

## **Outside In**

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Labour force participation rates (LFPR) around the world have been declining over the past two decades; however, Jamaica's has been rising, from 62 to 65 percent over the last 12

years.

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The number of persons aged 18 to 70 years outside of Jamaica's labour force is approximately 411,000 individuals. This is about a third of the number of who are inside the labour force.

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Jamaica's unemployment rate fell below 5 percent in 2023, signalling an unprecedentedly tight labour market that is constraining economic growth. Meanwhile, 35 percent of the eligible working-age population remains outside the labour force teasing the possibility of untapped productive potential.

4



Nearly a (23%) of the approximately 411,000 persons OLF were in school, 7% were incapable of working, 6% had retired, and another 6% said they had intentions of joining within the next 12 months. The remainder had other reasons, predominantly care responsibilities (15,000 persons); Of those 15,000 96% are women.



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Globally, women participate less in the labour force than men, with a 47% LFPR compared with men's 72%. Jamaica's gender participation gap is consistent with this universal trend where the participating rate for men has always been higher than that for women. Notwithstanding that, LFPR for men has been on the decline, while women's has risen.

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The 15, 000 Jamaicans who want to work but cannot because of care responsibilities is equivalent to one percent of the labour force. If these individuals had support for their care obligations and were to enter the labour force, it could potentially yield an increase of 2% GDP.

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Most of the individuals who are unable to participate in the labour force due to care responsibilities are of prime working age (26 – 45 years).

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In the current labour shortage, the only viable potential for expanding the labour force is those who are constrained by unpaid care and domestic work; beyond this pool of persons there is limited potential for increasing LFPR, given the challenges posed by illness, disability, educational opportunities, and other factors.

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Approximately three out of every five individuals outside the labour force due to care duties reside in rural areas.

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The state should subsidize the cost of care support by issuing vouchers to working and jobseeking parents for use at registered and regulated day care and nursing care facilities.