

STATES OF JERSEY



PAY GAP REPORTING (P.13/2024) – AMENDMENT

Lodged au Greffe on 9th April 2024
by Deputy H.L. Jeune of St. John, St. Lawrence and Trinity

STATES GREFFE

PAY GAP REPORTING (P.13/2024) – AMENDMENT

1 PAGE 2, PARAGRAPH (a) –

After the word “plan” insert the words “which meet criteria to be defined by the Government”

2 PAGE 3, PARAGRAPH (b) –

After paragraph (b) insert a new paragraph as follows, and re-designate the subsequent paragraphs accordingly –

“(c) to develop, in consultation with the Council of Ministers and before the end of 2026, an action plan (based on evidence and Jersey pay gap reporting data) that identifies the causes of the gender pay gap and sets out actions (including dedicated budgets for any actions) to address and reduce the underlying causes of the gender pay gap in both the public and private sectors, with the action plan to be updated regularly in line with information received from annual gender pay gap reporting;”

3 PAGE 3, PARAGRAPH (c) –

After the word “reporting” insert the words “, including accompanying narratives and action plans which meet criteria to be defined by the Government,”

DEPUTY H. JEUNE OF ST. JOHN, ST. LAWRENCE AND TRINITY

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

to request the Chief Minister –

- (a) to set and publish a target before the end of June 2024 of a minimum percentage of local businesses with 50 or more employees that should voluntarily report their gender pay gap data (with accompanying narrative and action plan which meet criteria to be defined by the Government) by 8th March 2025 and annually thereafter;
- (b) to ensure that all local businesses with 50 or more employees are contacted before the end of June 2024 with a request that they voluntarily publish gender pay gap data (with accompanying narrative and action plan prior to 8th March 2025), and to provide such businesses with support (including, but not limited to, reporting templates and guidance on narrative and action plan formulation) in order to facilitate the provision of such gender pay gap information;

- (c) to develop, in consultation with the Council of Ministers and before the end of 2026, an action plan (based on evidence and Jersey pay gap reporting data) that identifies the causes of the gender pay gap and sets out actions (including dedicated budgets for any actions) to address and reduce the underlying causes of the gender pay gap in both the public and private sectors, with the action plan to be updated regularly in line with information received from annual gender pay gap reporting;
- (d) in the event the target identified in paragraph (a) is not met by 8th March 2025 through voluntary participation, to bring forward the necessary legislative framework by 8th March 2026 for the implementation of mandatory annual gender pay gap reporting, including accompanying narratives and action plans which meet criteria to be defined by the Government, by all local businesses with 50 or more employees; and
- (e) to investigate the possibility of providing support for local businesses in order to facilitate the publication of pay gap data for other characteristics, including (but not necessarily limited to) ethnicity pay gap data and disability pay gap data.

REPORT

The Gender pay gap has a huge impact on our economy. The most ‘equal’ societies in the world are nearly always the most successfully economically ([Equality of opportunity as an engine of prosperity \(worldbank.org\)](#)). Jersey should be striving for this too, to ensure its economic sustainable growth into the future. Delivering gender pay equality would be a real driver for economic growth.

- [PWC reported in 2023](#) that closing the Gender Pay Gap in Jersey could generate a boost of £187 million to female earnings.
- This equates to a £17.3 million income tax liability and a further £3.5 million in social security contributions.
- If we matched Jersey’s female labour force participation rate to Sweden this would boost Jersey’s GDP by 2% annually (£77 million).
- Having access to talent and skills is a continual priority for Jersey business, therefore ensuring we are incentivising the entire working age population to be economically active is critical. We have a critical skills gap – there are currently 1074 vacancies being advertised in Jersey ([Jobs in Jersey \(gov.je\)](#)), as at 20/03/2024). Many of these vacancies could be filled by women who have had to choose caring responsibilities over their careers.
- Not only is the gender pay gap a problem in itself, it also leads to a Gender Pensions Gap ([The Gender Pensions Gap - House of Commons Library \(parliament.uk\)](#)), which has serious implications for our increasingly aging population. Remembering that, on average, women live longer than men and so need more pension wealth to have the same amount of income each year over their retirement. Highlighted in [a report by the Pensions Policy Institute](#) in 2019, the gender pensions gap is “driven by pay differentials” (p. 3).

This tool demands pay transparency and shines a spotlight on the issue or intersectionality issues. However, the real work begins when the causes of the gap and the actions needed to close the gap are identified. Having action plans will change the system from a monitoring tool to an action tool with more guarantees of real success.

