

December 2020



THE ECONOMIC COUNCIL

New Perspectives

Critical Considerations for
Sustainable Economic Growth



A paper produced by the independent members of the Economic Council



"We have gathered together a diverse group of high-calibre, experienced Islanders, whose objective is to deliver blue-sky thinking and new ideas. We all share the same vision – to ensure Jersey emerges from this pandemic in a strong economic position and are firmly focused on making the Island an even better place to work and live.

"We are considering how Jersey can develop a more inclusive and diverse economy, which was one of the aspirations highlighted in the recent States Assembly debate on economic recovery.

"We want to create the conditions that enable people and businesses to fulfil their potential, and improve the standard of living and wellbeing of all Islanders. We will be looking for initiatives that help to create new economic sectors or expand or renew existing sectors and improve the Island's overall economic productivity."

Senator Lyndon Farnham

Chair of the Economic Council, June 2020

Summary

The independent members of the Economic Council have produced this paper “New Perspectives – Critical Considerations for Sustainable Economic Growth” with three things in mind:

- To challenge the prevailing orientation in existing thinking and planning, which is predominantly focused on the short term. Surely, short-term decisions are more likely to take us in the right direction if we know what the long-term direction is? This paper encourages that greater consideration be given to trends that are already shaping the world and us locally so that actions taken today will enable Jersey to have a prosperous, vibrant and diverse economy from which the next generation can benefit and an inclusive society which they can nurture;
- To stimulate a fresh discussion on the Government’s vision for Jersey’s economy and to recalibrate the levels of ambition we have in the Island. In addition, to encourage an acceleration in our decision-making process and the implementation of plans; and
- To provide the Government of Jersey with specific indicated actions that will allow a thorough strategic plan for the economy to be delivered quickly, based on collaboration with the private sector and arms-length organisations (ALOs), recognising that Government’s key role is as an ‘enabler’.

Having had sight of a series of proposals provided by the ALOs and other organisations to the Chief Minister, following its initial meetings, in July 2020, the Economic Council provided input to the Government of Jersey’s short-term response to the impact of Covid-19 and into the new Government Plan.

The focus of this paper is not the short-term economic stimulus measures. Instead, this paper is forward-looking, seeking to direct the reader to consider the long-term vision for our economy. Our motivation is to encourage people and organisations from all aspects of Jersey society to participate in a positively orientated debate about our shared future.

Our “New Perspectives” paper provides only a brief commentary on this aspect of the Economic Council’s work, including a practical, illustrative framework for Government to use as part of its decision-making when considering short-term actions, to help maximise impact and benefits.

Whilst actions by Government are essential to stimulate economic activity in the short term, more fundamentally, the Economic Council believes that new orientation for Jersey’s economy is required, not ‘due to Covid’, but regardless of it.

Covid-19 has created a significant set of new challenges in the short term, but is also a catalyst for change and opportunity. It has created a context that demands honest reflection on Jersey’s economic direction, priorities and processes.

The ambition of the independent members of the Economic Council is to provide fresh perspectives on a number of critical themes that are affecting economies worldwide, regardless of Covid-19, with specific focus on the opportunities and challenges these represent for Jersey.

The newly published Government Plan 2021-24 states: “We will create a sustainable, vibrant economy and skilled local workforce for the future.”

In publishing this paper, the independent members of the Economic Council aim to

provide a new frame of reference for achieving this goal: setting out elements of a vision for Jersey's long-term economic prosperity, encouraging new levels of ambition and faster implementation. Council Members have chosen to highlight and elaborate their views on five interrelated strategic themes which they feel to be the most significant as drivers to future economic prosperity:

1. Jersey should stimulate growth by encouraging a more vibrant entrepreneurial culture and enhancing local innovation;
2. Sustainability is a huge force in shaping society and economies globally which Jersey needs to place at the centre of its economic policy;
3. Jersey must truly embrace the importance of the 'new economy', being created globally through technology, artificial intelligence and data;
4. For Jersey's economy to flourish the Island needs regeneration from an infrastructure and quality of life perspective; and
5. Unless Jersey innovates and aspires to the highest levels in education and skills development across our entire population, our economy will not prosper.

In highlighting these themes and expanding on them in this paper, our intention is help bring focus on what members of the Economic Council believe to be the most important considerations and to stimulate debate within the Island on whether Jersey has the right orientation and levels of ambition to address both the opportunities and challenges they represent.

Covid-19 has accelerated new levels of agility in Government and businesses, with faster decision making and rapid execution. Demonstrating such behaviours has helped differentiate our community and shown our ability to get things done. We should now embed the habit of appropriate agile decision-making and fast implementation.

This paper also includes recommendations for Government, given its primary role as an "enabler" of economic activity, catalysing and empowering the intellectual capital on the Island; elevating our ambition and accelerating our rate of progress, by removing barriers to sustainable growth opportunities that provide a brighter future for all.

The Economic Council's paper includes eight concluding messages for Government, to help facilitate progress, four key ones being:

1. Jersey's economy needs an inspiring and clear vision for its economic development with a twenty-year plus horizon;
2. The Government's new "Economic Framework", which is under development, needs to be accelerated and must include clear strategies for all key economic segments and industries (the 'verticals'), that are maintained to ensure they remain current;
3. Government primarily needs to be a true enabler and facilitator of innovation – to help create the right environment – and needs to accelerate its own orientation in this respect. The role of Government is not always to be the funder of initiatives as the private sector and private/public partnerships can sometimes provide more viable solutions;
4. Government should actively elicit reactions and responses to this paper from organisations and citizens as additional input and provide its own considered response.

In writing this paper, our purpose is to focus attention on Jersey's future prosperity over the next decade and beyond. Our objective is to benefit all Islanders, particularly future generations.

Introduction

This paper summarises the preliminary thoughts of the independent, non-Government members of the Economic Council.

In June 2020, in light of the increasing economic impact of the Covid-19 pandemic, sixteen individuals from diverse backgrounds, representing a wide cross-section of industry and social sectors, were asked by the Government of Jersey to volunteer their time to work together as an “Economic Council” to develop some new perspectives on Jersey’s economy.

The full terms of reference are detailed in the Appendix to this report, but the essence of the task of the Economic Council was two-fold:

- To provide an immediate sounding board for the Government on short-term economic measures, including ideas and initiatives that would help Jersey’s economy in the “recovery” phase of the Government’s work;
- To stimulate new and challenging thinking about Jersey’s longer-term economic prosperity, in order to help orientate the Island’s strategy and plans for the “renew” phase, under the rallying cry of “building back better”.

The full Economic Council includes Government Ministers as well as the independent members, which led to fruitful discussions on a wide array of potential short-term initiatives. A number of actions have already been taken by Government as a result, and others feature in the new Government Plan 2021-24.

The Economic Council’s ambition is to provide fresh perspectives on a number of critical themes that are affecting economies worldwide, regardless of Covid, but with specific focus on the opportunities and challenges these represent for Jersey. The selected topics are not entirely new to policy-making in Jersey and most already feature to some degree in current and previous versions of the Government Plan.

There is much work still to do if the Economic Council is to fulfil the intention set out in the terms of reference and it is clear that this work will be of no value unless it leads to further action. The Council decided to publish their initial thoughts to stimulate debate in the hope that it leads to an increased level of ambition, urgency and action in accelerating the trajectory of Jersey’s economy. This decision led to the preparation of this paper.

Covid-19 has accelerated new levels of agility in Government and businesses, with faster decision-making and rapid execution. Demonstrating such behaviours has helped differentiate our community and shown our ability to get things done. We should now embed the habit of appropriate agile decision-making and fast implementation.

The Economic Council itself can only operate in a “non-executive” capacity, as advisor and challenger. The Government (politicians and civil servants), the arm’s-length organisations (ALOs) and other bodies are empowered as “the executive”, with responsibility for developing detailed strategies and implementing plans.

At this early stage, the Economic Council has worked on the basis of published data and on the knowledge and experience of its members. It has not been in a position to source or interrogate data nor perform detailed analysis as to how the themes covered pertain specifically to Jersey. The Council recommends that more rigorous analysis is conducted and that robust, validated plans for both the short and longer term are developed to address the topics raised.

Whilst Covid-19 is the dominant topic of the moment, it should not mask the huge significance of other critical drivers in society affecting our economy, independent of Covid-19, but in many cases accelerated by it, and in themselves of even greater importance to the longer term.

The newly published Government Plan 2021-24 states:

“We will create a sustainable, vibrant economy and skilled local workforce for the future.”

In publishing this paper, the Economic Council aims to provide a new frame of reference on what achieving this goal entails: setting out elements of a vision for Jersey’s long-term economic prosperity, encouraging new levels of ambition and faster execution.

This paper also includes recommendations to Government, given its primary role as an “enabler” of economic activity, catalysing and empowering the intellectual capital on the Island; elevating our ambition and accelerating our rate of progress, by removing barriers to sustainable growth opportunities that provide a brighter future for all Jersey citizens.



Contents

1) Summary	4
2) Introduction	6
3) Vision for Jersey's economy/Elaborating on key strategic drivers	10
4) Moving Forward/Messages to Government	36
5) Appendices	47
5.1 Terms of Reference	48
5.2 Membership of the Economic Council	49
5.3 How the Economic Council has operated	50
5.4 Consideration given to short-term initiatives	51

Strategic Economic Drivers

The Economic Council's vision for Jersey's economy

Five key themes

The Economic Council has chosen to highlight and elaborate its views on five interrelated strategic themes which its members felt to be the most significant as drivers to future economic prosperity:

1. Jersey should stimulate growth by encouraging a more vibrant entrepreneurial culture and enhancing local innovation;
2. Sustainability is a huge force in shaping society and economies globally which Jersey needs to place at the centre of its economic policy;
3. Jersey must truly embrace the importance of the new economy, being created globally through technology, artificial intelligence and data;
4. For Jersey's economy to flourish the Island needs regeneration from an infrastructure and quality of life perspective; and
5. Unless Jersey innovates and aspires to the highest levels in education and skills development across our entire population, our economy will not prosper.

“Probably most fundamental is the topic of education and skills, which talks to the importance of nurturing a society that is equipped with the most relevant knowledge, capability and attitudes, to thrive now and in the next twenty to thirty years. This can’t be emphasised enough.”



In highlighting these themes and expanding on them in this paper, our intention is to help bring focus on what the Economic Council believes to be the most important considerations and to stimulate debate within the Island on whether Jersey has the right orientation and levels of ambition to address both the opportunities and challenges they represent.

There is a strong inter-relationship between these themes, which all, to varying degrees, depend on each other. Probably most fundamental is the topic of education and skills, which talks to the importance of nurturing a society that is equipped with the most relevant knowledge, capability and attitudes; and that is maintained relevant and future-proofed through a culture that recognises the importance of, and invests in, lifelong learning - in the belief that the Island will capture the best future economic growth opportunities if up-skilling and re-skilling are an embedded part of our way of life. This cannot be emphasised enough.

