Minister for Sustainable
Economic Development

Government of JERSEY

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By email

1st September 2025

Dear Chair,

Family Friendly Legislation Review

Thank you for your letter of 25th August, in which you ask a number of questions regarding the Sub-Panel review of Jersey's current 'family friendly' elements of employment legislation. I have set out answers to each of your questions below in turn:

1. **We particularly would like to understand how its economic impacts are assessed, and whether the Government measures how the current parental leave policies have impacted workforce participation, particularly for women and young families, since the changes made to employment law in 2018 and 2020.**

Trends in the labour market are monitored regularly through a number of different data sources. Workforce participation (or economic activity) can only be measured accurately through census data which is produced by Statistics Jersey in 10-year cycles. Comparing census data from 2021 to 2011, workforce participation has increased for women and workers in younger age groups (aged 20-34). Labour market data produced by Statistics Jersey has shown that employment has seen a stable increase in the number of jobs since 2020.

Isolating the effects of the employment legislation is difficult given trends in employment surrounding the implementation period were dominated by the COVID pandemic. Since then, employment has increased gradually alongside strong economic growth.

2. **The Panel would also like to understand what joint working, if any, is planned or underway between yourself and other departments, alongside the Cost-of-living Ministerial oversight group, to address the future of the island that has been recently described as becoming 'a smaller, older island' by the Chamber of Commerce.**

The Future Economy Programme aims to ensure Jersey enjoys a better standard of living in 2040 than we do today. One of the most significant challenges facing Jersey is an ageing population; productivity improvements and sustainable economic growth are central to the Government's response to this issue and feed into the Common Strategic Policy, which remains the priority of all departments.

The Cost-of-living Ministerial group has oversight for the delivery of the Better Business Support Package. The package provides up to £20m of government support in 2025 and 2026 to business and Jersey's economy to improve productivity.

3. **In this context, the Sub-Panel would be grateful if you could outline what formal consultation or engagement has been undertaken with the local business community regarding the parental leave framework. Has the Government actively sought feedback from employers of different sizes and sectors to assess how these policies are functioning in practice? Furthermore, could you clarify whether your department has received direct feedback from businesses since the implementation of the current statutory leave provisions, and if so, how that feedback is informing future policy considerations?**

A post-implementation review of the Family-friendly legislation was presented to the States Assembly on 26 April 2024 (R-68-2024.pdf) by the Minister for Social Security, which included consultation with the local business community and evaluation of survey results.

The Ministerial response to the survey findings regarding the Employment Law changes is listed below:

- Action to increase awareness of the family-friendly rights by developing an effective communications strategy. This can be achieved without major resource implications in terms of cost and time. The specific strategy can be developed with colleagues across government and external bodies, along the lines of the work done to produce the employment rights leaflet for temporary incoming employees

- The Minister considers that caution should be exercised in considering amending the Employment Law to provide for a more flexible division of parental leave between parents, to enable one or the other to use more than one year, or to consider amending the Employment Law to create more flexibility for taking parental leave in terms of blocks, minimum periods of leave and length of entitlement to take leave. The indications from the survey are that the scheme is working well and has been welcomed by most respondents. It would not be possible to respond positively to all the views expressed, in terms of amending the Law. An effective communications strategy, as outlined above, will help employees and employers to better understand the new regime and to be able to seek appropriate advice and assistance

- The Minister is also conscious that increasing the flexibility in the Law to allow parents more options to split the leave entitlement between them, might undermine a fundamental aspect of the 2020 family-friendly changes, which is to give each partner the same rights in respect of parental leave. In that respect the changes in the law are a progressive step

- By the same token, in relation to the parental leave-taking structure, the Employment Law requires significant lead time notice to be given by an intending parent to take parental leave. The Law also gives an employer the right to refuse subsequent requests by an employee to vary the periods of leave R.68/2024 14 originally requested, in certain circumstances. These two provisions are designed to maintain a proper balance between the responsibilities and rights of the employee and employer

- The options relating to amending the Employment Law would require further detailed consideration. The Minister will consider commissioning a specific consultation

exercise, but is not currently persuaded that, in terms of the overall reaction to the use of the new rights, this is a priority

- Increasing the paid leave period would increase the financial burden on an employer. The Minister considers no action should be taken on this option at this time

The Ministerial position has not changed since the post-implementation review

4. **Is there any evidence that improving parental rights could support long-term economic productivity in Jersey? Has the Government conducted any cost-benefit analysis on enhancing parental leave provisions in Jersey — particularly in relation to long-term workforce retention and productivity?**

The Government acknowledges that there is insufficient data/information to produce a full cost-benefit analysis of enhancing leave provisions in Jersey. However, a recent review produced by the UK Government in 2025 provides a reliable evidence base supporting the economic benefits of increasing parental leave provisions.

The key findings of the review are summarised below:

- **Labour Market Attachment**: Access to paid parental leave improves return-to-work rates, especially among mothers, helping maintain long-term labour market participation.
- **Gender Equality**: Enhanced leave provisions—particularly for fathers—support more equitable sharing of caregiving responsibilities, which can reduce the gender pay gap over time.
- **Employer Benefits**: Family-friendly policies are linked to improved employee retention, reduced recruitment costs, and higher job satisfaction, which can positively affect productivity.
- **Child Development**: Longer and better-compensated leave is associated with improved early childhood outcomes, which can have long-term societal and economic benefits.
- **International Comparisons**: Countries with more generous parental leave (e.g. Nordics) tend to show stronger maternal employment rates and narrower gender gaps in workforce participation.

