

Briefing Paper 3 | April 2025

The Gender Pay Gap

Overview

This Briefing Paper outlines the current status of the gender pay gap in Jersey, as well and as the possible avenues for addressing this gap, and the efforts that are being undertaken on the Island to do so.



Background

The gender pay gap refers to the average difference in earnings between employed men and women. It is typically expressed as a percentage difference in hourly earnings, a positive number indicating that men are earning more than women. When discussing the gender pay gap, it is important to distinguish between two key figures, these being the non-adjusted and the adjusted pay gap. The adjusted pay gap factors in variables such as hours worked, job type, education, and experience, showing how much men and women earn for the same work. The non-adjusted pay gap refers more directly to the total earnings of the average man and woman without these other considerations.

Whichever of these measures is used however, women globally <u>tend to earn significantly less</u> than men, with potential impacts not just on an individual basis but extending to wider societal issues, including a lower economic output, and reduced opportunities for women in education or the workforce.

There are a variety of legal, social, and economic drivers that could lead to a pay gap existing within a community. In particular for Jersey, a 2019 Review Panel established by the Scrutiny Liaison Committee, published the report 'Is there a Gender Pay Gap in Jersey?', which highlighted several key areas that were found to be contributing most significantly to the Island's gender pay gap, these being:

- Gender stereotypes from school age presenting children, with limits on acceptable behaviours relating to their appearance and occupations
- Occupational segregation stemming from subject choice at school, placing more men than women in skilled trades and managerial roles
- Unconscious bias in the workplace, with a lack of training on how to avoid gendered language or bias towards certain traits and personalities
- The "glass ceiling" which stops women reaching upper levels in the workplace, often regardless of their skills or qualifications
- More women taking on domestic commitments, impacting on their availability in the workforce



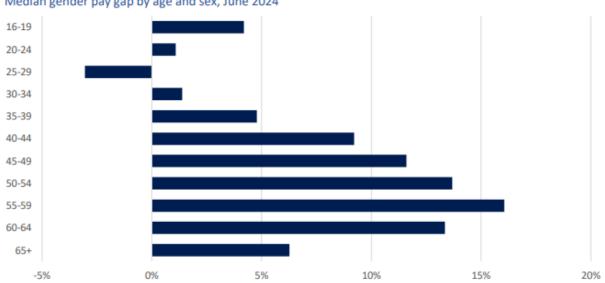
More women taking on caring responsibilities, often needing to leave or re-enter the workforce and affecting opportunities for progression

While many issues such as these have been identified, there still exist disparities in the pay between men and women that cannot be correlated directly to educational, occupational, or social characteristics, and a lack of transparency in data may be masking further explanations for the difference in pay for work of equal value, and in turn may curb efforts to address these inequalities.

Jersey's Gender Pay Gap

In March 2025 Statistics Jersey published the figures to June 2024 of the Gender Pay Gap in Jersey, marking the introduction of a new regular publication, scheduled for release annually each March. This followed the publication of the Earning Statistics and Gender Pay Gap in an experimental form in June 2023.

The 2025 publication was made possible following an extensive development process aimed at producing more detailed and frequent earnings statistics, derived from existing data held by the Government, including Social Security contributions, Income Tax Instalment Scheme, and Manpower returns. This approach offers greater detail and allows additional breakdowns to be produced that were possible before.



Median gender pay gap by age and sex, June 2024

Source: Gender Pay Gap in Jersey - June 2024.pdf

The report provides a comprehensive breakdown by age, as above, but also by employment sector and nationality.



Summary

In June 2024:

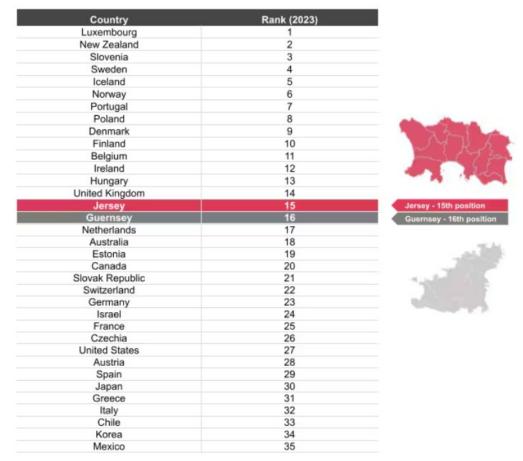
- the median hourly rate for males was £22.27 whilst for females it was £20.95, producing an overall gender pay gap of 6.3%¹
- the 12-month average median hourly rate was £21.38 for males and £19.83 for females, with a 7.8% gender pay gap, 1.2 percentage points lower than in June 2023 (9.0%)
- · age groups over 40 years old saw higher gender pay gaps than the overall average
- the highest gender pay gap of any sector was in the information and communication sector (28.2%)
- the lowest gender pay gap of any sector was in the private education, health and other services sector (0.1%)
- · males consistently earn more than females in the financial and legal activities sector,
 - however, the pay gap has shown signs of narrowing in this sector since January 2022
 - non-finance private sectors have seen relatively little change in the gender pay gap over the same period