Theme one – which talks about our culture for innovation and enterprise is another hugely significant flag that needs waving here and now, to accelerate immediately the levels of activity we currently experience and to exploit the huge intellectual capital and resources we already enjoy in the Island. There are many examples of places in the world that have made huge strides forward economically by harnessing their populations' skills, leading to a natural 'enterprise culture'. We would question whether Jersey is meeting its full potential in this regard.

Themes one and five describe aspects of our society that will fuel everything else. This is not about "the Government putting things in place" and being wholly responsible. Instead, it is about creating a natural culture in society and the private sector, that will have a strong momentum of its own.

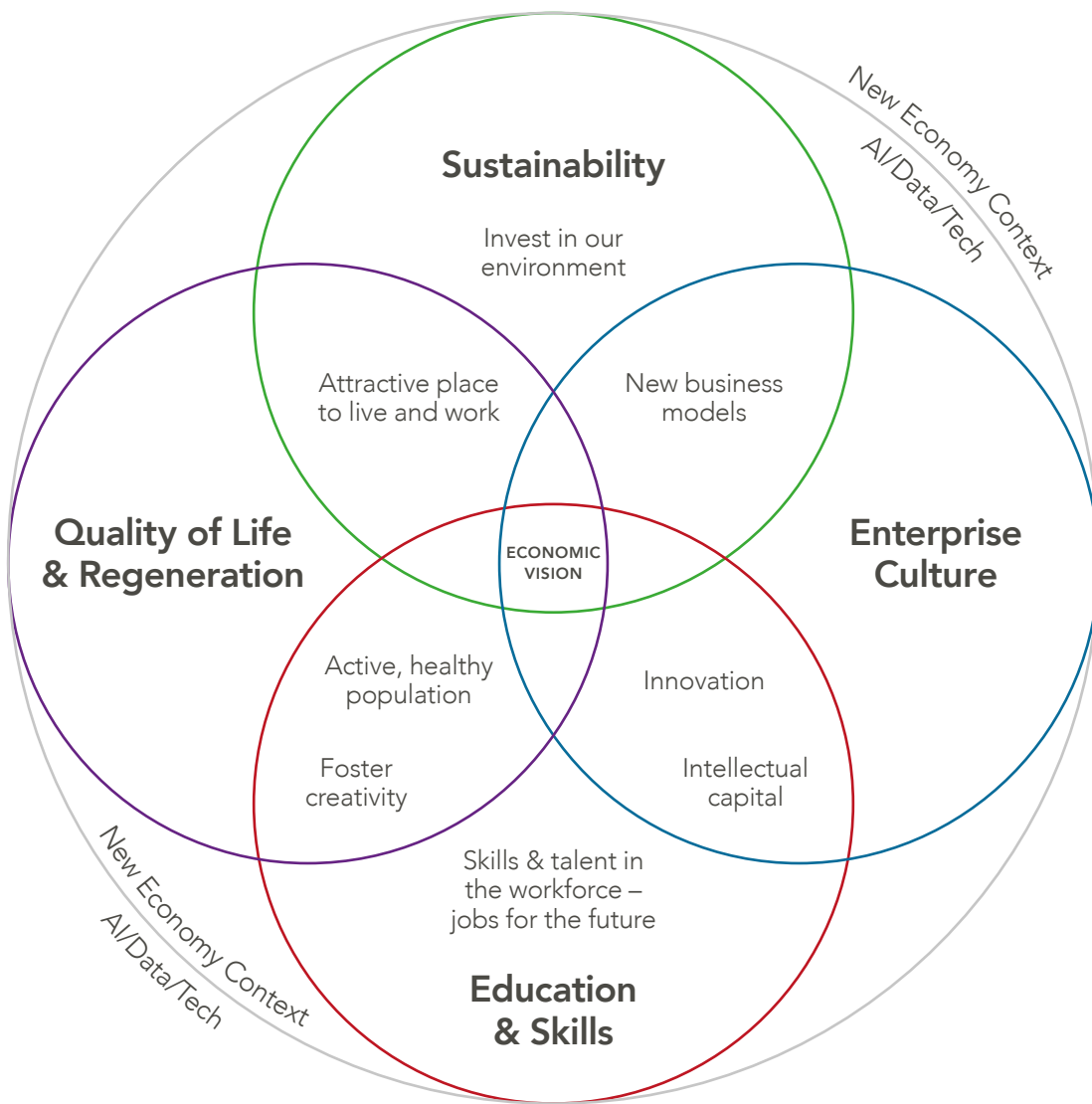
Of course, these five topics are not the only factors of relevance to ensuring a vibrant economy, but we have elected to focus on these as key themes. For example, the importance of creativity and imagination cannot be stressed enough as fuel for both culture and enterprise. The Economic Council was keen to endorse the acceleration of a new Arts and Culture Strategy for Jersey, that will help drive creativity from both cultural and industry perspectives.

Equally important is the topic of Wellness: the physical and mental health of our population. The Economic Council acknowledges the commitment already made by the Government to its Sustainable Wellness strategy, with numerous elements in place. An active population will help drive academic performance and economic productivity (as well as reduce healthcare costs), which is why the recently published "Inspiring an Active Jersey" strategy is also welcomed.

We acknowledge that the five themes are not entirely "new" to Government policy. In some shape or form, they feature either directly or as an element of recent Government plans. But the Economic Council wishes to emphasise its own perspectives on them in order to provide challenge and new orientation.

The process of Government has many moving parts and is complex. Covid-19 has created turmoil and enforced rapid experimentation and deployment of new ideas, in business and in governments globally. Jersey should resist the temptation to assume that we have to 'cope for a period of time' and then 'everything will get back to normal'. Instead, now is the time to re-orientate our direction, recalibrate our levels of ambition, accelerate our progress and productivity and set a course for economic success for decades ahead.

Jersey has some very special ingredients as a society which must be nurtured, but our enterprise culture needs to flourish more, with a ten to twenty year horizon in mind.



"There is a strong inter-relationship between these themes, which all, to varying degrees, depend on each other."

THEME 1

Jersey should stimulate growth by encouraging a more vibrant entrepreneurial culture and enhancing local innovation

Annual growth in our Island's income (in terms of tax revenues), which in turn pays for our public services including education, health, and social services, has largely been driven by a net migration policy¹ and an increasing workforce² resulting in growth in personal income tax³. The increase in workforce has been at the expense of productivity⁴.

Future sustainable growth in tax revenues cannot be achieved through 'more of the same' given population growth constraints in an Island measuring only 45 square miles. A recent third-party study estimates that 30% of jobs in the Channel Islands (27,000 jobs) are potentially at risk from automation between now and 2035⁵, compounding the issue.

A focus on enabling innovation through embracing and building an entrepreneurial culture, will help the diversification needed to address these challenges and secure our Island's future prosperity. Leadership and talent, over buildings and institutions, will drive economic growth. Jersey has some excellent leadership and talent on-Island, which it must continue to attract and develop. In developing, retaining and attracting talent the Island can reference many examples of highly innovative businesses that have been created in Jersey, and scaled globally.

Now more than ever, Jersey should seize the opportunity to position itself as an ideal location to scale global business. This will not be easy.

The Covid-19 pandemic has accelerated the adoption of new ways of working and accelerated our evolution from a traditional (industrial-era) styled enterprise culture to an information-age network primarily based on information technology where intangibles — e.g. knowledge, cultural norms and ecosystem relationships — are increasingly valuable. Key influencers with entrepreneurial capabilities in the business community play an essential function in getting things done.

We have seen tangible evidence that our entrepreneurial community has worked with Government throughout the pandemic to enable us to feel safe and move forward. That same community can be empowered to embrace and develop a community that builds sustainable opportunities for all, with enterprise and innovation at its core.

While it is widely recognised that there are significant economic growth opportunities in the digital age, the environment in which we operate will influence success. Critically, connections between entrepreneurs and the community are a key reason why certain jurisdictions are able to produce high value businesses, drawing in local talent and expertise. This is even more important with the rapid innovation around communication technologies allowing new forms of business interaction to take place, including the ability to leverage critical skills globally.

New technologies can drive economic growth, remove trading barriers and borders, deliver real-time and predictive data to better inform critical decision making, promote

inclusiveness, improve the environment, heighten engagement between a government and its citizens, and extend the length and quality of human life; when and where new technologies are embraced as part of the business and cultural fabric of a place.

According to a 2016 World Economic Forum study, digital transformation will have far-reaching impact across industries — not only in terms of economic and job growth, but in environmental benefits as well — that “could deliver around US\$100 trillion in value to business and society over the next decade.” Jersey should seek to realise the benefits of that transition through embracing the information-age and new technologies, and leveraging and building entrepreneurial talent in the Island; this will be enabled by utilising and continuing to invest in the supporting infrastructure that has proven to be amazingly resilient throughout the pandemic.

Just as in the corporate world, governments that adopt AI (artificial intelligence), big data, cloud computing, and IoT (internet of things) across all levels will prosper; countries that do not will struggle to keep up.

Turning to our historical success: Jersey is an established global financial centre that uniquely blends intellectual and financial capital. Many Jersey-based investment advisers and their investment funds have raised significant amounts of financial capital, predominantly from international investors, to invest into high-growth, high-tech and sustainable business opportunities across a broad range of industries spanning the globe.



Further, many of the individuals locating to the Island in recent years have built their wealth through driving innovation in the technology sector as well as in more traditional businesses including the creative arts, waste management, infrastructure financing and development, extraction industries, sports, tourism and retail. Many of the entrepreneurs locating to Jersey have a continued hunger and ambition to succeed. Such entrepreneurs are attracted to the Island because it provides a fantastic quality of life coupled with an infrastructure that supports international business. These entrepreneurs each have inspiring stories to share, which should be heard in order to ignite our future generations to embrace an innovative and entrepreneurial mindset.

These change agents should be empowered by policymakers: even the most well-designed policy needs an implementation strategy. Many of these individuals have expressed a keenness to help.

Time is short, Jersey should explore how to build an effective way to leverage the intellectual capital in the Island, which would drive innovation and enterprise that can thrive in our Island, in turn contributing to a vibrant future for generations entering our workforce.

Jersey should develop a clear strategy to strengthen its position in building entrepreneurial capability, supporting innovation in high-growth/high-value businesses, which in turn will create sustainable opportunities for all. This strategy should embrace the entrepreneurs and accomplished enterprises and businesspeople already on Island as well as those that can be attracted here in the future, and fuse this together with the development of our local talent to build a culture of innovation, which in turn will help to drive sustainable business growth in the new economy.

