

# Reform Jersey



# Population Policy Statement

February 2022

*“Reform Jersey believes that Jersey needs a population policy based on **sustainability, opportunity and inclusivity**, which enables us to protect our environment, economy and quality of life”*

## Introduction

Since our foundation as a social-democratic political party in 2014, Reform Jersey has called for a population policy to be introduced, which seeks to stabilise our population at a sustainable level and safeguards our environment and economy.

Over the last two decades, successive governments have made reforms to our tax system that have led to an inability to adequately fund our health and education services. They have sought to plug this gap by adopting a population policy that aims to import more people to work in Jersey and pay tax. This has proven to be a short-sighted approach, much like a ‘Ponzi Scheme’, which has strained our public services and exacerbated our housing crisis.

In 2014, Reform Jersey attempted to amend the then government’s ‘Interim Population Policy’ to reduce the projections for net inward migration from 325 to 215 people a year. We were defeated, but subsequent years showed that the government did not even come close to meeting their own targets, with net inward migration instead reaching 1,000 to 1,500 a year.

Despite the population growth, productivity has not improved. The increase in tax revenue has not been sufficient to cover the increasing costs of healthcare due to the ageing population. The government has sought to hide this by importing many “high net worth” individuals who pay a fixed tax contribution but encroach on our land and resources inefficiently. They have also sought to increase taxes on working people in a regressive and economically harmful way.

Islanders have paid the price for these mistakes. In the last decade, earnings have not kept up with the cost of living. This has meant we have seen growing inequality and rampant inflation in housing costs, which has led to ‘Middle Jersey’ being squeezed to the point where many Islanders are now considering leaving Jersey to seek better lives elsewhere. Businesses are also suffering, with many industry leaders now speaking out about their difficulties recruiting people because of the cost of living.

Jersey’s approach to population policy has been a failure and is in desperate need of change.



## ‘Common Population Policy’ – P.116/2021

In the States Assembly sitting beginning on 8<sup>th</sup> February, States Members will be asked to approve the long-awaited ‘Common Population Policy’ proposed by the Council of Ministers. After four years of work (led by successive Assistant Chief Ministers), the policy which is proposed contains no tangible provisions to deliver any meaningful change from the status quo. The central theme of the proposed approach is “we will do nothing”.

The government has claimed that it cannot do anything without more data. However, the failure to deliver on the promise of an adequate population database has happened on their watch.

During States Assembly question time, Reform Jersey’s members have challenged the Chief Minister to provide an example of something that will change or improve due to the Assembly passing P.116. He has been unable to answer.

The only two remarks made in the 124-page report which come close to representing a concrete proposal beyond just data collection are to ‘consider’ increasing the pension age and increasing Social Security Contributions on working people. These are narrow considerations that betray a lack of imagination from this government, which seem determined to repeat the past mistakes.

The proposition only asks the States Assembly to endorse plans already underway to spend tens of millions of pounds on IT systems to collect data, but not provide a single penny to be spent on physical infrastructure that will directly manage our population growth to improve life for Islanders.

As the proposition has no practical application if adopted, States Members should reject it. Reform Jersey will oppose the proposition on this basis.

## Reform Jersey’s vision for change

As a party that aspires to lead Jersey’s government, we must be transparent about what approach we will take if the public chooses to back us in the June election. Our manifesto will contain the full details of our policies.

As a social democratic party, our policies will be inspired by our core values of *social and economic justice*. We, therefore, believe that a population policy must be built on the principles of:

### ***Sustainability, Opportunity and Inclusivity***

The overall aim of this policy should be to stabilise our population level and end the Ponzi Scheme approach, which has been in place for the last two decades. Our focus should be on quality of life, not necessarily economic growth for the sake of it.

A functioning population policy must be flexible and responsive to our changing economic and environmental needs at any given time, which is why setting arbitrary targets in a manifesto is counterproductive. It will also depend on the success or otherwise of other policy interventions that will have an effect. If this is done carefully, it will be possible to stabilise the population level, secure a prosperous future for Jersey, and maintain all that is special about our island.

