

2019.10.08

**17 Deputy J.H. Perchard of the Minister for Economic Development, Tourism, Sport and Culture regarding the inclusion of the value of unpaid work in models of economic measurement: (OQ.235/2019)**

Will the Minister introduce a model of economic measurement, which includes the value of unpaid work, such as caring and cleaning, that underpins the paid economy?

**Senator L.J. Farnham (The Minister for Economic Development, Tourism, Sport and Culture):**

It is important to recognise the limitations of gross domestic product as a measure of output and income that does not include the value of unpaid work, including that within the home, such as child care, but also in wider society through volunteering and charitable work. The Economics Unit works closely with Statistics Jersey to ensure we have the right information to effectively monitor the economy. This is an issue that is not just about gender, because all genders provide unpaid work throughout our community and society, but the Gender Pay Gap Review Panel recently recommended that: "The Government of Jersey, with the support of Statistics Jersey, should collect data on the economic value of work done in the home, including child care, cooking, shopping, housework, odd jobs and gardening." I have spoken with the head of Statistics Jersey and asked him to consider how this recommendation could be implemented and achieved and I support it.

**4.17.1 Deputy J.H. Perchard:**

Simply, could the Minister tell the Assembly what timeframe he expects to have that advice back from the head of Statistics Jersey and could he pledge to, perhaps, report back to the Assembly by the end of the spring?

**Senator L.J. Farnham:**

Yes, I have asked the Statistics Unit to think about this and come back. I think it is unlikely that this work will form part of the overall work we are doing on developing the gross domestic product work - for example we need to work on improved trade statistics, better information on imports and exports are required and we need to understand more about the balance of payments and this is the work that is currently being prioritised - but they have agreed to set this up as a satellite of that work and I will let the Deputy know just as soon as they come back with timescales. It is potentially very difficult and could be a fairly costly piece of work to produce, because it is going to require a number of fairly complex assumptions. Yes, I am committed to working with Statistics and the Deputy and the economists to produce a better understanding of the sector, but it is not an easy, or quick, piece of work. I agree, the sooner we get it started, the sooner we can start understanding the trends.

**4.17.2 Deputy L.M.C. Doublet:**

Thank you to the Minister for highlighting the report from the Panel. I am pleased to see that this recommendation is being looked upon favourably. I want to refer to the second part of that recommendation: "... that consideration should also be given to changing the term 'economically inactive' in official reports when describing the above roles" and this is a change that I seek to be made immediately and will the Minister commit to doing this going forward?

**Senator L.J. Farnham:**

The short answer to that would be yes. I am not sure that is a term that accurately reflects the contribution of citizens to the economy and the community. I am not sure how I would achieve that, but I will do my very best.

**4.17.3 Deputy K.F. Morel:**

While I appreciate the Minister has been talking about the overall figures that give us a big picture view of the unpaid work that is done in our economy and for our society, does the Minister agree that, looking further down the line, if such statistics are collected and a better understanding of how much work is being done and the value of that work, that it could then be used to better target, or better measure, the amount of income support that people should get if they are caring for families and used to guide the benefit system and payments through the benefit system in that way, to reflect the value of the work that people are doing in economic terms?

**Senator L.J. Farnham:**

I think that is a very good aspiration, but we would have to understand the mechanics of how that would work. In principle, yes, but we do need to understand more in the detail and cost involved. I know it is not always about cost. We tend to know the cost of everything and lose sight of the value, but those will be important considerations, but the aspiration and the principle, yes.

**4.17.4 Deputy K.G. Pamplin:**

To underpin the seriousness of this matter, which I am sure the Minister is aware of, the unpaid housework, such as looking after children, caring of vulnerable adults, *et cetera*, is worth £1.24 trillion per year and more than the value of the U.K.'s retail manufacturing output combined. Having this information is so vital for our understanding of what is really happening on the ground of this Island, so using that sense of urgency with those figures available in the U.K., will the Minister commit to further looking at this?

**Senator L.J. Farnham:**

The U.K. have recently started to address this. There are not many other countries in the world that do. The U.K. is one of the first. I think we need to have somewhat of a culture change. It is not necessary to have these estimates to value the contribution of unpaid work in our society. I think, in the first instance, while we are wrestling with how we do produce these figures, we must try to change our culture and start valuing and understanding more the unpaid work that goes on in our society. Yes, as I said, I will commit to working with the necessary departments to achieve this, but I want to reiterate we are going to do it properly and it is not going to be a quick piece of work.

**4.17.5 Deputy J.H. Perchard:**

Given what the Minister has just said about valuing unpaid work, will he take immediate action to remove the term "economically inactive" from the Government reports and documents referring to this kind of work and replace it with something that more aptly describes the contribution of unpaid work? That is something that could be done with great ease and with immediate effect.

**Senator L.J. Farnham:**

As I said to Deputy Doublet, yes. I am not quite sure how I would achieve that, but I will certainly do my very best.