- Establish an active community of entrepreneurs who share a long-term commitment to co-create and support long term growth opportunities in Jersey.
- This community will focus on:
 - High growth technology-driven opportunities across our core industries
 - High value job creation
 - Appropriate cross-sector engagement in support of peer-to peer networking
 - Mentoring, supporting and helping to accelerate local businesses
 - Inclusion of our diaspora in new growth opportunities.

To implement such a strategy Government must:

- Invest in appropriate resources, working with the business community and existing ALOs to ensure appropriate focus on targeting entrepreneurs leading business innovation or high-growth opportunities to locate to Jersey.
- Develop an international marketing communications programme designed to promote the infrastructure and sectoral capabilities to attract appropriate entrepreneurs to the Island.
- Funding should be available to re-skill local talent where necessary.
- Government should support the creation of a Jersey Innovation Centre to act as a beacon for start-ups and scale-up opportunities, providing enabling commercialisation skills and resources. There are many examples that work elsewhere including the Sussex Innovation Centre (<https://www.sinc.co.uk/about-us>) where all members are involved in developing new ideas to create a dynamic and vibrant community of entrepreneurs, technologists, creative designers and scientists. Some of the most exciting new projects result from the transfer of ideas across different sectors.
- Empower Digital Jersey and Jersey Business to agree on the key fundamentals required, modelled on what has worked well elsewhere such that we have the greatest opportunity for sustained long term success.



- Consider an investment in the physical infrastructure for a Jersey Innovation Centre, at a suitable location.

One of our unique attributes is the 'Quality of Place'. Never has that become more apparent than in recent times as we look at the impact of the pandemic on the world around us. Founders and key employees of high growth companies are geographically mobile, they choose to locate where quality of life is high, supported by a general sense of political and macroeconomic stability. Our community and the Government have provided us with the opportunity to move forward and build a brighter future for all. Let us seize the moment.

1. In the 5-years ended 31 December 2019, the total increase in Jersey's resident population (rounded to the nearest 100) has been 6,900, from 100,900 to 107,800 (estimates), comprising natural growth (births less deaths) of 740 and net inward migration of 6,100 (source: Gov.je/statistics)
2. In the 5 years to 31 December 2019, total public and private sector jobs have increased from 56,540 to 61,500, an increase of 4,960 jobs, or 8.8%. This comprised growth in private sector jobs of 5,230 and a reduction of public sector jobs of 260 (source: Gov.je)
3. In 2019, 56% of Government of Jersey income came from personal income tax, totalling £475m. A further 14% came from company tax (£115m) and the balance came from GST, Impots, stamp duty, rates and other income. Personal income tax receipts in 2014 totalled £361m, therefore 5-year growth in personal tax receipts to 2019 is £114m or 31.6% (source: Gov.je and our calculations)
4. GVA per FTE in financial services peaked at £259k in 2000, but has since declined to £150k in 2019 (a decline of 42% in 19 years). Total GVA per FTE in the same period has declined from £102k to £75k (a decline of 26%) (source: Gov.je)
5. Report by PricewaterhouseCoopers CI LLP dated July 2020 (www.pwc.com/jg/en/)

THEME 2

Sustainability is a huge force in shaping society and economies globally which Jersey needs to place at the centre of its economic policy

We are reaching a pivotal stage on Earth where it is clear that the greatest challenges in the 21st Century are biodiversity loss and climate change (CC). However, sustainability, if applied across society, with an economic model in service to how we want society to be, not controlling it, will be the bedrock for the change required to avoid the worst calamities.

The most commonly used definition of sustainability derives from the Brundtland Commission in 1987; Understanding how to meet the needs of the present without compromising the needs of future generations to meet their own needs.

Whilst in 1987 there was a plethora of scientific understanding that changing planetary systems would be detrimental to human life on Earth, the threat seemed more distant. We now know that the process is accelerating, tipping points of planetary boundaries are being reached or have been passed, that we are entering a period where rudimentary control is slipping from our grasp. What once was a distant worry is now on our front pages on a daily basis. Our current activities and growth-chasing policies are eroding future generations' ability to meet their needs.

Recent reports (The Living Planet Report, 2020) have comprehensively detailed the loss of wildlife and wild places. Two thirds of the world's wildlife has been wiped out since 1970. More than 75% of global food crop types rely on animal pollinators, pollinators whose populations are in collapse. 90% of fisheries are fully exploited, overexploited or depleted (The Global Assessment Report on Biodiversity and Ecosystems Services, 2019). The average global temperature has risen by 0.95 degrees Celsius over the 20th century and the past 20 years have been the hottest on record. The wildfire seasons in Australia and Western America are now months longer than they were in the past. Change that in planetary terms would usually take place over tens of thousands of years is happening in the space of decades.

Global food supply insecurity, infectious disease outbreaks, mass migration from collapse of freshwater access, are just a few of the consequences of tipping the planet out of balance.

There is a temptation to say, but we, Jersey, are a small jurisdiction, with little contribution to global failures of policy, increasing emissions, of depleting biodiversity. However, we will be impacted by the changes underway. Sea level rise is a true threat and the Jersey Sea Level Rise report (2017) detailed the likely scenarios we face. Defences will be overtopped and coastal businesses and homes threatened without interventions (Jersey Shoreline Management Plan, 2020). Storm systems globally are changing, becoming more frequent and of greater magnitude. As an island nation our connectivity to the United Kingdom and the continent is crucial for resource supplies, whether by boat or plane.

The collapse of pollinators and microbial systems will result in poorer agricultural output and poorer human health, leading to increased healthcare costs. Warming summers and wetter winters will further threaten productivity. There are utilitarian and pragmatic reasons of



significance to Jersey. There is also the ethical and moral dimension. As Western Europeans we live highly consumptive lifestyles, we import deforestation in our food stuffs, we add to a warming planet via our actions, and to the decline in species, species that provide the ecosystem services we need to survive.

This is the worrying situation we face, but from a societal and economic perspective there are not only threats to our future but opportunities. If we truly measure the cost to societies, of loss of natural capital and the ecosystem services produced, against the cost of solutions, transitioning to a sustainable, circular economy represents a cost saving. The total value of nature to us on an annual basis is estimated to be between \$125 trillion to \$148 trillion.

For example, it is estimated that every dollar spent on protection of coral reefs, important hatcheries for global fisheries, \$24 is returned in planetary services (Copenhagen Consensus Centre).

In addition the World Economic Forum in 2020 heralded the following: "Businesses are more dependent on nature than previously thought, with approximately \$44 trillion of economic value generation moderately or highly dependent on nature."

Sustainable design of our economies and use of resources makes sense for the world and for Jersey. What we need to do is identify the Jersey opportunities.

Our Government made a declaration of climate neutrality by 2030 (May 2019), a carbon neutral strategy was published (December 2019) and a citizens panel will soon be instituted to address pathways. Jersey has adopted the Kyoto protocol with its climate change commitments. However, governments worldwide have a long history of not meeting the targets laid out in international agreements or their own plans in relation to the environment. The responsibility gets pushed to the next incumbents of parliaments and assemblies. In 2020 alone the world has failed to meet the Aichi targets by a substantial margin. On Jersey, emissions have been reduced by 47% in relation to 1990's levels, largely predicated on switching to French sourced energy and not on adopting renewable energy development locally. On Island renewables would help make Jersey energy secure into the future and in a volatile external environment where energy supplies could become flash points for future conflict this is not only prudent but essential. By adopting a more progressive approach Jersey could aim to be the first carbon positive jurisdiction, which in itself requires

"As a small and nimble jurisdiction we could lead as an exemplar of a circular economy model for an island, learning from city examples elsewhere."

investment and job creation, either via Government, the private sector or a public-private partnership. This includes tackling transport use, a particular challenge for an island. Much private transport on Island is not fit for our small roads and the sale of increasingly large oil or diesel vehicles that serve no purpose in a domestic context should be discouraged via legislation, pricing and/or tax policy, not only to reduce emissions but also for public safety. Biofuels should not be encouraged as they necessitate further imported deforestation and biodiversity loss. Instead making a truly world class public transport system will reduce the current barriers to reduction in private transport use.

Regeneration and infrastructure policies should fully incorporate low carbon technology both in construction and long-term functionality, deployed at both domestic and corporate levels. Embedding biodiversity plans in every infrastructure project not only recognises their importance in line with the Governments' common strategic policy areas, but begins to create a 'new normal' that buildings need clear biodiversity bolstering and carbon emissions reductions plans as much as they need snag lists or schedules of work.

Our powerful finance sector should have a laser attention to ESG investment development and lead in the strategic investment/disinvestment of environmentally damaging companies. This is already being demanded by discerning investors and the growth of environmental impact investing could be led from Jersey. Our finance sector could make bold and difficult targets – could we have the first forest positive investment sector on Earth?

We should aim to have the lowest ecological footprint possible for any jurisdiction (with a clearly defined goal developed) whilst still helping people live happy and fulfilled lives. Waste of all kind should be rigorously discouraged or via costs associated with waste disposal more heavily levied on both business and domestic settings. By finding solutions to a future of increasing food insecurity, climate adapted agriculture on an island scale that serves as a global model could be promoted. Broadening crop diversity, investigating mosaic food production landscapes, vertical cropping systems and enhanced pollination protection, could not only create more security on Island but further enhance our agriculture branded cash crops, opening new gourmet markets. Tackling the use of plastic on Island is a highly visible problem that could propel further action and Jersey could become a single-use plastic free island. Roles here need to be played across sectors by individuals, companies and Government with a key actor being supermarkets. Legislation to limit use of plastics, and other disincentives should be introduced. Clearer information and options relating to imported deforestation in products serves to tackle both CC and biodiversity loss, and again policy options should be deployed.

By embedding sustainability across all sectors, new jobs in renewable energy resource management, waste mining, adaptive management, renewables engineers, sustainability designers, and so on, could be created. The World Economic Forum recognised that if countries and business prioritised nature it could create 395 million jobs by the end of 2030. We cannot yet know the breadth of new opportunities, but we can already set this in the context of 'old' jobs likely to be lost to AI in the next few decades. Embedding sustainability in society will need both disincentives, whether legal frameworks or culture change, plus incentives to change behaviours. In addition, we have little time left to tackle the large

problems we face globally and so speed of decision making and commitment to action quickly is paramount.

The key for Jersey to proceed is to first endorse a future-focused mind-set that builds the concept of adaptability and change into its DNA. Resistance to change will see us left behind in a changing innovation and job market, and psychologically leaves us as an island trailing, rather than being truly active participants in solving global problems.

