

Education, population, poverty, tax...getting views on topics like those in Jersey isn't the difficult part – but have you ever noticed how many people sound eminently credible when talking about them, even though they may actually be basing their views on conjecture, false facts and blind guesswork?

There is a real danger in making the 'facts' fit the opinion, rather than the other way around – which is exactly the point at which someone with an eye on the latest buzzwords will smugly insert the phrase 'post-truth' into the conversation, imagining its actually helpful.

So, we've asked the Jersey Policy Forum to add some robust material to those crucial local debates – the point is not to provoke agreement or acquiescence; it is to provide reliable material on which others can build their views.

Does our economy need to go Back to the Future?



In May 1968, the States of Jersey approved the appointment of an Economic Adviser to establish the characteristics of Jersey's economy, and lay the foundations for an economic policy, and future prosperity; the work done resulted in Colin Powell's book, 'Economic Survey of Jersey,' published in 1971. It is a compelling read and provides a contemporary picture of Jersey along with a clear long-term economic strategy and supporting analysis. With this reference point, how was Jersey perceived at that time, what has changed and how is Jersey perceived now?

In 1971, the author observed that Jersey's economic activity is, "...essentially a factor of the Island's 'amenity resources'- that is, the special mixture of climate, land, coastline and water within the language, cultural and monetary union of the British Isles – allied to the Island's favourable tax structure." Jersey's domestic income came from: tourists' expenditures (52%), expenditure by 'wealthy' immigrants (15%), expenditure by other individuals dependent on investment income (9%), agriculture (10%), light industry (5%), banking and other commercial activities

(9%). The UK then joined the EEC and Jersey focused on a strategy to develop the financial services sector in Jersey, leveraging its position outside the UK and EEC (now EU); this focus would be less damaging to the Island's 'amenity' than other sectors, and was also driven, in part, by the desire to mitigate against the risk that Jersey's economic base, centred primarily around tourism at that time, was too narrow.

Leaping to the present, the UK has decided to leave the EU and based on

Jersey's 2015 Report on GVA and GDP, financial services account for 41.7% of total GVA, tourism (hotels, restaurants & bars) for 3.7%, and agriculture for just 1.1%. Estimated national income (GDP) in 1969 was £78 million compared to £3,990 million in 2015, a more than 50-fold increase. This success has sustained a quality of life not usually found on small islands, and as compared to developed nations generally where Jersey ranked 15th overall out of 37 reporting OECD countries (Jersey 2013 Better Life Index Report). To support this economic growth and as anticipated in 1971, population has climbed from the 1969 estimate of 71,400 (rising to 120,000 in the peak tourist months of July/August) to the 2015 estimated total population figure of 102,700.

Despite this spectacular success in economic terms, the general population does not seem to embrace the finance sector as part of Jersey's core identity. In survey after survey done by Jersey Heritage, Visit Jersey and the recent MyJersey consultation, Jersey's natural attributes and factors related to quality of life such as personal safety/work-life balance/clean air/etc. are raised repeatedly as defining features of life here. The unique quality of life that is noted and cherished by so many people appears to be a significant factor in defining Jersey's identity for residents and visitors alike. This sentiment has not changed over time and is consistent with the overall objective of the 1971 strategy to, "...maintain and raise the standard of living of the Island while preserving the [Island's] amenity." The overall shape and risk of the economy being too reliant on one sector remains unchanged – financial services and tourism have simply swapped places – so the need for economic diversification to address this risk is just as critical now as it was then, perhaps even more so in today's landscape.

What has changed the landscape? Technological advances are disrupting traditionally stable jobs for both blue- and white-collar workers through automation and increasing use of algorithms/artificial intelligence. The environment for financial services has moved from being permissive and focused on secrecy, to one faced with increasing demands for transparency

and more complex/ethical regulation; the largely external and pejorative perception of Jersey as a 'tax haven' and the unknowable impact of Brexit also elevate risk. Jersey's creativity and agility to navigate this rapidly evolving playing field may only go so far to mitigate against these emerging risks and international trends beyond its control. Population diversity has increased across the UK, Europe and also in Jersey; the 2016 Population Office figures show that people of more than 32 nationalities (aside from British and Jersey-born individuals) applied for registration cards. As Jersey faces the challenges of an ageing population and infrastructure/services (roads, housing, schools, Fort Regent, hospital, healthcare, education, clean water, etc.), more voices are being raised to challenge the prioritization accorded to the finance sector. As noted in last month's article, the income gap between the rich and poor has widened significantly since 2009 and a quarter of households are now living in relative poverty. This speaks to people being left behind, contributing to but excluded from Jersey's economic success.

Jersey also ranks last (37th) in civic engagement amongst participating OECD nations (2013 Better Life Index Report). Major disruptions over the past year alone include the UK's Brexit decision, the US election of President Trump, and the political challenges facing the EU, the Netherlands, France, Germany, Italy and the UK with Scotland seeking a second referendum. Are these events linked to the issue of nations grappling with identity in the face of growing diversity, social/economic exclusion and income disparities within populations? Is Jersey at risk for similar political and/or economic disruption?

Pew Research Center surveyed more than 14,000 people in the UK, EU, Australia, Canada, the US and Japan to consider factors usually linked to national identity. The February 2017 report shows that language was the most important link for a majority in all countries surveyed, more important than birthplace, customs/traditions and religion. Are any of these factors more important than the unique quality of life so many people identify with

in Jersey? An Oxford University Press online article in September 2015, "Us' and 'Them', Can we define national identity?," proposes that it might be "old-fashioned" to talk about "...national identities in an age of globalization...[with]...free markets, international media and the internet.... are we witnessing the 'swan song' of the old structure of national identity, or its transformation?" Was Jersey ahead of its time almost 50 years ago in choosing to preserve the Island's 'amenity' that fundamentally underpins the unique quality of life offered here? Perhaps this unique quality of life is an enduring aspect of Jersey's identity that can transcend the more traditional factors that focus on differences and therefore more readily divide than unite a population. And perhaps this aspect can also be used as a lens through which a revised long-term economic strategy that again includes diversification for future prosperity can be developed and evaluated, just as it was used so successfully in 1971...what's old is new!

