2018 and September 2019. The employed population increased by more than 800 people.

Labour Force Curaçao 2014-2019						
	2014	2015	2016	2017	2018	2019
Employed population	59,295	61,823	65,118	62,834	60,729	61,547
Unemployed population	8,555	8,198	9,953	10,313	9,424	12,992
Labour force	67,850	70,021	75,071	73,147	70,153	74,539
Economically not active population	55,871	55,670	52,268	54,911	56,127	50,341
Population 0-14 years	29,513	29,612	29,382	28,539	29,950	28,665
Population 15+ years	123,721	125,690	127,339	128,058	126,280	124,880
Total population	153,234	155,302	156,721	156,597	156,230	153,545
Participation rate (%)	44.3	45.1	47.9	46.7	44.9	48.5
Labour force participation rate (%)	54.8	55.7	59	57.1	55.6	59.7
Unemployment rate (%)	12.6	11.7	13.3	14.1	13.4	17.4
Underemployment rate (%)	11.9	9.5	15.5	10.7	13	

Employment/total population (%)	38.7	39.8	41.6	40.1	38.9	40.1
Employment/population 15+ (%)	47.9	49.2	51.1	49.1	48.1	49.3

Table 2 Labour force Curaçao 2014-2019

The economically inactive population decreased by 5,786 people. Looking at the number it shows a clear flow from being economically inactive to employ. The difference between these two groups according to the international definition is that the former is not actively looking for work. In 2019, besides the foreclosures and liquidations, a portion of those who were previously not actively looking for work has started looking for work, thus increasing the number of unemployed.

Labour Force Status 2014-2019						
Men						
	2014	2015	2016	2017	2018	2019
Employed population	28,623	29,846	31,684	29,810	29,674	28,710
Unemployed population	3,658	3,507	4,222	4,396	3,779	5,456
Labour force	32,281	33,353	35,906	34,206	33,453	34,166
Economically not active population	22,112	22,004	20,308	22,298	21,861	20,789
Population 0-14 years	15,116	15,108	14,989	14,616	15,285	14,665
Population 15+ years	54,393	55,357	56,215	56,504	55,314	54,955
Total population	69,509	70,465	71,204	71,120	70,599	69,620
Participation rate (%)	46.4	47.3	50.4	48.1	47.4	49.1
Labour force participation rate (%)	59.3	60.3	63.9	60.5	60.5	62.2
Unemployment rate (%)	11.3	10.5	11.8	12.9	11.3	16
Employment/total population (%)	41.2	42.4	44.5	41.9	42	41.2
Employment/population 15+ (%)	52.6	53.9	56.4	52.8	53.6	52.2

Table 3 Labour force Curaçao 2014-2019 (Male)

Labour Force Status 2014-2019						
Women						
	2014	2015	2016	2017	2018	2019
Employed population	30,672	31,976	33,434	33,024	31,055	32,837
Unemployed population	4,897	4,691	5,731	5,917	5,645	7,536
Labour force	35,569	36,667	39,165	38,941	36,700	40,373
Economically not active population	33,759	33,666	31,960	32,613	34,266	29,552
Population 0-14 years	14,397	14,504	14,393	13,923	14,665	14,000
Population 15+ years	69,328	70,333	71,125	71,554	70,966	69,925
Total population	83,725	84,837	85,518	85,477	85,631	83,925
Participation rate (%)	42.5	43.2	45.8	45.6	42.9	48.1
Labour force participation rate (%)	51.3	52.1	55.1	54.4	51.7	57.7
Unemployment rate (%)	13.8	12.8	14.6	15.2	15.4	18.7
Employment/total population (%)	36.6	37.7	39.1	38.6	36.3	39.1
Employment/population 15+ (%)	44.2	45.5	47	46.2	43.8	47

Table 4 Labour force Curaçao 2014-2019 (Female)

Labour Force Status 2014-2019						
15-24 years						
	2014	2015	2016	2017	2018	2019
Employed population	3,181	3,880	4,450	3,815	3,818	4,121
Unemployed population	1,578	1,641	2,593	1,858	1,579	2,952
Labour force	4,759	5,521	7,043	5,673	5,397	7,073
Economically not active population	14,290	13,698	12,171	13,093	12,409	10,227
Population 15-24 years	19,049	19,219	19,215	18,807	18,016	17,300
Participation rate (%)	25	28.7	36.7	30.2	30	40.9
Youth unemployment rate (%) ¹	33.2	29.7	36.8	32.8	29.3	41.7
Employment/population 15-24 years (%)	16.7	20.2	23.2	20.3	21.2	23.8
Youth unemployment/total unemployment	2.6	2.5	2.8	2.3	2.2	2.4

Table 5 Labour force Curaçao 2014-2019 (15-24 years)

The unemployment rate for the youth (15-24 year old) has increased from 29.3 to 41.7. This group includes students who have indicated that while going to school they are also looking for work. These students are also included in the unemployed per the definition of unemployment; unemployed are those who have indicated that they are actively looking for work and can start to work within two weeks. Work is defined as working 4 hours or more in a week. As table 5 indicates, the unemployed within this population has nearly doubled in size from 2018 to 2019. This is a clear indication of dire economic times as people are starting to look for work at a younger age.