Source: Gender Pay Gap in Jersey - June 2024.pdf

The aforementioned Scrutiny Review Panel reported that as of 2019, the mean unadjusted gender pay gap in Jersey stood at 11.3% in the public sector, with the panel also finding qualitatively that in the private sector women also tended to earn less than their male counterparts. A 2022 follow-up report to these findings reported that in the three following years, little to no progress had been made to tackle this gap. The disparity in the public sector was in fact found to have further widened, perhaps in part due to the impacts of the Covid-19 pandemic. Within the recent Gender Pay Gap in Jersey report it can be seen that this gap has shrunk to 6.3%.

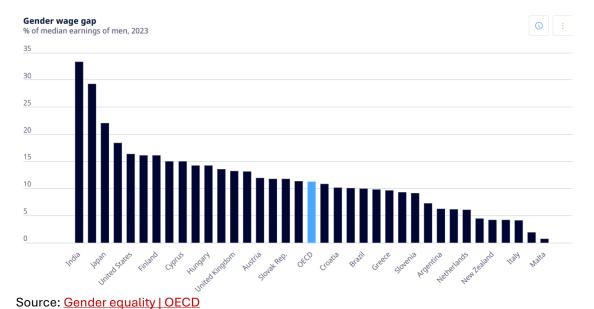
In Jersey there is no requirement for private sector employers to report on this issue, unlike the UK where since 2017, reporting on the gender pay gap has been mandatory for companies with at least 250 employees.

Outside of Government publications, amongst available figures that include the private sector is the Women in Work Index 2023 produced by PwC, which indicated a similar 11% gender pay disparity in Jersey, somewhat better than the OECD average of 14%. The overall index for gender equality, that represents the pay gap as well as other issues relating to female participation in the workforce, places Jersey 15th out of the 33 OECD countries, in between the UK and Guernsey who sit at 14th and 16th place respectively.



Source: PwC Channel Islands' Women in Work Index 2023

However utilising the latest figures from Statistics Jersey, the Island finds itself with a substantially smaller pay gap than the OECD average, falling between Argentina and the Netherlands within the below chart –





Other Jurisdictions

When compared to jurisdictions of a similar nature, Jersey is performing relatively well in reducing the disparity between male and female pay. The 6.3% pay gap reported in the Gender Pay Gap in Jersey Report compares favourably to the 16% in Guernsey – though this percentage is based upon the Women in Work Index 2023 with no more recent details available. Similarly it appears that the Isle of Man have not reported such figures since 2019, however at that point their gap was found to be significantly higher, at 25%.

Looking at the wider European context, Jersey is outperforming the EU average of 12%, however the Island's pay equality does not rank among the top countries, with several countries including Romania, Italy, and Belgium seeing a gender pay gap of 5% or less. Indeed, Luxembourg reported a Gender Pay Gap of -0.9%.

Approaches to Tackling the Pay Gap

Various approaches have been used across different jurisdictions in an attempt to address the gender pay gap. From a legislative viewpoint, anti-discrimination law can be applied to enforce good practices and to ensure equal pay for equal work, making it illegal to pay employees differently based on gender. It can also enforce protections against gender-based discrimination in recruitment, hiring, and promotion. The EU have implemented pay transparency policies that require companies to disclose gender-specific pay data, helping to identify and address pay disparities, as well as providing access to compensation as a result of gender pay discriminations, and including intersectional discrimination (for example accounting additionally for workers with disabilities) within the scope of gender pay policy.

Awareness campaigns, such as the <u>Bridge the Gap campaign</u> from the UK's public service inion *UNISON*, are a potential useful tool to raise understanding of the gender pay gap for employers and employees, highlighting its causes and impacts. These campaigns can encourage businesses to review their pay structures and ensure fairness in their practices.

