

STATES OF JERSEY



CARBON NEUTRAL STRATEGY 2019 (P.127/2019): AMENDMENT (P.127/2019 Amd.) – AMENDMENT

**Lodged au Greffe on 14th February 2020
by Deputy R.J. Ward of St. Helier**

STATES GREFFE

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For the words to be inserted in paragraph (a), after the words “**do not**” insert the word “**overall**”, delete the word “**financial**” and substitute “**income**”.

DEPUTY R.J. WARD OF ST. HELIER

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

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

to receive the Carbon Neutral Strategy 2019 as set out in the Appendix to the Report and –

- (a) to adopt the defining principles for the Carbon Neutral Strategy, as set out in section 3 of the Appendix to the Report with the addition of a fifth defining principle, “**We will make sure that carbon neutrality policies do not overall increase income inequality**”, in accordance with the more detailed explanation of the principle set out in the report accompanying this amendment;
- (b) to agree to the establishment of a citizens’ assembly as defined by the mandate for a carbon neutral citizens’ assembly, as set out in Appendix 3 to the Appendix to the Report; and
- (c) to request the Minister for the Environment to lodge by the end of 2020 a proposition containing a long-term climate action plan for debate by the States Assembly.

REPORT

The use of an indicator such as the Gini coefficient appears at first glance to be a reasonable approach and tool to address possible impacts of policies to address climate change. However, the project of addressing measures for Carbon Neutrality are complex and interlinked. Therefore, they must be addressed as a group of overall impacts that will take effect over the lifetime of any policy.

In addition, the application of the Gini coefficient to any change could lead to a form of “analysis paralysis”. This can be counterproductive in the context of a climate emergency. And within a context of policies interlinking to address behavioural change.

An example is the increase in fuel duty put aside for the climate change fund. Without looking long term and addressing the possible use of this money to make behavioural change re car use, we get a skewed view of the impact.

By taking an overall view of impacts such as this, the appropriateness or not can be assessed. For example, if no behavioural change regarding car use is identified due to accompanying use of possible subsidises, such as with public transport infrastructure and access, then the analysis will be more appropriate. To analyse one change in isolation could lead to a paralysis of change.

The Gini coefficient, and the 90-10 ratio and shares ratio, provide very blunt measures of income inequality (the term financial inequality is not used). What would appear to be more appropriate, generally and also in the context of a carbon neutral strategy, would be a much more detailed economic impact assessment/study which looks at the distributional effects (e.g. by income quintile or decile, household structure, tenure etc.) of the proposals at a much more granular level, by looking at the income and spending of individual households – for example using data such as that collected by the household income and spending survey.

Statistics Jersey publish the Gini coefficient for Jersey from the data collected by a periodic household income survey – last results are from the 2014/15 round. On consultation with them, they are currently in the middle of the 2019/20 round, with results provisionally available around the end of 2020. For the 2014/15 results, please see page 22 of the IDS report at:

<https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Income%20Distribution%20Survey%20Report%202014-15%2020151112%20SU.pdf>

The report also presents other measures of income inequality: the 90-10 ratio; and the 90-10 shares ratio. For change over time in Jersey (2009/10 to 2014/15) see page 28 of the report. And for comparison with the UK see page 29.

In the Better Life Index report there is a comparison of the Gini coefficient for Jersey with that of OECD nations and partners – see page 12 of the 2018 report at:

<https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20JerseyBetterLifeIndex%2020190412%20SJ.pdf>

This demonstrates the complexity of interacting factors that must be considered in order to make meaningful decisions. Particularly, in the context of actions on climate change.

By adopting this small, but significant change in wording, it widens the analysis to a more meaningful and productive level.

Financial and manpower implications

There are no additional financial and manpower implications arising from this amendment.