There is also much to be learned from elsewhere that can already be applied in the context of Jersey. Bringing together a cross-sector group of participants to identify all the areas where we can make progress, rigorously building a model of the change we want to see, with monitoring and evaluation against clear targets, and identifying all barriers and benefits to each course of action gives clarity to what we do instead of despondency when looking at CC and biodiversity loss as mountains too big to scale. Chasing after and exceeding global standards, such as the Sustainable Development Goals, will put our efforts in a global context. This widens the ability to attract the innovation and investment from those who want to be part of an Island that is punching above its weight. It also enlivens our tourism industry to offer a new eco-tourism. Our forebears who thought big about what a finance sector could be on Jersey used a long horizon. We can do the same with sustainability and transform Jersey to an Island of excellence.



For societies and governments worldwide the 'environment' has largely been seen as a 'nice to have'. We make buildings sustainable, if budgets permit, or provide protection to habitat, but rarely to benefit us economically in the short-term. The time has come to accept that if we do not protect the environment our individual businesses will suffer and our economies will suffer. As individuals, our health, both physical and mental, will suffer, creating even greater strains on health services. The current pandemic is a global environment emergency being played out in detrimental health and economic outcomes to humanity. Let us not keep putting our heads in the sand. Now is the time to make bold commitments, set ambitious targets and fund them with the seriousness they require. It would be something to be proud of if Jersey were the first global jurisdiction to truly do so, making our small Island a beacon for the globe.

THEME 3

Jersey must truly embrace the importance of the new economy, being created globally through technology, AI and data

This chapter describes objectives for growing Jersey's Economy productively during and after Covid-19, taking into account the global economic trends in Artificial Intelligence (AI) and Data.

AI is the single largest contributor to the global economy in this decade. Combined with Data-driven business, it is the single leading economic component and by far its fastest growing item for the foreseeable future. AI/Data is a fraction of what is informally named, for the sake of brevity, "The New Economy" (NE). Other segments include, the software industry, semiconductors, personal devices, wearables, personal health systems, electronic systems, cryptography, DeFi (decentralised finance), cybersecurity, etc. It is an open-ended list and growing rapidly.

The corresponding "Old Economy" (OE) was characterised by the earlier part of the 20th Century when industrial, commercialisation and innovation were expanding, globally. Comparatively, NE refers to the significantly higher-growth, and higher productivity due to certain technical innovations that have been commercialised in the last decade of the 20th Century, and the continued march of such "silicon and software" innovations in the 21st Century. These were driven by Moore's law, build-out of the internet, software, data-cloud, 4G-5G-6G progression, and increasingly Machine Learning, Artificial Intelligence, Advanced Data Analysis, Algorithms and certain broader societal applications of data, networks, learning systems, full scale automation and anti-fragile systems. These businesses are providers of global-scale, life-essential products and service products. We all use these things, daily, and they have fuelled our massive productivity increases in the last 40 years. This acceleration of productivity has only just begun. Cognitive Systems operating broadly in society-cloud-culture, will contribute more, and then more in the coming decade. These continue to decisively win through Ease-of-Use, Improved Efficiency/Effectiveness, and Higher Performance.

We should always adopt continuous improvement (Kaizen) in keeping up to date with all existing businesses, institutions, and organisations (including governments), with paperless, app-based processes, e-commerce, transforming business processes to address the internet age. But these are all things that we need to do, so we catch up and compete effectively, modernising existing OE environments (a process often referred to as Digital Transformation or Digitisation). These activities are necessary to keep up, but not enough for economic renewal and strong growth. The theme of this chapter is more profound, in that it is about establishing new "true" NE leading businesses, mostly disruptive rather than evolutionary, that will fuel Jersey's economy from today, and for decades to come, alongside our existing valuable industries. As the saying goes, at JP Morgan, "All Businesses are technology business, and we certainly are". Success in this requires operating at a significantly higher velocity.



Global GDP will be **14% higher** in 2030
as a result of AI

In macroeconomic terms, 98% of the global economy was OE until 1985. Contrast today, where rapidly growing and leading companies, products and services are created as NE using root business models, having AI + Data as their business core. NE and generated consequential business, is now 15 to 25% (depending on which yardstick) of global GDP, and most of societal economic growth. As economic validation, we all noticed Apple became financially larger than the entire FTSE100, and there are four other such tech companies of almost exactly that size, right behind. And another ten not too far behind them. None of these companies would have been significant within the lower ranks of the FTSE100 25 years ago. They are now individually larger than the bulk of the British Business Economy. By 2030, AI alone, (as a fractional part of NE) will increase global GDP by 14%. More than 85% of all growth in ALL SECTORS of the global economy lies with Data + AI. This process is driven by AI-Data and this accelerated significantly during Covid-19. Evidenced by passionate declarations from Pichai (Alphabet), Nadella (Microsoft), Modi (India), Xi Jinping (China), Cook (Apple) and hundreds of other leaders, all declaring "Covid-19 has dramatically accelerated new technology, across the board".

Comparison of OE with NE shows immediately marked differences in content, talent, methods, attitudes, value capture, growth dynamics, supply chain, necessary knowledge/learned practices and starkly different productivity. All conventional business and Public Service institutions must take great care to avoid underestimating the challenges posed by this shift and overstating the "formerly adequate" level of achievement being made in the older paradigm. Many people in the OE fixed mindset, find it hard to comprehend the disruption and growth thinking required to even get started with NE businesses. This is not patronising, but stated strongly, as a clear warning signal for Jersey. We need to recall that OE businesses have value determined by their cash and derivatives, real estate, physical assets and equipment. Contrast NE enterprises, having value in Ideas, Intellectual Property, People, Data, Networks and Talent. These primary items add to a lower content of conventional OE assets. OE businesses grow by linear addition of people, footprint, energy and costs, so that they can acquire more customers and revenue. NE enterprise is characterised with marginal, sometimes near-zero increase in costs, as business grows. This is the KERNEL of the difference in model and operations. This requires central necessity of "SCALING" built into the original core business model. OE companies mostly average £50k to £200k revenue per employee per year. NE enterprise, where productivity is NOT linear with employees, space, and facilities, achieves £400k to £3M annual revenue per employee per year. Very wide differentials in economic performance occur in revenue, profit, business velocity, quality of life, employee personal growth, performance acceleration and footprint. Without a total change of business models, we cannot convert OE businesses to NE businesses. Think Marks and Spencer versus Amazon. This is one reason why old suppliers get disrupted in all sectors. IBM was not immune, HMV was not immune, Kodak was not

immune, Thomas Cook was not immune. Neither are a raft of financial and related service businesses. The world has moved on.

NE as a fifth or quarter of World Economy today, is rapidly growing against OE's three-quarters, for all of the reasons above. Jersey as a location has an economy that has stubbornly remained, greater than 95% OE business with an atypically low content of NE business activities, and little driven by AI/Data. Let's not forget that there are one or two success stories, and let's learn from them. Several recent analyst reports explain that up to 30% of Jersey jobs may be lost forever to automation, in the next decade. Jersey has an unusually older demography (median age 52), a limited appetite for and stringent controls on immigration, so a realistic and practical pathway to AI-Data based business is very important. Jersey, as a small location, needs a portfolio of businesses that start-up fast, scale fast, fail fast and well, grow much more quickly, with 5-10x lower footprint and 5-10x higher productivity suitable for a fully-employed, thriving, high life-value, sustainable, employed economy.

We all have several years of Covid-19 headwinds in front of us. This is a marathon and not a sprint. We need to grasp that Digital Transformation, eCommerce and paperless processes are largely done within OE businesses models and these will not bring the benefits described above. Nor can they become NE businesses with simple addition of software. Wrapping Apps around existing OE businesses is a minor economic upgrade that must be done for defensive purposes, with a negligible shift in performance. The problem here is "what else and different" causes sufficient AI/Data scaling of local societal economic output. We are in the realm of New Business Models and Disruptive thinking. Clearly Jersey has "been there before" in the 1960's and found novel solutions. This is about renewal as opposed to "more of the same".

Jersey has attempted to diversify its economy over the last fifteen years, specifically inclusive of the idea to expand the technology content of its business, but our rate of progress significantly lags where we need to be. Hence the need for this chapter. There are examples of successful global technology businesses that have been conceived and started in Jersey, well-known examples being WorldPay (founded in 1989) and Play.com (founded 1998).

These businesses were started some time ago, and new business development momentum today needs to increase, significantly. This is an example of the need for deeper commercialisation skills, good practice and Best Known Methods (covered in the Innovation and Enterprise chapter). Often such successes have migrated away early in their scaling-up. There are multiple reasons for this, including local talent shortages. When we have twenty-five such new businesses created each year, many will fail, some will move, but even with two growth survivor NE businesses created each year a major economic contribution can be built. Additionally, others may move into Jersey.

Another serious issue can be inwards-looking, over-focusing about "local" services and products. We can immediately see together, that it is not surprising that WorldPay and Play did succeed because they were not locally constrained. They were from the start, global-centric businesses. We should have confidence in our ability and strive, team and collaborate together to achieve much more, to exploit the opportunities presented from AI & data (and rebalance against the threats they also represent to OE businesses).

And this will largely be a disruptive and not an evolutionary process. This especially applies to the next very large wave of opportunities, and these are of a different order to those of the last few decades, namely, those digitising Old Economy businesses. These need significant talent addition, new ideas, much deeper skills sets, much better commercialisation, best known methods and resources. Embracing Multiple Career Thinking and Continuous Technical Training, to enhance our Talent Mobility, which is important everywhere, will be a critical multiplier in a small community that is limited in immigration.

It is the making and driving of such businesses with AI-Data core, where the majority of

increased prosperity will lie. These businesses will normally often have distributed teams around the world and in many locations, as similarly well-described recently by Nick Ogden and others. Ideally, some successful growth examples will have ownership and IP located in Jersey, along with a growing (and learning) cohort of locally residing expertise. This global virtual horizontal teaming process allows rapid horizontal cross-learning of the New Economy cohort. Such cross-learning from the best experts in very strong locations, is the nature of NE business, (as discussed in many references such as AnnaLee Saxenian¹). The nature of these businesses can have models that are built with sustainable long-term profitability, people-knowledge-growth, and effective circular beneficial prosperity. Higher productivity is a requirement to achieve this circularity. Such business models also promote Growth Mindset and Disruptive thinking. And these modes are essential in winning NE locations.

