

Population sustainability and inward migration

Submission by Mark Boleat, 20 April 2009

Introduction

1. The Corporate Services (Migration and Population) Scrutiny Sub Panel has invited views on population sustainability and inward migration as part of its review of population policy. This paper draws on a paper the author is preparing on long term population trends in Jersey as the research undertaken is relevant to the Sub Panel's enquiry.

Summary

2. The concept of a sustainable population has little meaning. Sustainability depends on the ability of a community to provide for itself and has little to do with the size of that community. There are many communities with small and declining populations that are not sustainable. Equally, there are many communities that are far more crowded than Jersey that have the means to sustain themselves.

3. The issue for Jersey is not sustainability but rather the sort of community that Jersey wishes to be.

4. The instruments of population policy are very blunt. The Jersey authorities have no direct control over most of the variables that affect the size of the population – the birth rate, the death rate, outward migration, acquiring residency rights by marriage and immigration by residentially qualified people. The most that can be done is seeking to limit inward migration by controls on economic development and on rights to acquire property. However, even these instruments are of limited impact.

5. Generally, economic prosperity and a rising population go hand in hand. Towns and whole communities in economic decline are characterised by falling population, which in turn adds to economic decline in particular through the impact on property prices and therefore on the wealth of the remaining population. Prosperous communities are places where people want to live and are characterised by rising population.

6. Projections by the government indicate that net emigration would lead to a significant fall in the proportion of the population of working age. However, the government is wrong to suggest that elderly people are dependent on the working population. Where retired people have sufficient income that derives from outside Jersey to provide for their needs, then far from being dependent on the working population their spending power and the taxes they pay help to sustain the economy.

The concept of a sustainable population

7. There is often debate in many communities about the desirable or sustainable size of the population for that community, the consensus generally being that this is very close to current size, whatever that size is. Often the debate is about resources – whether the area has the resources to accommodate a larger population. In fact these concepts are all fairly meaningless. A given area that is not naturally inhospitable or inaccessible can accommodate almost any size of population. Sustainability depends on the productive capacity of the people combined with income derived from outside the community, for example from investments. A geographically large village in the middle of Brittany with a population of 500 and no other village within 20 miles is probably not sustainable and is facing a declining population. A more densely occupied territory with 100,000 people that has a thriving finance and tourist industry and is attractive to wealthy immigrants is very sustainable. That community generates the income necessary to pay for goods and

services imported from abroad that the community cannot sensibly produce itself.

8. Jersey's density of population is not high. This can be illustrated by constructing a table of what the population of Jersey would be if it had the same density of population as comparable territories such as the Bermuda and Guernsey and parts of the UK.

Table 1 Theoretical population levels for Jersey

Territory	Area Sq km	Population	Population Density Persons/sq km	Theoretical Jersey Population
Jersey	116	90,800	789	90,800
Comparable territories				
Guernsey	63	66,000	1,047	121,000
Isle of Man	572	77,000	133	16,000
Gibraltar	7	28,000	4,000	464,000
Hong Kong	1,092	7,055,000	6,427	749,000
Singapore	693	4,658,000	6,650	779,000
Liechtenstein	160	35,000	217	25,000
Monaco	2	33,000	16,398	1,913,000
Malta	316	405,000	1,281	149,000
Bermuda	53	68,000	1,283	149,000
England	130,410	52,100,000	400	46,000
Kent	3,950	1,329,653	337	39,000
Hertfordshire	1,639	1,033,977	631	73,000
Bromley	153	295,530	1,932	224,000

Sources: The figures are taken from a variety of sources and are not exactly comparable, but sufficient for the purposes of the analysis. The total figure for Jersey is the official estimate for end-2007. The figures for England are taken from the 2001 census. The figures for other countries are taken from the *CIA Factbook* and are latest estimates.

