

**QUESTIONS TO BE ASKED OF THE PRESIDENT OF THE FINANCE AND ECONOMICS  
COMMITTEE ON TUESDAY 2nd DECEMBER 2003, BY  
DEPUTY G.P. SOUTHERN OF ST. HELIER**

**Question 1**

The figures below show the cumulative rise in average earnings by sector over the years 1994 to 2002 –

<i>Sector</i>	<i>Percentage change</i>
Agriculture	31
Manufacturing	34
Electricity, gas, water	52
Construction	47
Distribution	53
Hotels, restaurants, bars	49
Transport and communications	56
Financial Intermediation	68
Other business	61
Public administration	40
All sectors	53

Does the President accept that these figures demonstrate clearly that the gap between higher and lower incomes has increased markedly over this period of time?

**Answer**

No. The figures provide no information at all on incomes. All they show are the relative movements in average earnings in different sectors. The reasons for these movements are many and varied as employment patterns are constantly changing. For example, the finance industry has recently shed a number of lower paid back office jobs. This shift towards higher value jobs will have the effect of raising the average earnings figure for the sector as a whole.

The figures do, however, demonstrate that there are differences between sectors in the cumulative rise in average earnings between 1994–2002. This is also reflected in differences in changes in productivity and profitability per worker between sectors, particularly in the financial services sector which experienced an unprecedented boom during the 1990's. Output per worker, measured in terms of profit, is higher in financial services by a considerable margin than in any other private sector activity and this no doubt has some correlation with its rise in average earnings experienced over the period measured.

**Question 2**

Will the President inform members which measures proposed in the 2004 budget are designed to reduce the growing gap between rich and poor?

**Answer**

The 2004 Budget should be viewed as an overall package for tax and spending, and individual measures should not be viewed in isolation. The Committee firmly believes that the Budget represents a package of measures which is fair and equitable, with no one sector of society taking an unfair burden of any additional tax take.