



**VOISINS DEPARTMENT STORE LIMITED**

PO BOX 9 26 KING STREET ST HELIER JERSEY JE4 8NF

T: 01534 837100 F: 01534 759028 E: VOISINS@VOISINS.COM

W: WWW.VOISINS.COM

COMPANY REGISTRATION NUMBER: 108372

15<sup>th</sup> April 2019

Economic Affairs Scrutiny Panel  
Scrutiny Office  
Morier House  
Halkett Place  
St Helier  
JE1 1DD

Dear Scrutiny Panel

### **Family friendly employment rights scrutiny review**

I see from the Scrutiny Panel's website that several comments have been received regarding the specific provisions being proposed in the Draft Employment (Amendment 11) (Jersey) Law 201-. The purpose of this submission is to open the panel's mind to the bigger picture on how employment legislation has changed over the years and how this is impacting on the economy and will impact in the future.

The latest amendment is part of a very long line of employment and social legislation that has been approved by the Assembly over the last 16 years starting with the Employment (Jersey) Law 2003. Since then we have seen legislation on minimum wage, family friendly employment rights and discrimination legislation on gender, age and race. Whilst some of this legislation was undoubtedly needed, the panel should now consider how far this process should go or indeed what is necessary and appropriate for our small jurisdiction. The problem is that as these rights are bestowed upon the employee, the rights of the employer to manage and operate their business profitably are rescinded with no compensatory steps. This removal of the rights of employers to manage their business is strangling the entrepreneurial spirit from Jersey's economy and discourages micro businesses from growing into larger businesses.

The panel will already know that nearly 60% of Jersey businesses employ just 1 person (no doubt the owner) a further one third of all Island businesses employ less than 10 people, therefore nearly 90% of all businesses are very small and micro businesses being owned by people who are not wealthy, are managing the risks of operating a business, dealing with significant regulation that the Island's government has imposed and yet these proposals demand that they grant additional maternity/paternity benefits whether they can afford to or not. It is ironic that the small business owners will probably not be able to avail themselves of many of the rights that are being proposed for their employees.

The policy position of the States of Jersey should be to set the minimum standard of employment practice that is acceptable. Businesses will then tailor their employment policies to attract staff as they feel is necessary. The path that the States of Jersey currently appear to be following is to set a gold standard of employment practice,

one that may be acceptable to the largest 2% of Island businesses but discourages employment within the remaining 98% of employers. It is now being proposed that the latest changes should not apply to small businesses, but with 90% of businesses in Jersey, micro or small businesses, I suggest that it would be better to simply not proceed and encourage the 2% of larger businesses to adopt these proposals without resorting to the force of law.

The Council of Ministers Common Strategic Policy 2018 - 2022 sets out to "create a sustainable, vibrant economy and skilled local workforce for the future". It would be nice to see some real action in this respect to back up the platitudes so often rolled out by the Council of Ministers on Economic Growth. The Island must encourage small businesses and encourage them to grow into large businesses. Who would have thought 30 years ago that some of the small trust companies started by a couple of friends would grow into some of the Island's largest employers today? Local businesses create a much more sustainable economy being bedded into the Island's community and not reliant on imported labour and external financial markets, but the continuous additional legislation surrounding employment is now a significant disincentive to employ people, a disincentive to take that step to engage the first employee. Perhaps this is why such a high proportion of island businesses are single employee firms. It would be worth asking the Statistics Unit if there has been a trend for increased single employee firms since 2000.

I respectfully suggest that the panel question some of the base assumptions made in proposing this amendment, do we really need additional family friendly employment practices, especially when the last set were introduced just a few months ago? Is the aim of greater gender balance worth the risks to small business, their employees and their future contribution to the Island's economy? Furthermore, none of the submissions that I have read have made any reference to the unique restrictions placed upon Jersey's economy, especially small businesses operating outside of the financial services sector. The restrictions on who can be employed and the high cost of living in Jersey make recruiting additional or temporary staff more difficult than in other jurisdictions. The simple assumption of employing temporary staff to fill maternity/paternity leave completely mis-understands the employment market in Jersey, these people often are simply not here to employ and with the high cost of living, most workers want full time, permanent jobs and they will leave temporary jobs to take up permanent employment opportunities.

The current proposals represent a further significant erosion in the rights of business owners (on top of rights that have already been eroded) to operate a profitable business. They will cause a further increase in the bureaucracy and cost of managing their business, managing the multi-leave aspect of maternity/paternity leave and will hinder the business's capability to be competitive in what is already a highly regulated economy.

Yours sincerely



F G Voisin  
Chairman Voisins Department Store Ltd