Source: Parental leave and pay review: summary of existing evidence - GOV.UK

Similarly to Jersey, the UK Government and OBR also acknowledge the difficulties in estimating the extent of the supply-side benefits regarding increased parental leave and have relied on existing evidence and economic theory as opposed to comprehensive cost-benefit analysis.

5. **Could more generous or better-structured parental leave policies help reduce employee turnover and increase loyalty, particularly in high-demand sectors like healthcare or education, thereby reducing the need for locum staff?**

Those working in public sector healthcare and education already benefit from generous and well structured parental leave policies, which apply for both parents. Introducing longer periods of parental leave, and therefore absence, would increase the need for locum staff to cover these positions. This would also increase wage costs for Government and potentially cause staff shortages in frontline services.

6. **Based on available data on the uptake of parental leave amongst men versus women, how is the impact of this being considered - particularly regarding the influence on gender equality in Jersey's economy, the gender pay-gap and women facing career interruptions and associated penalties?**

The Statistics Jersey report: Gender Pay Gap in Jersey – June 2024 report does not provide direct data on the uptake of parental leave by men versus women, but it offers important insights into how gendered career interruptions (often linked to caregiving responsibilities) impact earnings and contribute to the gender pay gap.

The report shows that the gender pay gap in Jersey widens significantly with age. While women aged 25–29 earn slightly more than men on average (a negative pay gap of -3.1%), the gap begins to widen from age 30 onwards, peaking at 16.1% for those aged 55–59. This pattern suggests that women face career interruptions or slower progression during their prime working years, which aligns with the period when many take on caregiving roles.

7. **Is there evidence to suggest that stronger parental leave rights could attract skilled workers or incentivise young families to remain in or return to Jersey?**

Stronger parental leave rights can be linked to higher rates of job satisfaction (see above), which may make Jersey a more attractive place to live and work for both skilled workers and young families.

8. **Jersey's birth rate has been declining steadily. As lower birth rates can lead to an ageing population and a smaller workforce, potentially impacting social security systems and economic growth, does the Government see this as a long-term risk to the island's economic sustainability? What plans do Government have to mitigate this?**

The Future Economy Programme includes the Government's vision and strategy for sustainable economic development. Specifically the supporting delivery framework is focused on three initiatives: to develop new growth enablers; increase the productivity of existing sectors; and ensure support from an effective public sector. The programme is designed to mitigate the long-term risks to the island's economic sustainability, which considers many factors including demographic shifts.

9. **Are there discussions underway to treat improved parental support as a lever for addressing demographic challenges?**

As set out in the Future Economy Programme, the Government's strategy and delivery framework provides a roadmap for how cross-cutting and sector specific actions and policies come together to achieve the vision of a sustainable, technologically advanced and inclusive economy . In addition, the CSP includes specific outcomes which improve parental support – like extension of nursery and childcare provision.

10. **Could strengthening family-friendly employment policies be part of a broader strategy to reverse the declining birth rate? What would this look like?**

International evidence suggests that government action and policies has little effect on birth rates as there are multiple societal, cultural and economic reasons behind individual decision to start a family. However, providing support to parents including increasing free childcare provision is part of the CSP of this COM.

11. **There is evidence that young people are increasingly leaving Jersey due to the high cost of living. To what extent does the Government see improved parental rights and flexible work as part of the solution to retaining young workers and families?**

The CSP - Extension of nursery and childcare provision, including progress regarding the universal offer of childcare for those aged 2 to 3, is a Government priority which aims to lower the cost of living for young families and in turn retain young workers in Jersey.

12. **Are there integrated policy efforts between your department and others (Children, Young People, Education and Skills, Employment, Social Security and Housing, Treasury and Exchequer) to tackle the root causes of young family emigration?**

A number of Government Common Strategic Policies support families and young people, including:

- **Extending nursery and childcare provision.** Progress towards a universal offer of childcare for those aged 2 to 3 is progressing and will decrease the cost of living for young families in Jersey.
- **Provide a nutritious school meal for every child in all States primary schools.** This was delivered in 2024 and helped to decrease the cost of living for young families.
- **Transition to a living wage.** The transition to a living wage which began in 2025 has seen earnings for those in the lowest income brackets increase significantly.

13. **Could reforms to employment law, including enhanced parental leave and workplace flexibility, improve the affordability and quality of life for young families in Jersey?**

The principal role of employment legislation is to provide a fair balance of rights and responsibilities between employers and employees. Ministers are working hard to support young families through investment in education and children's services as well as extra support for childcare and school meals mentioned above.

14. **What role do you see employer practices playing in either exacerbating or easing the cost-of-living pressures for young working families?**

Employers have a key role to play in encouraging fair gender practices and supporting parents with flexible working practices.

15. **How is the shrinking working-age population expected to affect Jersey's economy, and can parental rights and better family support play a role in mitigating this?**

Parents make up a significant proportion of the workforce and a labour market that takes account of the needs of parents will help to achieve the vision set out by the Future Economy Programme.

16. **Does the Government plan to link employment law reform with economic incentives to make Jersey a more attractive place to start and raise a family?**

The principal role of employment legislation is to provide a fair balance of rights and responsibilities between employers and employees. Parents make up a significant proportion of the workforce and a labour market that takes account of the needs of parents will help to achieve the Future Economy Programme's vision.

I hope the above information provides clarity to the areas you have raised.

Yours sincerely,



Deputy Kirsten Morel
Minister for Sustainable Economic Development