

24.01.16.

3.3 Deputy S.Y. Mézec of the Chief Minister regarding the introduction of a statutory living wage (OQ.10/2024)

Will the Chief Minister state whether it is the position of the Council of Ministers that introducing a statutory living wage rate is “not feasible or desirable” and advise whether it is her intention to abide by the decision of the States Assembly in adopting paragraph (a) of P.98/2021 and ensure the minimum wage reaches two-thirds of median earnings by the end of this year?

Deputy K.L. Moore (The Chief Minister):

Ministers remain fully committed to the existing target of raising the minimum wage to two-thirds of the median, subject to economic conditions. The Minister for Social Security has confirmed to me that she will instruct the Employment Forum to take the two-thirds target into consideration in their 2024 review. This Government has already taken decisive action by raising the minimum wage by more than 26 per cent since June 2022. The Council of Ministers does not hold a position in respect of the partial and incomplete quote provided in the question. The Council of Ministers is proud to maintain the accreditation of the Government as a living wage employer, and fully supports those local employers who have made a commitment to be living wage employers. Ministers are also fully committed to creating a thriving economy. This is how, as an Island, we create the economic activity that funds good wages and good public services.

3.3.1 Deputy S.Y. Mézec:

Why has the Government published a report saying that introducing a statutory living wage is neither feasible nor desirable when the Chief Minister now stands in this Assembly and says they actually do not take a view on that statement?

Deputy K.L. Moore:

As I suggested in my original answer, I do believe that the Deputy is slightly misquoting the report. If I could read the full sentence that he is referring to, and I will have to put my glasses on. It says: “It is not feasible or desirable to introduce a statutory living wage rate for Jersey based on a calculation of minimum income standards.” It is the minimum income standards part that is the critical part of this point. I would ask the Deputy to consider that sentence in its entirety.

3.3.2 Deputy M. Tadier:

Would the Chief Minister clarify whether there is a caveat on support for the living wage, which is subject to economic conditions, and will she explain, if that is the case, what “subject to economic conditions” means?

Deputy K.L. Moore:

Every Member of this Assembly is fully aware of the current economic conditions. As an Island, we are facing them. Most of the western world is in a similar position. There are many impacts that are causing that. Of course, one has to approach this issue in a careful fashion because we have businesses who have bills to pay and are dealing themselves with rising costs. We take a careful approach to that as one that is reasonable and one that does not stifle progress. We want to see our economy grow. We are committed to encouraging growth in our economy largely through greater productivity. We have increased minimum wage by 26 per cent since taking office.

[10:00]

We have gone from £9.22 to £11.64 today. That is through reasonable steps, taking into account the economic circumstances that employers who have to pay wages are operating within. It is a competitive environment, and one that of course every good employer will be doing its utmost to pay its employees the very best wages that it can. But we walk carefully in these economic times and take all of these matters into consideration.

3.3.3 Deputy M. Tadier:

I do not think the Minister addressed exactly why a living wage should be subject to economic conditions. But does she agree that those on the lowest hourly rates of pay are the ones who need guarantees? That whatever the economic conditions are out there, that they will be given a living wage that they can afford to live on reasonably in an increasingly expensive Island, not subject to what the economic conditions may be for those who do have money.

Deputy K.L. Moore:

I would simply remind the Deputy that if wages are uncompetitive, if the cost of doing business in the Island is uncompetitive, there will not be the employers there to pay those wages. We have to take a balanced approach and respond to those conditions and ensure that businesses have confidence in doing business in our Island and employing people. That is why we take a balanced view and move carefully and cautiously but respectfully in this important area. We all agree that we want to see those on the lowest pay being paid as much as they can be, but we do that mindful of the conditions in which we are operating.

3.3.4 Deputy R.J. Ward:

Can I ask the Chief Minister, does the Minister understand that without a living wage as the basis for our society we are expecting significant numbers of people to go out and work full time for a wage that they simply cannot make ends meet with?

Deputy K.L. Moore:

I believe in a living wage. Personally, I have committed to that previously. We have also a system that provides support for people. Not all people work a full-time job in a week for various reasons. There is a system and we have benefited that system and changed ... sorry. We have taken a holistic approach ever since we entered office, by ensuring that our policies covered all the bases for those who are in work, for those who are unable to work, and for those who receive income support while in work. We have covered our bases. We are mindful always of those people and we are doing our very best to make that balance.

3.3.5 Deputy R.J. Ward:

Can I ask the Minister to confirm that doing their very best includes the necessity of foodbanks, which have become an integral part of our society? It seems an increase in reliance upon income support, even for those who are working in full-time roles or those who have some sort of impairment. Is that the better way forward that we are looking at?

Deputy K.L. Moore:

The use of foodbanks is nothing short of tragic in this modern environment, which is why we have to make sure, as politicians, that our systems are in place to support all Islanders in all circumstances. Of course, people should not have to revert to foodbanks. That is not the kind of Island that we want, but we are grateful to those who are making them available, and we continue to work towards ensuring that that is not a necessity that Islanders seek.

3.3.6 Deputy M.R. Scott:

With reference to the Chief Minister's previous response regarding concerns about the minimum wage and its role in competition and employers, does she not accept that the minimum wage is intended to promote fair competition? Why has she not referred to inflationary impact on basic consumer products as a consideration at all?

Deputy K.L. Moore:

When I talk about economic circumstances, of course, inflation is part of that. Rising inflation is something that we all ... and I have spoken about this in the Assembly previously. We all have a duty to help curb the rise of inflation. That means balancing price increases and anything that contributes to the rising cost of living and doing business in the Island.

Deputy M.R. Scott:

That sounded a bit like word salad to me, so I have not got anything else to say.

The Bailiff:

A supplemental question should be just that, it is not an opportunity for comment.

Deputy M.R. Scott:

Sorry. So, no, Sir.

3.3.7 Deputy G.P. Southern:

In her support for the living wage, does the Chief Minister recognise that a minimum wage is about the prevention of exploitation, whereas a living wage represents a figure which can provide a decent living for our workers?

Deputy K.L. Moore:

I believe there are a number of different measures for describing a living wage. Yes, it should be a wage that does not cause a person to seek further support over and above their role in paid work. But there are, as I said, a variety of different descriptions for that, and it could be said that the current one that is in use in the Island, which is simply to take the London figure and add 2 per cent to it, is not an accurate reflection of what the living wage could and should be in the Island. That is what we are working to currently. But what we are, through the Minister for Social Security and the Employment Forum, going to do is go and ask them to consider how we do what we have agreed as an Assembly to do, which is to get to a position of two-thirds of median wage as our measure.

3.3.8 Deputy S.Y. Mézec:

The Chief Minister has referred to economic conditions multiple times in her answers. Why is it the case that there is not a single statement or piece of evidence offered in this report to back up the statement that it is not the right economic time to raise the minimum wage to the living wage? Why is there no reference whatsoever to the economic conditions of people who are living in poverty pay despite being in full-time work? If it is not about a statutory living wage based on minimum income standards, which definition will she be recommending to the Assembly instead then?

Deputy K.L. Moore:

I did not write this report. This is a report provided to us as a piece of advice. We take advice, we consider it and we make decisions. I believe that I have outlined today how the Minister for Social Security will make progress and enable herself to take further decisions later in the year with the support of the Employment Forum, which is the device that we have in operation. I simply do not think I can add any more.