### **Sustainability**

A population policy must be sustainable in all senses of the word. It must be environmentally sustainable, but also financially and economically sustainable too.

We cannot expect to drastically increase the population year on year and still preserve our environment. With greater population growth, there will be increasing pressure to build new homes on green fields and agricultural land or see even greater density in the urban areas. It will be expensive and challenging to provide the infrastructure needed to maintain a decent quality of life for residents. There will also be more significant financial pressure on our public sector to deliver education, health and care services, which must be funded from somewhere. But we also must ensure that Jersey does not shut itself off from the world and become unable to bring in qualified people to fill our skills gaps when necessary.

Jersey must therefore determine to reduce net migration levels into the island and take a much stricter approach in issuing licences/ permits for people to move here when there are alternatives that use locally based talent first. This will provide a greater incentive to provide training and career development for people already working here and improve the terms and conditions for those in traditionally low paid sectors to encourage people to take up those jobs.

To adequately fund our public services without bringing in new taxpayers or requiring future generations to continue working later in life, we will need to rebalance our tax system to ensure everyone contributes fairly. This must start by eliminating tax privileges for the highest earners.

### **Opportunity**

By providing investment in life-long education and training, we will ensure our workforce has the skills our economy needs to reduce the need to rely on inward migration to fill the gaps. As technology and automation impact many jobs in the coming years, this will be an essential way of improving productivity. We must work with businesses to identify the skills shortages and focus our attention on those areas.

But we must also take action to prevent Jersey from losing talented people due to the cost of living here. Our housing crisis is one of the biggest economic threats we face because it pushes many skilled people to leave the island. If this crisis can be alleviated, businesses and public services will face less pressure on staff recruitment and retention. Reform Jersey is

committed to enacting a 'Housing Crisis Action Plan' beginning in the very first week of the next government.

Having a lower Minimum Wage but a higher cost of living than our neighbours is undoubtedly one of the causes for some sectors struggling to find employees. We must align the Minimum Wage with the 'Living Wage' and assist businesses in traditionally low-paying sectors.

### **Inclusivity**

Over hundreds of years, Jersey has benefited from the contribution made by immigrants who have come here to work and settle. They have enriched our society, not just economically but also socially and culturally. When people move here, they become a part of our community and should have the opportunity to thrive like everyone else.

The current entry systems in Jersey are divisive and inhumane. Many immigrants are forced to live in poor housing conditions, and we are not fulfilling our obligations to respect the rights of the children who come with their families to live here. By moving to a work permit-based system, we can remove internal restrictions on housing and employment, which harm immigrants' quality of life when they arrive here. If their life circumstances change, a compassionate approach must be adopted, including for those coming on time-limited work permits.

Lastly, the "high net worth" entry route is of questionable economic benefit to the island because of the tax privileges offered and lack of evidence of a wider contribution made. These privileges should be reassessed to maximise their contribution.

## Summary

A Reform Jersey-led government will seek to end the current population policy and move towards one which aims to stabilise our population level to secure our future prosperity and quality of life.

We would do this by introducing measures such as:

- Adopting a work permit system and steadily reducing permissions given to businesses to employ from outside the island
- Reforming our tax and social security contributions systems to ensure that everyone pays their fair share for our public services
- Providing investment in education and training, with a focus on skills gaps identified in collaboration with local businesses
- Resolving our housing crisis to encourage qualified people to remain in Jersey
- Aligning the Minimum Wage with the 'Living Wage' to provide greater stability in the workforces in struggling sectors

- Improving rights for people when they become Jersey residents.

The full detail of our population policy will be included in our manifesto, which will be published in the run-up to the general election.

We would welcome any discussions with islanders and stakeholders interested in this subject and a shared commitment to our values of social and economic justice to help shape our more detailed proposals.

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