This is why I seek to put two amendments into this proposition.

- 1) To mandate businesses to create time-bound targets to redress pay gaps, setting out clear and measurable goals which meet criteria set out by the Government.
- 2) To request the government to take the data and findings from the reports and turn it into a clear action plan with finances attached, analysis on why there is this persistent gap and clear objectives to reduce the gap for Jersey as a whole and to support businesses reduce their gap. This action plan should be regularly updated, due to the annual reporting of data.

1) Mandating Business Action Plans

As many jurisdictions have already started to tackle the issue of Gender Pay Gap reporting and the root causes of the gap, it is key that Jersey learns from other jurisdictions.

My amendments have been built on evidence from a cross-range of analysis on the subject including [Bridging the gap? An analysis of gender pay gap reporting in six countries: summary and recommendations](#) (September 2021) which specifically

highlights the need for action plans as essential for effectiveness. The recommendations include (list not exhaustive):

- Employers must be made accountable to government agencies and employees and gender pay gap reports should be transparent
 - Our research shows that without clear mechanisms for accountability and transparency gender pay gap reporting legislation can be ineffective.
- Action plans are essential for change
 - Without mandating action plans with clear, time-bound and measurable goals for narrowing the gender pay gap, reporting regimes will be limited in their effectiveness.
- A dedicated, well-funded body with the authority to impose sanctions will shift the dial
 - The results of our research show that strict enforcement is central to the success of gender pay gap reporting regimes.
- Gender pay gaps do not provide the whole picture – government and employers need to take an intersectional approach
 - Data that looks at different social categories should be collected to understand where particular points of difficulty are in individual organisations and sectors.
- Raise standards to raise results
 - Removing the “tick-box” element of reporting will prevent complacency from employers.
- Gender pay gap reporting must be seen by governments and employers as one element of a wider package of support to tackle gender inequality in the workplace and beyond
 - Gender pay gap reporting is one tool for tackling one aspect of a much bigger problem.

More than half of OECD countries (such as Canada, Finland, France, Iceland, Ireland, Portugal and Sweden) with pay reporting rules have some form of follow up mechanism after reporting, though these vary in requirements, typically they entail an initial assessment of the situation (ie. the process required in pay reporting) and a justification of any differences found or active measures to combat differences. Some countries also require a review of the implementation of the measures and an analysis of their impact on gender equality within the organisation ([Equal pay audits: A more intensive pay transparency tool](#) (Section 4 of Reporting Gender Pay Gaps in OECD Countries: Guidance for Pay Transparency Implementation, Monitoring and Reform, 2023).

The report clearly states that “reporting regimes can be more effective with embedded follow up mechanisms. To ensure successful follow-up, requirements should include mandates for action with clear deadlines and measurable objectives.

Jersey can take from the above case studies to develop its own clear framework for what a business should develop in its action plan, including any carrots and sticks to go with it.

2) Requesting Government to develop an Action Plan

It will take substantial efforts for businesses (as well as government, ALOs and SBOs who already need to do this) to publish annual gender pay gap reporting so it is critical that there is a visible outcome tied to results of the reporting and individual action plans. Therefore, the aim of this amendment is for the Government of Jersey to develop a Gender pay Gap Action Plan and Measurement Framework to tackle the gender pay gap in Jersey as a whole.