Many have said previously, Jersey should set specific ambitious targets and adopt a rigorous new approach. This requires Jersey to determine the necessary and sufficient concrete actions to achieve (or better, and preferably, to exceed) global average economic performance (ie decide, up-front, numerical outputs in terms revenue, productivity, number of new local innovative patents, new deals etc.) in AI/Data-core new businesses by 2030. It would be sensible to have 4 or 5 process checks or milestones. Assuming the goal was agreed to have 20% (or whatever is set, these numbers are merely, examples) of GDP in 2030 in AI-Data core businesses there will be a number of interim goals aligned up-front perhaps 5% of GP in 2022, 10% in 2025, 15% in 2027 and finally 20% in 2030. This significant societal advancement will require substantial societal rebalance of NE culture from its baseline of a few percentage points of the total economy size of Jersey, to the increasing global average (currently, around 15-25% of the whole GDP and rising). We must note that this value of content is growing and Jersey like everywhere else is faced with a rising target. It will take high velocity, just to keep up. This large chunk of work is just a part of such a metric-driven approach to set baseline and standards. The objectives must be outputs and not inputs. Often these kinds of goals are set as inputs, like achieve X investment, or have Y employees, or create Z start-ups. These approaches always fail, as they attempt to control inputs rather than outputs of the process. A large part of the required "engine" to drive this, is the necessary shift from Fixed Evolutionary Mindset to Disruptive Growth Mindset. Jersey needs an early, clear understanding of Lessons-Learned and Best Known Methods from success around the wider world (and not limit itself to Jersey local and UK approaches) and an honest assessment of the barriers to progress made locally to date. These might include Talent Mobility and Taxation Philosophy amongst many possibilities.

"Jersey, as a small location, needs a portfolio of businesses that start-up fast, scale fast, fail fast and well, grow much more quickly, with 5-10x lower footprint and 5-10x higher productivity suitable for a fully-employed, thriving, high life-value, sustainable, employed economy."

This will require rapid development of productive partners outside of the small community of Jersey. Certainly, major research Universities will be required, not limited to the UK, but rather, global centres of appropriate AI-data, Software, Machine Learning and related excellence. Better for this to be extended to Global Trade Associations, Research Labs, Industry Road-mappers, Track Record Experts, multiple deals and business partnerships. This is a strong and necessary requirement from a talent perspective. Jersey needs high velocity scale-up of education at all levels and an enhanced suitably qualified workforce (think "10x" education in schools and further education, especially in STEM), 10x employee retraining and lifelong technical training, 10x talent mobility, and high velocity adoption of global 'Best Known Methods'. In the end, education is the foundation for all and any success, and lifelong learning is the operating paradigm of the New Economy. Working through Covid-19 and the consequential changes everyone realises that much of this training will naturally be virtual.

1. Dean of the University of California, Berkeley School of Information

THEME 4

For Jersey's economy to flourish the Island needs regeneration from an infrastructure and quality of life perspective

Every Islander is reliant on our Island's Infrastructure and Built Environment every day whether it be through our homes, schools, offices, hospitals, ports, retail and leisure outlets, or the infrastructure that serve these assets, such as our roads, drainage and utilities.

Alongside the primary functional role of such assets a high-quality infrastructure has the ability to complement our special natural environment and enhance the quality of life for all Islanders.

It provides the foundation for, and has many synergies and inter-relationships with, the key drivers to renewing Jersey's economy and as such must be considered as an equally important contributor in any strategic vision to Build Back Better.

From an economic perspective it is often referenced that the number of tower cranes you see erected is a visible sign of vibrancy and confidence in an economy with capital investment in infrastructure bringing the two-fold benefit of: -

- Providing shorter term fiscal stimulus through the construction sector with the economic multiplier effect of a pound spent in construction generating at least double that spend in the wider economy
- Delivering long term strategic assets to the Island providing an ongoing economic contribution or enhancing our quality of life and well-being.

Whilst we start from a reasonable position with a number of important initiatives underway, such as the Andium Homes Decent Homes strategic plan, contributors from across all representative sectors on the Economic Council, as well as those from interested arms-length organisations, consistently identified a "fit for the future" infrastructure as fundamental to the aspiration to contribute to economic recovery and to improve the quality of life for all islanders.

The breadth and diversity of ambition across multiple strands of our economy and society reflects the importance of, and opportunity that can be created by, a bold and effective regeneration strategy.

These ambitions focus broadly on developing an infrastructure that:

- Facilitates and supports a diverse and creative economy.
- Builds resilience into our foundation industries and local businesses that ensures viable career options outside of the finance sector.
- Ensures that Arts, Culture and Innovation is embedded in a creative economy and allows islanders and visitors alike to enjoy a level of access to, and participation in, the Arts that is unparalleled as both life-enhancing and economic stimulants.
- Promotes on-island access to the highest standards of education, including tertiary and lifelong learning.
- Actively promotes our Island identity and encourages the success of the unique Jersey "brand" and local high quality/value products.



- Reflects likely structural changes to retail and the consequences for the “high street” and delivers a thriving regenerated town centre that acts as a multi-functional community hub that is both economically and culturally vibrant, resilient to change and a magnet for all target user groups (e.g. young people, families, HNWs etc).
- Delivers placemaking focussed on sustainable connectivity, accessibility and quality of environment that promotes a high quality of life that attracts and retains investment, talent and the younger elements of our community.
- Provides high quality but affordable housing that encourages retention of under 30’s Islanders, promotes Jersey as an attractive option for incoming talent and reduces social inequality.
- Promotes and enables a healthier, physically active and more productive society enjoying a quality of life, well-being and national pride. The World Health Organisation Global Action Plan for Physical Activity cites the importance of creating and maintaining “Spaces and Places” in communities that promote and give safe equitable access for all in which to engage in regular physical activity, with the resultant positive impacts on health systems, the environment, economic development, community well-being and quality of life.
- Caters for a growing and ageing population demographic.
- Embraces the sustainability aspirations of the Island to be a small jurisdiction exemplar with the societal benefits and economic opportunities that vision presents.

Whilst these aspirations represent huge opportunities, significant challenges will present themselves and the problem to address will be how to overcome these challenges and deliver the vision in a timely manner.

As part of an economic recovery strategy the critical factors in determining success or failure will be the ability to be bold and move at pace, two characteristics that Jersey has been historically poor at.

Infrastructure projects have a long gestation period and are not quick to market. By their very nature they are often impactful on many stakeholders and have historically been subject to many competing, disruptive and derailing influences. These have ranged from the nature of parliamentary terms and general politically motivated interference, powerful but not wholly representative lobby groups, Government working in silos, a risk adverse attitude preferring to maintain the status quo over innovation, an overly protective and tortuous Planning framework and Third-Party Appeal process, to a reluctance to engage in public/private partnerships. Renewal will not be achieved if these kinds of challenges are not overcome.

At sector level the local construction industry employs over 6,000 people, 93% of whom are locally qualified, and generates 7% of the total GVA of the economy. Much work has been done by industry in partnership with local education providers to promote the sector to our youngsters as a viable career path and the circa 400 students currently engaged in the Design Engineer Construct (DEC) programme will provide highly trained future local workforce. However, this depends on a sustainable flow of work being maintained through a clear strategic focus on the delivery of the significant opportunities that a planned capital investment programme envisioned here would allow.

On the assumption that appropriate protection of our natural environment remains, the regeneration of St Helier must become the catalyst for delivering these strategic goals and the forthcoming Interim Island Plan review must provide the transformative opportunity to develop an enabling, rather than constraining framework, focussed on challenging convention on the potential blockers to innovative and creative thinking, such as historical precedence on height, allowing greater flexibility in use class and improved connectivity and placemaking as examples.



There are clearly numerous opportunities to repurpose sites to achieve these goals given the appropriate conditions and whilst it is premature here to identify and consider the treatment of individual projects it is clear that substantial assets in the Government property portfolio could enable significant progress to be made in a reasonable timeframe, with the Office Rationalisation Strategy, the Our Hospital project, the redevelopment of Fort Regent and the St Helier Waterfront being obvious targets for immediate and positive action to facilitate wider economic opportunities and benefits. As an example, the economic benefits that would be derived from the provision of an architecturally iconic cultural building at a venue to be informed by the forthcoming Cultural Strategy (e.g. the Kengo Kuma designed V&A Museum as part of the regeneration of Dundee Waterfront).

In addition to driving economic activity, both directly and indirectly, and enhancing quality of life, ambitious developments of this nature drive enormous civic pride and enhance national reputation.

In respect of our Carbon Neutrality aspirations it is a well reported fact that buildings are currently responsible for 39% of global energy related carbon emissions: 28% from operational emissions, from energy needed to heat, cool and power them, and the remaining 11% from materials and construction.

Given that we have less than a decade to meet our stated target and acknowledging the extended project gestation periods (e.g. a 200 unit Affordable Housing scheme at Feasibility Stage now is unlikely to be fully occupied before 2024) immediate action is required to change thinking, either by carrot (incentives) or stick (enhanced Building Regulations requirements) as in the current commercial environment the added capital cost of delivering more sustainable buildings will ensure the status quo remains, without direct policy intervention.

We must create awareness and help building owners minimise the carbon footprint across the lifetime of their buildings. Methodologies like Life Cycle Assessments (LCA) linked

to innovation and improved processes, such as Building Information Models (BIM), can be used to calculate, track and report embodied carbon and can accelerate sustainable decision making across the whole value chain for maximum impact in developing low carbon alternative solutions for the market.

Innovation must also be at the forefront of our thinking to provide much needed improvement to historically stagnant productivity in a sector traditionally averse to change and the perceived risk of “new” methodologies. This will change as digital density increases in the sector and Off-Site Manufacturing and Modern Methods of Construction become the new normal.

The Council sees these goals as Government enabled but delivered through collaborative engagement with multiple partners.

This vision of the provision of a high-quality life enhancing, multifaceted infrastructure delivered through the extensive regeneration of our built environment will require significant capital investment and sole funding from Government is an unrealistic expectation.

As such the development of public/private partnership funding will be imperative based on creative, flexible, nimble and risk balance delivery models that encourage and give confidence to private sector investors.

The question should not be “can we afford” but “can we not afford” to Build Back Better?

THEME 5

Unless Jersey innovates and aspires to the highest levels in education and skills development across our entire population, our economy will not prosper



A world-class education system is fundamentally crucial to the future prosperity of our community and building back better. The Island's primary economic resource is the intellect and creativity of its people, which over the last 60 years has been so successful in establishing Jersey as a world class financial centre, and innovating our traditional industries of agriculture (including aquaculture) and hospitality. But we need to ensure that we develop a talent pipeline that supports our future economic strategy.

Education underpins each of the four strategic drivers already outlined by the Economic Council, with the Council focusing its ambition for 'education and skills' around innovation and creativity. It is essential that (i) the Island educates children and young people for the working world they will enter, one that aligns with our economic strategy; and (ii) beyond primary and secondary education, the Island must adopt and embrace a culture of lifelong learning, anchored by a further/higher education system that focusses on skills necessary to empower our workforce to thrive in the new economy. This will be how the Island develops and maintains a strong talent pipeline, encouraging entrepreneurs and enterprises to build and grow businesses in the Island, and in turn driving our future economic success.