Labour Force Status 2014-2019						
25-34 years						
	2014	2015	2016	2017	2018	2019
Employed population	12,166	13,082	13,298	12,894	12,485	12,578
Unemployed population	2,215	2,095	2,298	2,976	2,764	2,433
Labour force	14,381	15,177	15,596	15,870	15,249	15,011
Economically not active population	2,468	2,369	2,439	2,464	2,617	2,589
Population 25-34 years	16,849	17,546	18,035	18,334	18,161	17,600
Participation rate (%)	85.4	86.5	86.5	86.6	84	85.3
Unemployment rate (%)	15.4	13.8	14.7	18.8	18.1	16.2
Employment/population 25-34 years (%)	72.2	74.6	73.7	70.3	68.7	71.5

Table 6 Labour force Curaçao 2014-2019 (25-34 years)

Labour Force Status 2014-2019						
35-44 years						
	2014	2015	2016	2017	2018	2019
Employed population	14,966	14,636	14,871	14,703	13,859	13,861
Unemployed population	2,260	1,619	1,837	1,906	1,950	2,633
Labour force	17,226	16,255	16,708	16,609	15,809	16,494
Economically not active population	2,513	3,336	2,601	2,502	2,830	1,842
Population 35-44 years	19,739	19,592	19,309	19,111	18,738	18,336
Participation rate (%)	87.3	83	86.5	86.9	84.4	90
Unemployment rate (%)	13.1	10	11	11.5	12.3	16
Employment/population 35-44 years (%)	75.8	74.7	77	76.9	74	75.6

Table 7 Labour force Curaçao 2014-2019 (35-44 years)

Labour Force Status 2014-2019						
45-54 years						
	2014	2015	2016	2017	2018	2019
Employed population	17,618	17,938	18,690	17,952	17,424	16,558
Unemployed population	1,718	1,931	2,179	2,332	1,914	2,627
Labour force	19,336	19,869	20,869	20,284	19,338	19,185
Economically not active population	5,088	4,447	3,413	3,858	4,228	3,977
Population 45-54 years	24,424	24,316	24,282	24,142	23,991	23,162
Participation rate (%)	79.2	81.7	85.9	84	80.6	82.8
Unemployment rate (%)	8.9	9.7	10.4	11.5	9.9	13.7
Employment/population 45-54 years (%)	72.1	73.8	77	74.4	72.6	71.5

Table 8 Labour force Curaçao 2014-2019 (45-54 years)

Labour Force Status 2014-2019						
55-64 years						
	2014	2015	2016	2017	2018	2019
Employed population	9,630	10,507	11,422	11,070	11,555	12,267
Unemployed population	744	760	866	1116	1103	2087
Labour force	10,374	11,267	12,288	12,186	9,704	9,704
Economically not active population	10,522	10,220	9,802	10,528	9,792	8,692
Population 55-64 years	20,896	21,487	22,090	22,714	22,746	23,046
Participation rate (%)	49.6	52.4	55.6	53.6	42.7	42.1
Unemployment rate (%)	7.2	6.7	7	9.2	11.4	21.5
Employment/population 55-64 years (%)	46.1	48.9	51.7	48.7	50.8	53.2

Table 9 Labour force Curaçao 2014-2019 (55-64 years)

Labour Force Status 2014-2019						
65+ years						
	2014	2015	2016	2017	2018	2019
Employed population	1,734	1,780	2,386	2,400	1,587	2,162
Unemployed population	39	152	179	125	113	259
Labour force	1,773	1,932	2,565	2,525	1,700	2,421
Economically not active population	20,991	21,598	21,843	22,425	22,325	23,015
Population 65+ years	22,764	23,530	24,408	24,950	24,628	25,436
Participation rate (%)	7.8	8.2	10.5	10.1	6.9	9.5
Unemployment rate (%)	2.2	7.9	7	5	6.6	10.7
Employment/population 65+ years (%)	8.3	7.6	9.8	9.6	6.4	8.5

Table 10 Labour force Curaçao 2014-2019 (65+ years)