Another potential approach is offering, or further enshrining into legislation, increased opportunities for job flexibility, such as remote work or flexible hours, to support work-life balance and help prevent career interruptions, particularly for those with increased caregiving responsibilities. There have also been calls to address the "flex gap" between men and women, encouraging more men to take advantage of flexible working opportunities and shoulder a higher proportion of these caregiving responsibilities, while also addressing the stigma that men may face for doing so.

While several countries may have made significant strides in reducing the gender pay gap, caution must still be taken to make sure the numbers reflect an accurate improvement in gender equality. For example, the gender pay gap is calculated only from those in employment, so a low pay gap may demonstrate that the women who are working are achieving high salaries, but not account for women who are unable to enter the labour market.

Luxembourg as a Case Study



Luxembourg have been highlighted as having the lowest pay gap in the EU, and with this <u>currently</u> <u>standing at -0.7%</u> they are one of the only countries in the world where women are in fact paid more than men on an hourly basis.

Despite this, the adjusted figures for the difference in earnings tell another story. When considering annual earnings, men in Luxembourg still earn more than women, as result of factors including higher annual bonuses, and a higher percentage of men in full-time employment. Further to this, there exist significant disparities in salaries in certain sectors of the economy, including the traditionally male-dominated scientific and financial industries.

This reflects how the data collected and reported may not accurately represent the full picture of wage equality, and that work done to reduce the pay gap may not inherently address the core issues, such as occupational segregation and caring obligations, that lead to its original emergence.

What is Jersey doing?

After the publication of the initial 2019 report into the gender pay gap in Jersey, and in the intervening years to the 2022 follow-up report, the Government made a commitment to addressing the key findings and recommendations, which largely focussed on policies regarding flexible working practices, an independent review of childcare on the Island, and the introduction of statutory gender pay gap reporting as a matter of urgency.

A <u>follow-up response</u> in 2023 from the Chief Minister detailed the work that had been undertaken by the Government in that time. This was stated to include increased gender diversity in senior positions of the Government, a commitment to publish Island-wide pay gap data annually, and the <u>Flex Positive</u> initiative to provide flexible working approaches across the public sector.

Since then, much of the political discussion around the gender pay gap in Jersey has revolved around whether or not statutory reporting should be introduced for different groups in the public and private sector.

In June 2023, the States Assembly passed the amended proposition P.31/2023 (Amd) by 33 votes to 16, which called for the States Employment Board to publish annual data on gender pay beginning in 2024, as well as requiring the council of Ministers to further encourage all Arm's Length Organisations to transparently publish this information as soon as practicable. As can be seen above, this has been achieved through the annual publication of Gender Pay Gap analysis by Statistics Jersey.

Further propositions were put forward and lately withdrawn, before the proposition P.64/2024 was submitted by Deputy Max Andrews in September 2024, further requesting consultation with non-public sector entities on the reporting of gender pay ratios. This proposition was defeated in the assembly by 30 votes to 8, with arguments not to bring it forward centering around the need to avoid costly additional bureaucracy, instead prioritising the engagement of businesses for voluntary reporting, as well as other implementable policy measures to reduce the gap.

With the new Government's priorities set out as such, the <u>following statement</u> was released after the debate on October 24th 2024, summarising its current policy position:



"The Government is committed to tackling the gender pay gap in Jersey by focusing on practical solutions.

Government is already actively engaging with the Diversity Network to develop a voluntary reporting framework tailored to Jersey's unique context. This collaborative effort aims to create a standard reporting template that businesses can adopt and input into, fostering transparency and accountability without imposing undue bureaucratic burden.

We are prioritising practical action that directly addresses the root causes of gender inequality. Initiatives such as extending nursery and childcare provision, implementing a living wage, and enhancing affordable housing are designed to empower women in the workforce and promote equitable opportunities for all Islanders.

Deputy Carina Alves, Assistant Chief Minister, stated: "Deputy Andrew's proposition was rejected today on the basis that further consultation on reporting does not effectively address the underlying issues. Ministers want to avoid the pitfalls of mandatory reporting, focusing instead on working with businesses to encourage voluntary reporting and improving DEI policy within their own organisation, whilst ensuring that we tackle with practical measures the gender pay gap headon.""