The Economic Council considered that:

- It has become clear through the Covid-19 pandemic that the Island's geographic position (i.e. locationally remote from the UK and other international learning institutions) is no longer a barrier to ensuring access to the best and most relevant education and skills training; hybrid virtual and in-person learning is now an accepted practice. Amongst other things this allows the Island to partner with leading universities and educational institutions in the UK and internationally.
- There is a strategic need to link Jersey's educational curriculum with its future economic strategy rather than just aligning to the UK education system. We also need to ensure that the way we educate our children is geared to the world of the future and that we now live and work in - recognising that this has changed more than our education system. As referenced elsewhere, we are living in a fast-paced, technology-enabled world where the proliferation of new technologies and in particular Data-AI will increasingly dominate every aspect of our lives and the employment opportunities that will exist for our future workforce. Success in the New Economy will require a population that understands code as well as it understands maths and english, where creative subjects such as art and music are brought together with STEM to help inspire a new generation to be innovative as well as problem solvers.
- Jersey will need to have a bold ambition, think innovatively and set its own education agenda that will ensure that our children have the best opportunity to prosper here or elsewhere in the future. Jersey should consider what is required both in the core curriculum and extra-curricular activities that will create the capabilities and skills that the Island needs, as technology rapidly impacts the workplace and the speed of change in Jersey.
- The pace of change in the world as a result of The Fourth Industrial Revolution (also known as Industry 4.0) will only increase, making a life-long learning environment essential to ensuring our Island's ability to develop and maintain relevant skills in the Island, in turn ensuring that every member of our workforce has an opportunity to be an economically productive member of our community whilst enjoying a long and rewarding career.
- By creating an education curriculum that properly equips our children to prosper in the new economy, and establishing a culture of lifelong learning underpinned by a further education and skills training system or ecosystem that is world renowned, we can attract entrepreneurs and workforce talent to the Island:
 - the entrepreneurs will be attracted to build businesses here given the Island's political autonomy and stability, its high quality of life, resilient infrastructure, access to a varied and well-educated talent pool as well as a world-renowned business and professional services ecosystem to support local based enterprise; and
 - the globally mobile talent is attracted to a jurisdiction where they are able to continue to develop themselves, see innovative businesses locating, feel supported, inspired and able to be entrepreneurial or intrapreneurial within any of the public, private and third sectors;

in both cases, where the concept of 'fail fast' is embraced, understood politically, and no longer translated by the local media into negative front-page headlines that risks suffocating innovation or, worse still, driving it away.

The pace of change and our need for higher level skills

The pace of change referred to was reinforced in a recent report published in July 2020 by PwC Channel Islands entitled 'Up-skilling the Channel Islands' workforce for a digital world', within which it was noted that almost 17,000 jobs in Jersey were at risk of loss by 2035

due to automation, with jobs in our financial services sector being at greatest risk. Jersey will have to reinvent itself again and having the resources to retrain our workforce is a vital investment to successfully navigate that change. In the foreword to the PwC report, Nick Vermeulen, Innovation and Technology Partner says:

“If governments, businesses and educators don’t take decisive action now, the jobs that are furloughed or lost in the downturn may never come back. In turn, posts at risk of automation in 5-10 years’ time could disappear much sooner as restructuring and cost-saving accelerate in the wake of the pandemic.

“Yet this is also a once in a generation opportunity. With right skills, agility and readiness to embrace change, the Channel Islands can create thousands of new jobs to make up for the ones that will be lost. We can attract new businesses with new ways of working, improve the quality and value of the work we do, make it more fulfilling and ultimately bolster the long-term competitiveness and prosperity of our islands.”

The link between education and our economic prosperity is not a new concept, but perhaps there has not been a burning platform to drive the necessary strategic change – before now.

- In introducing the Jersey Skills Strategy 2017-2022, it was noted by Government that:

“Jersey’s prosperity ultimately depends on two things: firstly, the number of people employed and secondly, the value of what those workers produce. Therefore, raising productivity – the average value that each worker produces – is critical to securing prosperity for current and future generations of Islanders. There is a growing body of research demonstrating the link between investment in skills and positive outcomes for the economy – particularly through rising productivity – and benefits for individuals and organisations.”



- The Skills Strategy 2017-2022 report, which was authored by the University of Exeter’s Marchmont Employment & Skills Observatory and published in October 2017, says:

“At present, the shift to the provision of higher-level skills is not happening fast enough and without change, there will be a shortfall of local people with the higher level skills that employers need now and in the future. At the same time, there is a shortfall in applicants for work in key sectors in the economy such as hospitality, construction and social where

motivation, communication skills, customer service skills and team working are key. Meeting these challenges means that we need to develop and promote pathways to higher skills that meet the needs of both employers and individuals in a variety of ways, from new higher education opportunities to new apprenticeship routes. We also need to boost the attractiveness of our priority sectors to young people and promote workforce development and lifelong learning to ensure that skills keep up with the pace of change. The scale of the challenge means that it is essential that the Strategy and Plan are kept under regular review to manage performance and appraise their focus in response to new opportunities, funds and challenges as they arise.”

Whilst there is an excellent understanding of the issue of education and skills locally, and research has been done, the question is how to corral and adequately resource our Education Department, Skills Jersey, other Government departments, bodies and agencies, and to effectively partner the private and third sectors, to action this critical initiative – the issue having been amplified by the Covid-19 pandemic as articulated by PwC.

Our longer lives

As a further provocation to deal with this issue, longer lives will almost certainly mean longer working lives. In their book ‘The 100-Year Life’, Lynda Gratton and Andrew J Scott note that a child born in the West today has more than a 50% chance of living to the age of 105, which they contrast with a child born over a century ago when the chance of living that long was 1%. They argue that retirement ages of 80 will end up being common because retirement at 65 will simply be a financial impossibility. They say:

“It may be that over a 100-year life substantial knowledge acquisition will no longer take place in one shot, completed early in life. Given the degree of likely technological advances, it seems impossible to imagine that a specialism learnt early in a career will sustain someone through their long working life.”

“There is likely to be a rise in the importance of education that supports the creation of ideas and the value of being innovative and creative.”

Further evidence that support for the creative industries is a must have rather than a nice to have.

So, education in Jersey must support older people retraining whose jobs will otherwise disappear due to disruption from technology, competition or both, a fact supported by 75% of respondents to the 2019 Jersey Annual Social Survey.

As part of a cohesive strategy we need to invest in apprenticeships and in developing younger (and older) talent to ensure the Island is self-sustaining and has a diverse workforce able to maintain and develop the local economy.

Government spending on education as a proportion of GDP	Year	% of GDP
Jersey	2018	2.8%
Norway	2016	6.3%
Israel	2016	4.8%
United Kingdom	2016	4.2%
Luxembourg	2016	3.0%
OECD average	2016	4.0%

Where do we go from here?

Nothing in this essay is intended to criticise the efforts of those that work in education in Jersey; quite the contrary, the Economic Council gratefully acknowledges what is currently being achieved with the available resources. We simply make the case that Jersey should have an ambition to have the best education in the world and work-up a viable plan to deliver on that ambition. The future prosperity of our community depends on it. Government now needs to devote the resources to establishing that ambition and a supporting theory of change. As citizens, parents and even grandparents we have the most important part to play in recognising the importance of life-long learning.

Other strategic drivers that have been put forward by the Economic Council refer to education and ask whether and how some of our existing resources, for example Highlands College, can be positioned to support innovation and the skills needed to exist and thrive in the new economy in a broader way, linking-up with other arms-length organisations that themselves promote further education, skills and lifelong learning.

A commitment to lifelong learning also represents a genuine opportunity for a sustainable partnership between the public, private and third sectors and the creation of a unique learning ecosystem. In this regard, we acknowledge the activities of many private and third sector organisations who already form part of an ecosystem that promotes lifelong learning to both local and international students.

These include the Digital Jersey Academy, multiple providers of professional qualifications and professional development in the financial services sector, as well as third sector organisations such as the 'Durrell Conservation Academy', who – from Jersey – are world leaders in conservation capacity development and whose conservation academy has trained thousands of students at all points of their career and has a globally important purpose: to provide the skills and experience to prevent further endangered species from becoming extinct. These are cited as examples to demonstrate an existing education and skills development capability in the Island that exists beyond the Government's own education system and should be leveraged and expanded upon to deliver the stated Vision of Skills Jersey, "A confident, motivated and skilled society for Jersey", and a Mission that, "Local people of all ages have the ability to choose and achieve positive career, life and learning goals, aligning with the needs of the Island, in collaboration with industry". The Economic Council could not have summed-up the strategic ask any better.



Moving forward



"This paper and the work of the Economic Council will be of no value unless it leads to further action. At this juncture, the Economic Council is seeking to stimulate debate that leads to an increased level of ambition, urgency and action in accelerating the trajectory of Jersey's economy".

This paper and the work of the Economic Council will be of no value unless it leads to further action. At this juncture, the Economic Council is seeking to stimulate debate that leads to an increased level of ambition, urgency and action in accelerating the trajectory of Jersey's economy.

The Economic Council is not seeking to define policy or prescribe detailed solutions.

New orientation for our economy is required not 'due to Covid', but regardless of it. Covid has created a significant set of new challenges in the short term, but is also a catalyst for change and opportunity. It has created a context that demands honest reflection on Jersey's economic direction, priorities and processes.

The last few months have demonstrated not only the Island's stability and operational resilience but the speed at which items can be attended to, when all concerned are aligned towards common objectives. We have the ideal platform from which to develop, test and launch innovative new ideas, products and solutions given, inter alia, the proximity of our key stakeholders, plus the wealth of talent and expertise in the Island. This form of collaboration and decisiveness should be encouraged and become more the norm.

Covid has also forced new levels of agility in Government and businesses, with faster decision making and rapid execution. These behaviours are real assets to have obtained and are characteristics that should be maintained and honed.

The Economic Council itself can only operate in a "non-executive" capacity, as advisor and challenger. The Government (politicians and civil servants), the ALOs and other bodies are empowered as "the executive", with responsibility for developing detailed strategies and plans.

Additional Messages for Government:

Having set out what it sees to be the key economic strategic drivers in this paper, the Economic Council has some concluding messages for Government, to help facilitate progress. These are:

1. Jersey needs an inspiring and clear vision for its economic development with a twenty-year plus horizon;
2. The Government's new "Economic Framework", which is under development, needs to be accelerated and must include clear strategies for all key economic segments and industries (the 'verticals'), that are maintained to ensure they remain current;
3. Government primarily needs to be a true enabler and facilitator of innovation – to help create the right environment — and needs to accelerate its own orientation in this respect. The role of Government is not always to be the funder of initiatives as the private sector and private/public partnerships can very often provide more viable solutions;
4. Government's enabler role requires it to provide opportunities for the highest levels of collaboration amongst suitably qualified local residents and people with diverse backgrounds. Our intellectual capital is a powerful asset that should be harnessed to help shape strategies;
5. The engine of good decision-making is the presence of reliable data, which allows rigorous and proper analysis;
6. Jersey's international reputation and its local identity are precious, and should be actively managed, both for economic and cultural reasons;
7. The Economic Council could provide the Government with an on-going source of challenge and guidance; and
8. Government should actively elicit reactions and responses to this paper from organisations and citizens as additional input.....and provide its own considered response.