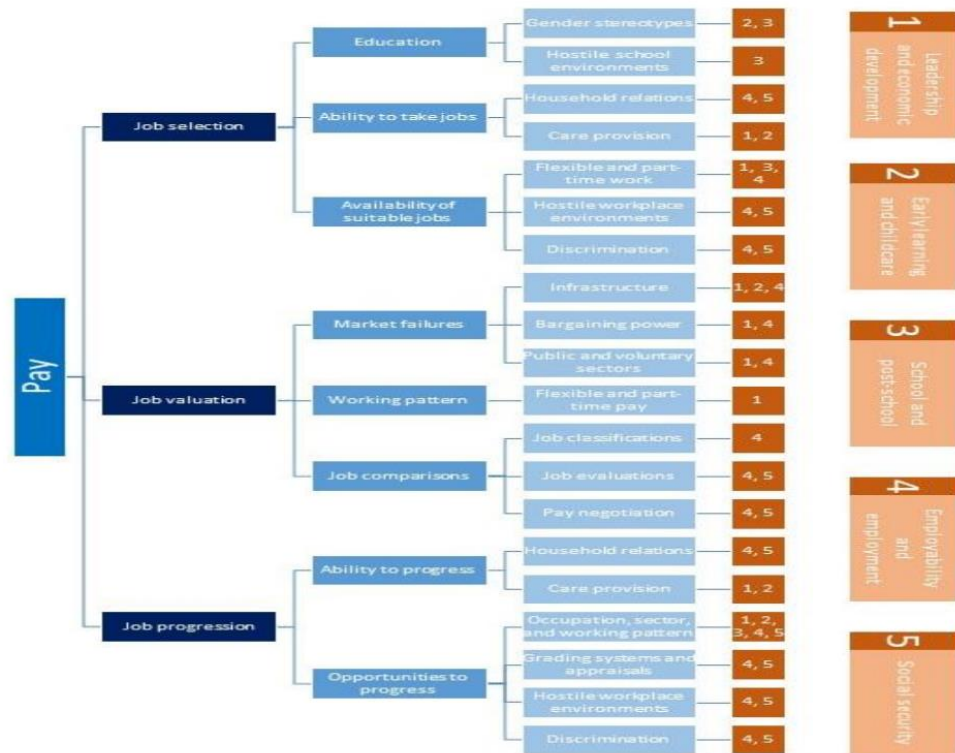
Scotland's work on [A fairer Scotland for women: gender pay gap action plan](#) and related [Measurement Framework](#) from 2019, can provide a useful resource for informing the Jersey Government's approach to developing an Action Plan and learning lessons from its implementation. The actions in the Action Plan were tied to Scotland's National Outcomes. This could be done for Jersey, tying any future Action Plan with the Island Outcome Indicators ([Island Outcome Indicators \(gov.je\)](#)).

Scotland also introduced a [Gender Equality Index](#) to set a baseline and track gender equality.

Scotland's Gender Pay Gap Action Plan sets out 60 actions that address drivers at every stage of women's lives from early learning and childcare through to employment in later life. The [Measurement Framework](#) is mapped to each chapter of the action plan and provides outcomes for each section around Leadership, Employment, Early Learning and Childcare (ie. Outcome: Women are able to access high quality, flexible and affordable childcare which promotes gender equality and enables women to return to workforce.), Schools (ie. Outcome: Children in Scotland will receive an education which challenges gender stereotyping, and encourages them to pursue study which matches their interests and skills), Post School & Skills Training, Employability and Social Security and Economic development. Sources of data used to measure progress on these outcomes is also provided. The Action Plan is also closely aligned with a range of policy frameworks ([Measurement Framework](#), p. 23).

The Logic Model is a good visual representation of the logical framework used behind developing the Action Plan and Measurement Framework and highlights that any action plan should take a whole systems approach to tackling the complex and inter-related causes of the gender pay gap.

Logic Model



Source: [Gender Pay Gap Action Plan - Measurement Framework \(www.gov.scot\)](http://www.gov.scot), p. 3

There needs to be a clear dedicated authority within or assigned by Government that is sufficiently funded to monitor and enforce compliance from the businesses but also ensure the cross-sectoral, government responsibilities and policy coherence that will come with the development of the action plan.

Examples of areas that could go into a whole-of-Government Action Plan to Reduce Gender Pay Gap would be:

- Raising awareness on societal aspects,
- parental leave and the up take among men,
- availability of high-quality affordable childcare,
- upskilling or transferrable skills focused – developing a Human Capital Strategy,
- addressing undervaluation of women’s work,
- occupational segregation including that though women are starting to break into traditional men’s roles, men do not seem to be taking up traditional women’s roles (teaching/ nursing) and what can be done to encourage this shift – societally and educationally.

Financial and staffing implications

If the amendment is adopted the criteria for the narrative and action plan that will accompany gender pay gap reports will need to be developed by the Government. This work, with the addition of the subsequent data analysis of reports produced by organisations, could be supported by an existing work scheme within Justice and Home Affairs, entitled Equity, Diversity and Inclusion (“EDI”). This is in line with the recommendations in the FSI section of the original proposition. It is anticipated that this work should fall within the existing resources of the Government.

The development of the Government’s Action Plan in response to the results of pay gap reporting would ideally be an all-of-government approach allowing for cross-departmental and cross-ministerial actions to be developed. This work could be overseen by the Council of Ministers and coordinated by the EDI. Again, it is anticipated that this work should fall within the existing resources of the Government.

In terms of budgets for actions identified in the Government’s Action Plan this will depend on the actions and the Departments involved and will need to be considered within the wider scope of the Government Plan.

Children’s Rights Impact Assessment

A Children’s Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.