

2019.03.12

**5 Deputy G.P. Southern of the Chief Minister regarding the development of a productivity plan to assist low-paid sectors of the economy: [OQ.72/2019]**

Given that the recommendations of the Jersey Employment Forum on a significant staged increase in the minimum wage were made on the basis of the imminent development, by the Council of Ministers, of a productivity plan to assist low-paid sectors of the economy, will the Chief Minister inform Members when this plan will be published, and what he expects its principal recommendations to be?

**Senator J.A.N. Le Fondré (The Chief Minister):**

As a new Government, we are focused on developing a new economic framework for Jersey. This is the responsibility of the Minister for Economic Development, Tourism, Sport and Culture, who will have the details surrounding the Deputy's question. However, we do not have any predetermined measures. The framework and its underlying strategies will pull together a full range of actions to improve performance, especially in productivity and, as I am sure the Deputy also knows, that forms an important element of the C.S.P. (Common Strategic Policy). That will include policy to help lower-paid industries to be more productive and to pay more. In terms of the timescale, senior officers are meeting, as we speak, to consider the framework, including timescales, and Ministers will consider this on Friday. I am sure the Minister for Economic Development, Tourism, Sport and Culture will be delighted to update Members in due course.

**6.5.1 Deputy G.P. Southern:**

Can the Chief Minister say whether he expects to have a plan in place - not a policy - a plan in place, before we see the first stage of the rise in the minimum wage this year?

**Senator J.A.N. Le Fondré:**

My understanding of the position at the moment and I am just trying to think, the rise has been split, so the report that is being produced - so that is the plan - is in the final stages of drafting and I said there is a bit of liaising with the States economist team to finalise a report. But, as I said, I believe Members, or Ministers, will be considering this on Friday, or certainly considering the framework and timescales on Friday. What comes out of that, we will update Members as soon as we have got it. The report, as I understand it, will make recommendations; one might be the key elements of a programme of productivity improvement.

**6.5.2 Deputy S.G. Luce of St. Martin:**

The sectors that the Deputy refers to, mainly hospitality, retail, but most especially agricultural, are going to be heavily affected by these increases in the minimum wage. However, those sectors do realise that by increasing the minimum wage, it can make their jobs more attractive and help to get over their major staffing issues. The agricultural sector, in particular, said that the local vegetable production would be devastated, which was not addressed. I have to say to the Chief Minister, over the last 9 months we have lost 25 different lines of local vegetables, with another 10 to come. Is the Chief Minister aware that by the time this economic framework is published, we probably will not have a local vegetable sector?

**Senator J.A.N. Le Fondré:**

I note the Deputy's concerns. My difficulty is that it is the responsibility of the Minister for Economic Development, Tourism, Sport and Culture and he has the detail and is the one who is working on

producing the productivity plan. My understanding is that it was this Assembly that approved the various wage rises and they will have taken that into account when that was done. If I can add, I notice that there was a report about conditional but, equally, as I understand matters, the forum has stated: "It is satisfied that the recommended increase relative to the mean weekly figure by October 2019 demonstrates a willingness to reach the 45 per cent relatively quickly, without being excessive in the absence of a productivity plan." I hope the Assistant Minister can refer that back, because, obviously, as the Assistant Minister for Social Security, he can follow that up with the Employment Forum.

**6.5.3 Deputy J.M. Maçon of St. Saviour:**

Looking at the plan and the recommendations of the plan, does the Chief Minister agree with me that he would expect that part of that plan would look at the promotion and protection of budgets regarding skills, particularly for those students, who may not be able to engage in the education system?

**Senator J.A.N. Le Fondré:**

I am not going to comment on any details because, as I have said, we do not have any predetermined measures and we will know more on Friday.

**6.5.4 Deputy J.H. Perchard of St. Saviour:**

Would the Chief Minister tell the Assembly whether the new economic framework will be taking account of the second invisible economy, which is a widely discussed, demanding phenomenon in 21st century economics?

**Senator J.A.N. Le Fondré:**

I am sure if the Deputy wishes to take that up with the Minister for Economic Development, Tourism, Sport and Culture, he will be able to enlighten her.

**6.5.5 Deputy G.P. Southern:**

Back to the basic question: does the Chief Minister have a date by which he expects his Minister for Economic Development, Tourism, Sport and Culture to be putting this report on our desks?

**Senator J.A.N. Le Fondré:**

As I said, it is being considered on Friday and we will have an update from there; it will be later in this year.

**Deputy G.P. Southern:**

Is it possible, maybe, before this year?