Elaborating on these Messages

1. Jersey needs an inspiring and clear vision for its economic development with a twenty-year plus horizon.

A fundamental topic which arose at the outset of the Economic Council was the question of: "What is Jersey's vision? Where are we heading?"

Many members of the Economic Council, from whatever their background, whether working in the arts, agriculture, tourism, retail, science, finance, technology etc. – had a burning desire to know the answer to this question, in order to provide the input that had been requested.

By having an orientation of this nature, an understanding of the strategic direction and level of ambition held by the Island, better decisions could be made. Whilst the revised Government Plan contains policies for numerous key pillars, it does not express an overarching vision for Jersey's economy of the nature Economic Council members craved. Whilst helpful, the stated strategic priority of creating "a sustainable, vibrant economy and skilled local workforce for the future" is not a vision that inspires. The statement outlines important requirements of that vision but much more is needed.

Successful businesses and organisations very often have embedded within them a strong sense of vision and clarity of purpose – why they exist and where they are heading.

The significance of having such orientation towards a long-term vision is that it has a fundamental bearing on decisions in the short term and on behaviours. Knowing where one is headed allows all people involved to point, more or less, in the direction of that vision.

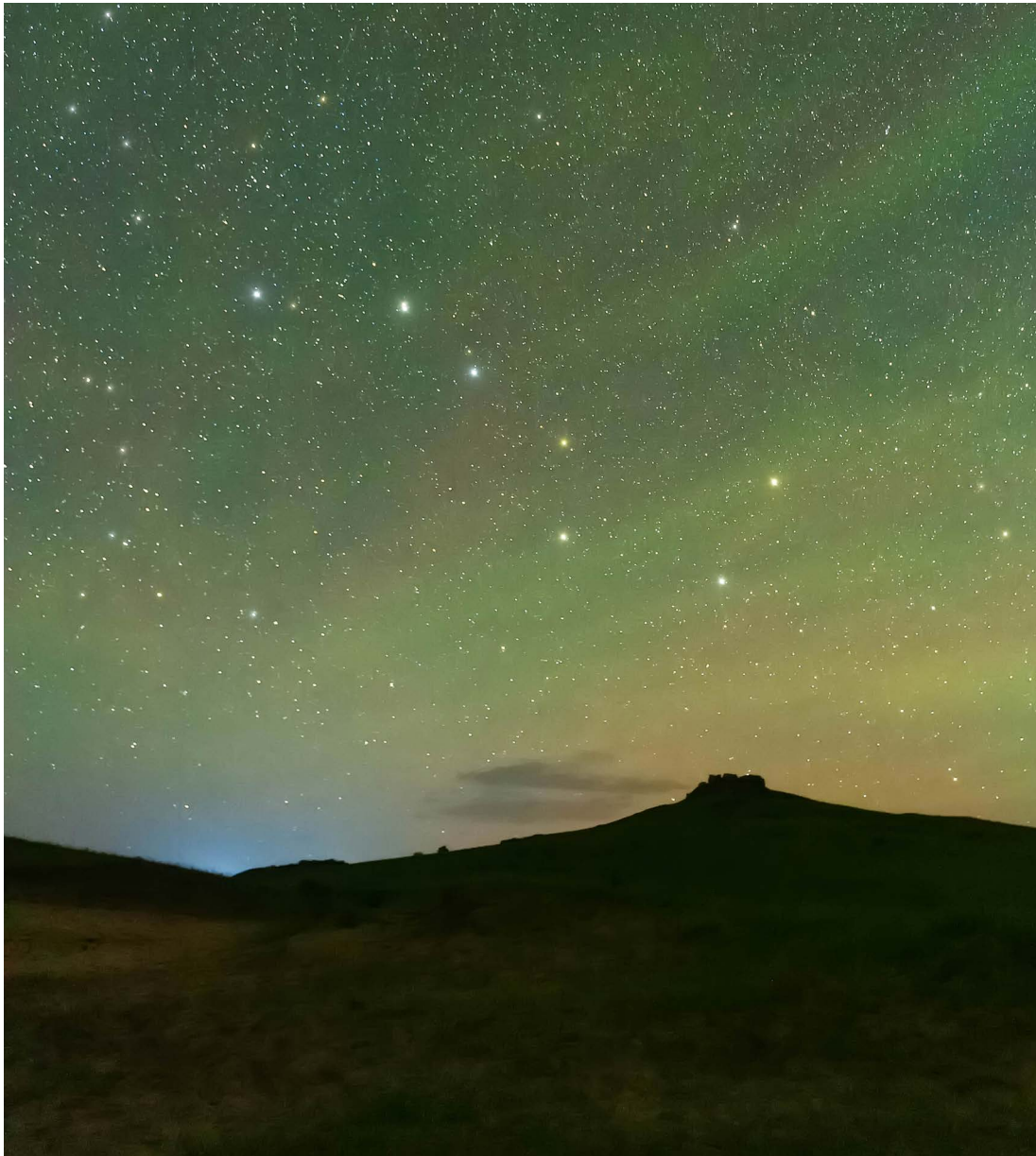
Presence of vision enables strategies and plans for specific areas of operation to be devised in such a way that they will both meet the objectives of that sector in the business - and also be aligned with other facets of the organisation, increasing synergy, thus gaining a greater all-round effect.

A vision is not the same as a destination. It is a navigational aid that helps decision making about strategy, policy, plans, investments, actions etc. It is not prescriptive, allows interpretation and demands that imagination and commitment are brought to bear in order to succeed.

Simply put, if a vision is clear, understood and people 'buy in' to it (because they appreciate the value in doing so), it will enable better progress to be made by everyone concerned.

Absence of a shared vision, is a major weakness, leading to decision making that can head in numerous different directions – sometimes opposing each other, or deviating, usually leading to inefficiency and little progress.

An island or any country is perhaps not 'as simple a business' as it is highly complex. Also, unlike management teams and Boards of directors, whose outlook can be very long term, Government is greatly affected by the impact of short-term political cycles.



In the knowledge that the Government is working on a new Economic Framework, due for completion in 2021, the Council strongly recommends that this work includes a definition of Jersey's economic vision.

In the absence of such a vision for Jersey, the Economic Council occupied itself a great deal with discussing what this might be – a discussion centred around the question of: "What is Jersey's 'North Star', its overall direction, as a society and economically?"

The Economic Council believes that the five themes contained in this report in part point the way and should form part of such a vision, representing, perhaps, a 'constellation of stars' rather than a single North Star. No matter how this vision is eventually defined, it needs to shine brightly in the sky and inspire the Island's economic development.

2. The Government's new "Economic Framework", which is under development, needs to be accelerated and must include clear strategies for all key economic segments and industries, that are maintained to ensure they remain current.

The Economic Council wishes to stress that by not focusing attention in this paper on the specific sectors that make up Jersey's economy today, this in no way implies any lack of support or commitment to them, quite the opposite.

A number of industries and sectors of Jersey society have in place current strategies that set out their orientation and priorities. In these cases, detailed operational plans have been developed, providing the basis for decision making, commitment of budgets and resources. By contrast, other sectors that lack agreed long-term strategies are disadvantaged by the corollary of this – i.e. they suffer due to subjectivity in decision making and are less well placed to achieve support and funding.

In reviewing the various submissions made by ALOs to the Chief Minister, the Economic Council encountered this, in that, in some cases, it was difficult to comment on potentially valid ideas due to them not being positioned in a strategic context.

A positive example of the benefit of this is Jersey Sport, whose agreed increased funding in the Government Plan had been frozen as a result of over-arching Covid measures, but then reinstated due to the Government commitments to sustainable wellbeing. This led to the launching of the new "Inspiring and Active Jersey" strategy, that had been put on hold, in September.

During discussions with the Economic Council, a commitment was also given by the Government to resource and produce a new strategy for the arts and culture sector, which will be completed in 2021.

The Economic Council is aware that work is also underway on other sector specific strategies – e.g. for retail and tourism - and very much endorses this approach, as part of the Government's new overall Economic Framework.

The Economic Council would urge Government to continue to work collaboratively with the relevant ALOs and other stakeholders to ensure a rigorous approach is taken, with consistency, based around essential criteria and key performance indicators, in the completion of these sector strategies. In addition, that a tracking system be adopted, to identify where there are any potential/actual deficiencies, to enable timetables to be adhered to and thereby monitor progress.

It is important to acknowledge that a great deal of good thinking is already in place in Jersey, with ambitions and plans clearly articulated in numerous sectors. The ALO submissions to the Chief Minister earlier this year demonstrate this and these should be



scrutinised thoroughly as part of Government's planning process. To highlight just one example: Digital Jersey's submission to the Chief Minister contained a number of detailed recommendations that align with the strategic themes outlined in this paper - around education and skills development; fostering entrepreneurship and financial incentivisation to encourage innovation. The Economic Council wishes to see such plans supported, with a bolder long term vision and ambition in mind.

3. Government primarily needs to be a true enabler and facilitator of innovation – to help create the right environment – and needs to accelerate its own orientation in this respect. The role of Government is not always to be the funder of initiatives as the private sector and private/ public partnerships can very often provide more viable solutions.

The role of Government in this journey also requires consideration. Government has a responsibility to act as a facilitator and enabler. It has a role in driving a vision but should not always be seen as the directing force or indeed the default source of funding. As mentioned above, a Government dictated process without appropriate participation and following is unlikely to be successful. New ways of working need to be embraced with a much more open-minded approach to private and third-sector led initiatives, partnerships and other arrangements. Such an approach should provide a helpful leveraging of limited Government resources - both human and financial.

The Government should play different roles as a funder, enabler, broker or facilitator of ideas. The Government needs to embrace different funding models and partnerships in order to achieve big projects. There needs to be a cultural shift to welcome new and bold ideas from those wanting to invest in the Island (including moving away from hierarchical structures where possible).

A practical example of this would be in finding ways to address or compensate for structural issues which make the cost of doing business in Jersey prohibitively expensive.

4. Government's enabler role requires it to provide opportunities for the highest levels of collaboration amongst suitably qualified local residents and people with diverse backgrounds. Our intellectual capital is a powerful asset that should be harnessed to help shape strategies.

The Economic Council wishes to emphasise the need for such sector strategies to be developed through a collaborative but well-led process. Time and again, Jersey has experienced attempts at developing strategies that have either been Government dictated or consultant-led without the participation and following of sector participants or other key stakeholders. Such an approach soon results in the development of competing initiatives or a written strategy report simply being consigned to the bookshelf. The Council encountered one sector where sector participants had no familiarity with a consultant led strategic review that had been published only 2 years previously.