9. The table shows that most of the territories that are most often compared with Jersey – Bermuda, Guernsey, Malta and Gibraltar - have higher densities of population, in some cases considerably so. The Isle of Man is the exception. The Far East centres of Singapore and Hong Kong have population densities eight times that of Jersey.

10. So if Jersey was as densely populated as the leafy London borough of Bromley it would have a population of 224,000; if it had Bermuda's or Malta's density the population would be 149,000, Gibraltar's density would give it a population of 464,000 while Singapore's density would give it a population of 779,000.

11. Could Jersey sustain these population levels? The answer is clearly yes. There would be significant transitional issues that would need to be managed, and as with other communities that have expanded rapidly the use of reclaimed land would mitigate the impact on existing land use.

12. This analysis is not suggesting that Jersey should aim for a substantial increase in its population; it is pointing out that the issue is not one of sustainability. A rapidly rising population, if properly managed, would generate additional wealth for the native community, but this would need to be balanced against the short term disruption and a significant change in land use. Dubai provides an excellent case study of a community deliberately increasing its population so as to increase the wealth of native population – to such an

extent that Dubai nationals are given free housing and the majority, in practice, do not have to work.

Has Jersey's population growth been exceptional?

13. There seems to be an assumption that population growth in Jersey has been exceptional. It has not been. There have been periods when Jersey's population growth has been very rapid, notably 1821 – 1851, and periods when it has been very modest or even declining, notably 1851 – 1921. Over the very long term Jersey's population has grown less than that of England as the following table illustrates.

Table 2 Comparative Population Data, Jersey, Guernsey, Isle of Man and England, 1821 - 2001

Year	Jersey		Guernsey		Isle of Man		England	
	No	Increase	No	Increase	No	Increase	No m	Change
1821	28,600		20,030		40,081		12.0	
1851	57,020	99%	29,757	49%	52,387	31%	17.9	49%
1901	52,576	-8%	40,446	36%	54,752	5%	32.5	82%
1951	57,310	9%	43,534	8%	55,253	1%	43.8	35%
2001	87,186	52%	59,600	37%	78,266	42%	52.1	19%
2001/1821		205%		198%		95%		334%
2001/1901		66%		47%		43%		60%

Source: Census reports.

14. The table shows marked variations between the territories and perhaps some surprising results –

- Jersey's population has grown substantially less than England's since 1821. Even in the 20th century Jersey's population growth was broadly comparable with that of England.
- Guernsey's population growth has been far more stable than Jersey's.
- Each of the Islands had slower population growth than England between 1851 and 1951 and more rapid growth subsequently.

Instruments of population policy

15. There are many misconceptions about the instruments of population policy. Setting a limit to the size of the population is not a policy instrument but a possible policy objective. And work permits are not a policy objective but rather a means of implementing a policy. States that wish to influence their population can use one or more of three variables -

- Seeking to influence birth rates, something which has been done in China but which is not appropriate or doable for advanced industrialised economies.
- Giving preference to locals in respect of jobs, housing and perhaps other variables, this policy perhaps even extending to prohibition on outsiders from taking jobs or owning houses. This is designed to act as a deterrent to people coming to live in the territory.
- Influencing the volume of economic activity so as to reduce the demand for immigrant labour.

16. Such policies can have only a limited influence and operate within constraints -

- In territories such as Jersey they cannot influence the number of births or deaths.
- They cannot influence people who acquire local rights by marriage or, to a less extent, other partnerships.
- They cannot stop people defined as local who live abroad from returning.
- They cannot stop people emigrating, and where people doing essential jobs emigrate then they may well need to be replaced by immigrants.
- They need to recognise that some jobs are essential to keep the economy going and that if local labour is not available either the jobs do not get done or immigrant labour is needed.
- They must not be unduly harsh on non-local people otherwise the migrant labour that is needed will not materialise, issues of fairness may arise and there might be adverse public reaction.
- They must recognise that such is the nature of population policy that any controls can be circumvented. For example, if a business is prohibited from employing a non-local person it may instead outsource the work to a contractor who may be non-local. "Lodging" houses are an example of circumventing residential qualifications.

