

STATES OF JERSEY

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MINIMUM WAGE: YOUTH RATE

Lodged au Greffe on 13th February 2007
by Deputy G.P. Southern of St. Helier

STATES GREFFE

PROPOSITION

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

- a) to agree in principle that the Employment (Minimum Wage) (Jersey) Regulations 2004 be amended to restrict the payment of different hourly rates than those that apply to other employees who qualify for the minimum wage to trainees only;
- b) to request the Minister for Social Security to take the appropriate action.

DEPUTY G.P. SOUTHERN OF ST. HELIER

REPORT

On July 22nd 2004 the States of Jersey clearly rejected by 25 votes to 15 a proposition from the then Employment and Social Security President to include a “youth rate” in the minimum wage regulations (see Appendix). Today less than three years later that same individual, as minister for Social Security, returns to the Assembly with a “youth rate” in a slightly different guise and relabelled as a “student rate”. Once more, the provision for the introduction of the student rate is contained in an order which is yet to come to the assembly. This amendment would remove the ability to set a different rate on grounds other than training from the Regulations.

The key argument in that debate, and the one which remains equally valid today is that expressed by JACS and quoted on page 21 of the report from the Employment Forum attached to P.14/2007, Amendment No. 2 to the Minimum Wage Regulations:

“If an employee is not undergoing accredited training it seems reasonable they should be paid the established minimum wage in return for undertaking a non-trainee “adult” job.”

This principle of a fair day’s adult pay for a fair day’s adult work is a good one and fits appropriately with the exception made for trainees, who obviously cannot be doing a full adult job until properly trained.

The Employment forum paper discusses whether there is a need for greater periods of training but then focuses on the difficulties experienced by Raffray Ltd. (engineers) in employing a student prior to his starting college and being told they had to pay him the full minimum wage and not the lower trainee rate which he would receive later when undertaking formal training.

The Forum use this example to suggest that a youth rate be introduced to apply to students in full-time education. They say that “*widening the scope of the trainee rate would leave it open to abuse*” and opt for the “*simple solution*” of a youth rate. I believe that the Forum has simply got this wrong, the simple solution solves one anomaly but creates others. The best way forward is to apply some common sense to the trainee rate, and the concept of the full adult job. Where a job clearly requires skills and hence training, to be done properly, such as engineering, it must be possible to define the training rate to encompass this “pre-training” stage. A similar argument could also be applied to hairdressing, where youngsters commonly take holiday/Saturday jobs to add experience before taking on the training and working full time.

In proposing a youth rate on page 20 of the report, the Forum quotes several sources, including the Jersey Hospitality Association (JHA) and the Jersey Rights Association (JRA), as being in support. I happen to know that both of these groups share one member, who is a particularly vociferous proponent of lower pay rates for young people, and were strongly influenced by this person. Given that only 23 responses were received in total, if this person wrote in as a individual as well, then he might be responsible for 13% of the response. This is hardly a representative poll.

Leaving that aside, let us examine not only the problematical exceptions, but also the overwhelming majority of cases. The vast majority of student Saturday/ evening/ holiday jobs are in the retail trade. These jobs require little training and are certainly affected by the minimum wage. The rate of pay for a 16 year-old employee in one of our major supermarkets is £5.26, two pence above the minimum wage.

The Forum suggests that “*an employee under the age of 18 cannot fulfil the full responsibilities of an adult job, such as legal restrictions where the sale of alcohol is required.*”

Imagine the situation where the full-time 16 year old on £5.26 an hour is on the checkout waving the customers bottle of Rioja in the air to attract the attention of the supervisor to confirm that the States member in his queue can buy alcohol legally. Staffing the next checkout is the 16 year old student who is on £4.05 for exactly the same job. It wouldn’t last two minutes before there were problems. Indeed, whilst the Forum state that the youth rate in the U.K. is consistent with the Equal Treatment Directive, a Jersey version which discriminates between two employees of equal age clearly raises other issues.

Without students, shops and supermarkets would be closed on Saturdays and Sundays. Well actually they

wouldn't. Without part-time student labour, retail employers would have to change shift patterns, increase full-time employees, or pay overtime or anti-social hours payments to keep outlets open for all the hours they require. To suggest that these students need only be paid a fraction of the minimum wage to keep the wheels of retail commerce turning, amounts to exploitation.

The continued inclusion of the ability to pay employees who have not attained the age of 18 years a different hourly rate, in Article 4(b) of the Minimum Wage Regulations can only be regarded as an oversight. It should have been removed when the assembly made its wishes known in 2004.

There are no manpower or financial implications to this proposition.

APPENDIX

THE STATES rejected paragraph (c) of the proposition requesting them to approve the intention of the Employment and Social Security Committee to make Orders under Article 16(3) of the Employment (Jersey) Law 2003, fixing an hourly youth minimum wage rate of £3.82 for an employee between 16 and 18 years of age, i.e between school leaving age and up to, but not including, age 18.

Members present voted as follows –

POUR: 15

Senator J.A. Le Maistre
Senator F.H. Walker
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Connétable of
St. Brelade
Connétable of St. Peter
Connétable of Trinity
Connétable of Grouville
Deputy of St. John
Deputy M.F. Dubras (L)
Deputy J.L. Dorey (H)
Deputy P.N. Troy (B)
Deputy S.C. Ferguson (B)
Deputy of St. Mary

CONTRE: 25

Senator S. Syvret
Senator W. Kinnard
Senator T.A. Le Sueur
Senator R.J. Shenton
Connétable of St. Ouen
Connétable of St. Saviour

Connétable of St. Mary
Connétable of St. Clement
Connétable of St. Helier
Connétable of St. John
Deputy of Trinity
Deputy R.C. Duhamel (S)
Deputy A. Breckon (S)
Deputy J.J. Huet (H)
Deputy of St. Martin
Deputy G.C.L. Baudains (C)
Deputy R.G. Le Hérissier
(S)
Deputy J.B. Fox (H)
Deputy J-A. Bridge (H)
Deputy G.P. Southern (H)
Deputy M.A. Taylor (C)
Deputy of Grouville
Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy G.W.J de Faye (H)

ABSTAIN: 0