Leadership in such a process is also important. A key requirement for sector specific organisations charged with undertaking this process, is a respected leadership team capable of not just defining a strategy for the longer-term but also charged with the implementation and operation of that strategy over multiple political cycles. Diversity and inclusion with regards to not just gender but age, ethnicity and disability is also key in this regard.

The task is by no means easy. The Economic Council recognises that there are some sectors that may need to undergo significant change and that there may be reluctant passengers on that journey but unless a respected leadership team obtains broad-based support at the outset, the goals of the particular sector specific strategy will not be achieved.

5. The engine of good decision-making is the presence of reliable data, which allows rigorous and proper analysis.

As previously mentioned, the Economic Council's ability to assess individual proposals, should it have attempted to do so, would have been hampered by the lack of data.

It is understood that additional resources will be committed by the Government in the next Government Plan, to significantly improve its "Insight and Foresight" capability. Again, the Council supports this strongly as it will help inform the above topic (agreeing sector-based strategies), provide the basis for better objective evaluation and decision-making and allow better measurement of effectiveness of future programmes.

More broadly, the Economic Council believes Jersey can do a lot more to learn from other places (such as Taiwan or South Korea) that are addressing the core issues well (4th industrial revolution and sustainability). Jersey should be vigilant and inquisitive to learn from other places whenever possible and to be agile in adopting and adapting good ideas from elsewhere.

6. Jersey's international reputation and its local identity are precious, and should be actively managed, both for economic and cultural reasons.

During proceedings, the Economic Council received a presentation from the Government's "Island Identity Board" which gave details of its initial conclusions and recommendations. This parallel exercise begins the work of developing a far more robust and coordinated approach to managing Jersey's sense of identity locally, with potentially very far reaching and significant benefits for Jersey's culture and sense of identity. In addition, the project talks to the need to develop Jersey's external reputation on the international stage to ensure Jersey has the right and positive associations in the minds of potential partners, stakeholders, influential bodies and individuals. Our reputation currently is strong in some respects, but sub-optimal to what it needs to be, overall. The Economic Council wholeheartedly supports this objective as it sits alongside many aspects of the themes contained in this paper.

Jersey's "brand" needs a comprehensive approach to managing its narrative and its behaviours locally and internationally. This theme also relates strongly to the notion of Jersey's economic vision, as the reputation we have now and the way we actively evolve that reputation will be inextricably linked to moving us towards our North Star.

7. The Economic Council could provide the Government with an on-going source of challenge and guidance.

Given the pace and scale of change required, the Economic Council believe that continued dialogue between Government and business, on an economy-wide level, such as through a further evolution of the Economic Council, as a collaborative forum for the longer term [comparative bodies being the Financial Services Advisory Board (FSAB) and Fiscal Policy Panel (FPP)], could be a powerful part of the governance and engagement required to deliver.

For the reasons set out above, we need to ensure that there is a continuing body that spans political cycles in order to support a longer-term vision. However, as with the FSAB and FPP bodies, (a) the Economic Council cannot be charged with defining policy - that must be for the elected chamber; (b) it cannot be charged with scrutinising policy - that is for the elected scrutiny panel; and (c) most importantly it cannot be charged with implementing policy - that is for the Government.

If deemed desirable, an evolved version of the Economic Council could operate in a “non-executive” capacity, with Terms of Reference defined around it being used as a source of independent thought, challenge and guidance to the work of Government.

8. Government should actively elicit reactions and responses to this report from organisations and citizens as additional input..... and provide its own considered response.

Appendices

Terms of Reference	48
Membership of the Economic Council	49
How the Economic Council has operated	50
Consideration given to short-term initiatives	51



Terms of Reference

Economic Council members were briefed on the basis of the following Terms of Reference:

Purpose

The core purpose of the Council is to consider how, in the aftermath of COVID-19, Government might establish or sustain:

- an inclusive and diverse economy that allows people, families and business to fulfil their potential;
- a reputation for financial prudence, stable government and operational resilience;
- policy that is based on a pragmatic vision to improve the standard of living and wellbeing of citizens.

Scope

The Economic Council membership will stimulate, generate, receive and consider ideas for economic recovery and renewal from trade associations, industry representatives and business owners.

The expected scope of work includes ideas, initiatives and interventions that:

- support the renewal or expansion of existing economic sub-sectors;
- help to diversify the Jersey economy into new sub-sectors;
- build greater resilience within local businesses;
- improve productivity within the economy;
- simplify the process of doing business with Government and associated bodies e.g. regulators, so as to improve competitiveness whilst maintaining Jersey's position vis-à-vis international standards.

Membership of the Economic Council

Julian Box	Digital/Data
Jennifer Carnegie	Chamber of Commerce
Matthew Corbin	Professional services & technology
Lesley Dickie	Environment & conservation
Senator Lyndon Farnham	Chair
Jen Geddes	Trust & finance
Philip Hewat-Jaboor	Arts & culture
Martin Holmes	Construction
Becky Houzé	Agriculture
Kevin Keen	Tourism
Deputy Carolyn Labey	Minister for International Development / Island Identity / Community
Marina Mauger	Union representative
Brendan McMahon	International finance
Steve Moffatt	Technology/Digital
Alex Ohlsson	Legal & financial Services
Rina Rodrigues	Princes Trust / Youth Service Ambassador
Lisa Springate	Institute of Directors
Tony Taylor	Sport & Active Living

How the Economic Council has Operated

The Economic Council held its first meeting virtually on 19th June 2020 when it received and responded to a briefing from the Government of Jersey on the Government's initial response to the Covid-19 pandemic. The Government's plan was based upon a framework which it had adopted of "Respond, Recover, Renew" and it articulated an ambition that the "Renew" phase should be informed by the idea of "Building Back Better".

The Economic Council noted the immediate actions taken by the Government as part of the Respond phase which had been based on the recommendations of the Fiscal Policy Panel. These included the Government backed loan guarantee scheme; deferments on GST, social security, rent and utility payments; guidelines being issued for residential and commercial landlords; the CRESS scheme and the adoption of phases 1 and 2 of a payroll co-funding scheme.

The Minister for Economic Development explained that any recommendations provided by the Economic Council would be considered within a broader framework that had been put in place. This framework comprised a political oversight group which was chaired by the Chief Minister. In addition, a senior official group would be working in parallel to the Economic Council also operating within the remit of the political oversight group. The Government were also working with PwC who are engaged as part of a Future Economy project and PwC assisted in facilitating a number of discussions within the Economic Council.

The Economic Council then subsequently met to hold several thematic and sector specific discussions. These discussions were guided by written submissions that had been made to the Chief Minister by various arm's length organisations and other key stakeholder bodies in response to a letter from the Chief Minister in which he invited such organisations and bodies to submit suggested priorities for the renewal stage of the Island's economic recovery.

The Economic Council noted that this process generated numerous ideas from these organisations all of which are worthy of further study and consideration. This consideration needs to be informed by proper analysis and research. Importantly, however, once objectives and priorities are agreed, a velocity of action is required in order to ensure that these ideas are implemented within an appropriate timescale.

Specific briefings were provided to the Economic Council on the Government's proposed support initiatives for the hospitality sector; for small and medium enterprises; for the development of products and legislation in respect of the financial services sector and for the development of a cultural strategy. The Economic Council's outputs from these briefings were heard by Ministers and resulted in a number of immediate recommendations which were actioned. These recommendations are not repeated in this paper. However full minutes of each meeting of the Economic Council have been prepared. Copies of these minutes have already been provided to the Economic Affairs Scrutiny Panel of the States of Jersey.

Consideration given to short-term initiatives

During several working sessions, Economic Council members were asked to identify around six new “actionable initiatives” that the Minister for Economic Development could put forward for consideration now. These actions are all set within the context of longer-term goals for the economy by 2030, and with a shared desire for a major uptick in pace and scale. The actions represent the first steps towards achieving those goals, framed in a way that would be possible to make some real progress in the short term.

One of the challenges recognised by the Economic Council was how to think beyond the immediate post-COVID-19 recovery and look further ahead to the longer-term renewal of Jersey’s economy. Alongside the sector specific Council discussions, there was a need to work across sectors, thinking about the economy as a whole. The Council followed a process which enabled future-focused thinking about ambitions and goals for Jersey’s economy in 10 years’ time, which can be used to guide the identification of shorter-term actionable initiatives which can be adopted in order to allow progress towards the longer-term goals.



Actionable initiatives were defined as:

- New actions that the Government would like the Economic Council to recommend in accordance with the timetable laid out in the recently published 2021 Government Plan for implementation in the short-term
- Likely to be focused on actions requiring Government resources, funding or facilitation to make happen
- Able to provide both short-term and long-term benefits
- Set in the context of longer-term ambitions and further actions required from different stakeholders (not just Government).

For the purposes of this exercise short-term timeframes were considered to cover the period from now until the end of 2021; medium-term was considered to cover the term of the next States Assembly being 2022 to 2026; and long term was considered to cover the period of 10 years and beyond.

Evaluation Criteria (NB: evidenced-based)	Initiative 1	Initiative 2
Short-term economic impact Ability to stimulate immediate economic activity Supports an essential and sustainable business / service		
Strategic economic impact Helps medium / long term economic prosperity Aids sustainable economic diversification		
Social impact Encourages a fairer, more inclusive society Supports diversity and avoids bias Helps enhance local culture		
Public health Helps drive more active lifestyles Supports the wellness agenda		
Environment Aligns with carbon neutral strategy / meets targets Incentivises positive environmental behaviours / sustainability		
Productivity Drives digital enablement Incentivises innovation		
Reputation Has potential to enhance Jersey's image and reputation locally and/or internationally		

The Economic Council debated possible initiatives within the context of the Government's existing agreed Common Strategic Policy. Importantly, creating "a sustainable, vibrant economy and skilled local workforce for the future" is one of five priorities set in the Common Strategic Policy 2018-22.

The Economic Council recommends that Government develops and applies a transparent set of prioritisation criteria against which economic recovery and renewal measures can be appraised in the context of the wider societal and community priorities for the Island, especially when aligned to agreed strategic goals. To this end, Economic Council members developed a possible prioritisation framework which is set out above. Potential initiatives would need to be robustly evaluated using quantitative data and not just based on subjectivity.

End Note

This report has been compiled and written by the independent, non-Government members of the Economic Council. Views expressed are personal and do not represent those of any organisations or businesses with which members have any associations.

All time dedicated to the Economic Council has been entirely voluntary. No direct costs have been incurred by members.

The contents of this report are the result of contributions from several individuals, but created on an inclusive and collaborative basis. The text has been written by members of the Economic Council.

Opinions expressed have been intentionally provocative in places. Some people may dispute assertions made and not being matters of fact, which is understandable and appropriate.

This report is presented in a spirit of positive encouragement and challenge.

December, 2020

