

**WRITTEN QUESTION TO THE CHIEF MINISTER  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 31st MARCH 2009**

**Question**

What specific and concrete measures, either fiscal or otherwise, does the Chief Minister propose to reduce income inequalities for his 5-year vision for Jersey contained in the Strategic Plan?

Will he further comment on the growing inequality in earnings over the last decade, as revealed in Table A5 of the Jersey Economic Digest 2008, between the Financial Services sector and all other sectors of our economy, and will he work with his Ministers for Treasury and Resources and Economic Development to address this widening gap?

**Answer**

In order to measure income inequality, it is necessary to analyse income levels by households, not by sectors. The Jersey Income Distribution survey provides such information in terms of the Gini coefficient, the most commonly used indicator of income inequality. In 2002, the Gini coefficient for Jersey was similar to that of the UK. The Statistics Unit will shortly be launching the 2009/10 Household Spending and Income Survey. This survey will provide robust household-level income data and will enable an updated measure of the Gini coefficient and household income distribution analysis.

Table A5 of the 2008 Jersey Economic Digest presents average weekly earnings by sector. However, this table does not provide evidence of income inequality across Jersey's households; firstly, the table does not take into account the sectoral distribution of workers in households and, secondly, it does not include unearned income. Furthermore, the ratio of average earnings in the Finance sector to that of all other sectors has remained substantially constant over the past 5 years.

Nonetheless the draft Strategic Plan sets out how we intend to support the Island community through the downturn with a particular emphasis on supporting local employment. The Plan also sets out our medium-term objectives to maintain a strong, sustainable and diverse economy. I will certainly work with other Ministers in addressing these issues. However, economic policy alone is not enough and the Strategic Plan also focuses on how we can assist people to fulfil their potential and make the best of their opportunities. Where inadequate income is seen as a barrier to this, programmes, particularly income support and skills provision are available to help.