

**WRITTEN QUESTION TO THE
MINISTER FOR ECONOMIC DEVELOPMENT, TOURISM, SPORT AND CULTURE
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 30th APRIL 2019**

Question

Given the Chief Minister's response to Oral Question 72/2019 on 12th March 2019, will the Minister report to members what progress, if any, he has made in producing a productivity plan that will assist the low-paid sectors of our economy to manage the staged rise in the minimum wage this year; and if he is unable to do so, will he state when such a report will be provided?

Answer

As previously noted by the Chief Minister, we are working with Metro-Dynamics Limited to establish what will be the key elements of a programme to improve productivity in low-paid sectors.

The report (the Productivity Plan) is currently being finalised and I will be arranging meetings, before the end of this second quarter, with the Minister for Treasury and Resources and the Minister for Social Security, with whom I met last year to discuss the early considerations, to discuss the Productivity Plan and determine how to take the recommendations forward.

The Employment Forum's recommendation in respect to increasing the minimum wage was made on the basis of available economic and industry evidence. The Employment Forum's report detailing their recommendation stated "the Forum is satisfied that the recommended increase relative to the mean weekly figure by October 2019 demonstrates a willingness to reach the 45 percent relatively quickly, without being excessive in the absence of a productivity plan."

Increasing productivity is a long-term process and interventions can take a long time to show results. As previously noted by the Chief Minister, this task is particularly challenging for Jersey's agriculture, hospitality and retail businesses due to the nature of these three sectors and the specific limitations of Jersey's economy and geography.

The Productivity Plan will seek to develop ways in which productivity can be improved in the lower paid sectors, specifically the agriculture, hospitality and retail sectors. This is part of the wider development of productivity proposals that will be developed as part of the Economic Framework. The importance of which has been both recognised through the Common Strategic Policy and more recently as part of the Fiscal Policy Panels report 'Advice for the 2020-23 Government Plan'.