

2024.04.16.

4.8 Deputy G.P. Southern of the Minister for Sustainable Economic Development regarding improving productivity in each of the retail, agriculture, and hospitality sectors (OQ.64/2024)

Further to the lodging of the Common Strategic Policy, and the flat line in the growth of Jersey's productivity – over 30 years now - what measures will the Minister prioritise to improve productivity in each of the retail, agriculture, and hospitality sectors?

Deputy K.F. Morel (The Minister for Sustainable Economic Development):

Productivity is at the heart of the future economy programme. My department is currently developing a sectoral productivity review for each of the sectors during 2024. This includes analysis of the current levels and trend, as well as suggested areas of focus that are most likely to impact the relevant sectors. Until this has been done, it is not possible to say exactly what measures will be prioritised as a result. But I can say that we are working very closely with Jersey business, as the Government's arm's length organisation, providing direct business support across multiple sectors. This has a specific productivity workstream. This includes such elements as a productivity week, focusing on increasing awareness, and also practical ways to increase productivity in your business; an annual productivity survey, the Productivity Circle, in which businesses learn from each other, business improvement and leading growth programmes, and providing support to individual businesses in receipt of grant funding through the productivity support scheme.

[10:30]

4.8.1 Deputy G.P. Southern:

I believe there I heard one absolute clear fact, which was productivity bonuses attached to the agriculture grants system. Could the Minister give us 2 more - one for each of the 3 groups - so that we have some faith that after all the words that are spent on productivity, we will actually see some progress and improvement?

Deputy K.F. Morel:

I have to go back to my first answer, which is that we are currently developing sectoral productivity reviews for each of the sectors that the Deputy asks about in his question. These will be delivered during 2024.

4.8.2 Deputy M. Tadier:

Some of the sectors which the Ministry is talking about - productivity and increasing productivity - other countries will benefit from quite substantial grants or subsidies, possibly from the E.U. (European Union) or from their own countries. In the absence of such levers in Jersey, what levers does the Minister have to influence productivity in some of these areas?

Deputy K.F. Morel:

We do have a grant programme with regard to productivity. It is the productivity support scheme, which provides matched funding. It is limited in scope at the moment, but I am hoping that following the publication of the Common Strategic Policy last week, that we may be able to access more funding to improve productivity across a range of sectors, particularly in light of the desire to increase the living wage.

4.8.3 Deputy M. Tadier:

The Minister has often talked about decreasing red tape. Does he identify the qualies that are required to live in Jersey and to access certain sectors and types of work are actually a form of red tape. Could that be one area that liberates businesses and employees to be able to do work that they currently cannot do?

Deputy K.F. Morel:

It is a very interesting question. In one sense, yes, they are red tape because any processes that a business has to go through which are not focused on that business providing products to sell into the market, anything such as that would be red tape. But some of these elements, such as qualifications, and I understand, when the Deputy says qualies, that to mean housing qualifications. They are there for very different reasons and they are there to ... obviously, number one, they are not part of my remit, but they are there to serve different purposes. Some of which Islanders will wish to maintain, some of which Islanders do not wish to maintain. But they are, by the letter, I guess, red tape. But not all of that red tape can be gotten rid of just because it is red tape. Some of it is there to protect the Island in different ways.

4.8.4 Deputy S.M. Ahier:

Does the Minister believe that giving above inflation pay awards will help to improve productivity?

Deputy K.F. Morel:

I believe, in asking that question, the Deputy is likely to be talking about public sector pay awards. In which case that has no element on productivity in the private sector, which is the element that I am working towards. In terms of private sector businesses giving above inflation pay awards, of course, that is entirely a matter for them but that can help improve productivity in the sense that it can also drive the business to seek more efficient ways of working as a result of having a higher wage bill.

4.8.5 Deputy R.S. Kovacs

Has the Minister considered the possibility of increasing productivity on collaborations with different other jurisdictions? If yes, in what ways?

Deputy K.F. Morel:

That is again, a very interesting question. Other than looking at other jurisdictions for information about what they are doing, very much perhaps on an informal basis, I have not contacted any other jurisdictions directly in order to learn or share information about that. Yes, I read a great deal about this, and a lot of the things that I read are about productivity gains in other jurisdictions but I have not reached out to those other jurisdictions.

4.8.6 Deputy G.P. Southern:

I return to the Minister's first answer where he seemed to be suggesting that what he was talking about was policy in progress. I wondered, again, as I often do with the Minister, when that might come to a fruition. When will we see a plan for productivity coming from the Minister this year or earlier?

Deputy K.F. Morel:

I have to go back to my answer, which was this year we will see those plans for productivity gains but I also wish to point out that certainly in the hospitality sector and also the agricultural sector, they are sectors which have significantly improved their productivity over the last few years. That is something that I have publicly proclaimed, because I believe it is something that we should celebrate, and I congratulate those sectors on doing exactly that.

