

The state of the employment market

There are plenty of stories about a lack of recruits for hospitality and travel businesses reopening after lockdown, a shortage of truck and van drivers, and even shortages of people to run various types of factory. Meanwhile there are still a substantial number of people on furlough, where we need soon to find out if their jobs are safe and about to be restored or not. If some are not going to be welcomed back into full time employment now would be a good time to have that conversation so they can start to find an alternative amidst all the vacancies or set about the training needed to get into one of the scarcity activities.

Some in business want to blame Brexit for a shortage of people coming from the continent to get jobs here, a model many businesses relied on. The government has had to reveal that instead of there being around 3 to 4 million EU citizens working here as they used to tell us, there are at least 6 million now as they have applied for settled status under the new scheme. Another part of the government has also wondered aloud if there are over 1 million people in the UK from various parts of the world who are not being vaccinated for fear of it triggering an enquiry into their migration status, as they are not registered with GPs. All this implies there are a good number of people from abroad in jobs, and of course the new immigration system allows people to recruit from abroad in specified scarcity areas and for higher skilled higher paid people.

I have raised with the government the need to expand driver training and testing as they say they are now doing, given the big expansion in home deliveries across the pandemic. Wages at the bottom end are picking up a bit to send a clear signal to people already resident here that they are needed in various scarcity occupations. This should also stimulate the application of more machine and computer power to business activities to raise productivity to allow higher wages and fewer employees per unit of output. There has also in the last year or so been a welcome expansion in the numbers of people setting up new businesses or working for themselves, greatly increasing flexibility and innovation in our economy.