17. In practice territories that seek to influence the size of their population do so by two instruments. The first is to give preferential treatment to local people. However, this immediately raises the critical issue of how to define 'local'. The world is not divided into two groups of people, locals born and bred in the area of parents who were also born and bred in the area, and foreigners. Rather, there is any number of variations with that number increasing over time as people become more mobile. In seeking to define 'local' there are particular issues in respect of -

- Spouses, who generally are regarded as being the equivalent of local. However, what about unmarried partners of the same or different sexes and what about spouses following divorce or death?
- People who are born in an area, leave and then return.
- The children of local people who are born in another country, perhaps where the parents lived for a very short time before returning.
- People born and educated in the area but of parents from outside the area.
- People who were not born in the area but have lived there for a very long time.
- Special cases, that is people who are deemed to be desirable because they are famous or rich.

18. These points can usefully be illustrated by asking the question of which of the following two people is the true Jerseyman -

- Christiano Gonzalez, living in Lisbon, aged 12, born in Jersey of Portuguese parents, who after living in Jersey for ten years returned home to Portugal with his parents. He has Portuguese nationality and his first language is Portuguese although he speaks

some English. He has no relatives in Jersey.

- John Le Brocq, aged 23, born in London of Jersey parents, both teachers, who returned to Jersey with his parents at the age of 13 before going on to university in England at the age of 18. He has many relatives in the island including brothers, sisters, grandparents and cousins.

19. The answer, in respect of residential qualifications, is that Christiano Gonzalez counts as being the Jersey person by virtue of having been born in the Island and living there for ten years.

20. Where territories seek to give preference to locals, then generally they define 'local' using a combination of the following factors -

- Birth place, which even though perhaps accidental counts disproportionately.
- Partners, with a hierarchy running from married partners to unmarried partners and former partners.
- Length of residence in the area and away from the area, particularly for people returning.
- Birth place of parents.
- Nature of employment.

21. The second policy instrument is to seek to slow down economic growth through a combination of macro policies such as taxation and direct physical controls.

22. Jersey has used both instruments. It is not clear what effect they have had on the size of the population.

Migration and living standards

23. Generally, net inward migration helps increase the living standards of the local population. There are three main reasons for this –

- Migrants generally move after completing their education, and some return to the home country on retirement so they make fewer calls on the resources of the state, particularly in respect of education. This can usefully be illustrated from the Jersey 2001 Census. 87% of the Portuguese born population were aged between 20 and 59 as was 72% of the population born in the British Isles other than Jersey. For the Jersey born population the figure was 46%.
- Migrants are generally productive with a good work ethic – they have had the initiative to seek to better themselves by leaving their comfort zone.
- Migrants will do the work that local will not do – particularly lower paid manual work.

24. Going forward, the lower the level of net immigration into Jersey the lower the proportion of the population of working age. That zero net immigration would cause significant problems for Jersey was indicated in the Council of Minister Report of Population Policy. It said that the main challenges that would be faced by the Island in the long term would be –

- “The total population would fall slightly to around 87,000 in 2035 and decline to just over 72,000 in 2065.
- The number of people over 65 would more than double by 2035 (an increase of 110%).
- The working age population (i.e. those between 16 and 65) would decline 21% by 2035.
- The school age population would decline 23% by 2035.
- There would be a greater proportion of older people within the population than previously foreseen.
- The States of Jersey would have a predicted budget deficit of £190m per annum by 2035, purely as a result of demographic changes.”

25. However, the report then makes a significant error with the following comment: “The effect of an ageing population is often described as the number of people of working age compared to the numbers of the young and the elderly. It is the money generated by the working population that supports the services for the dependent population.” This is true only in a closed economy. If the elderly have income from outside Jersey, for example from pensions or investments in the UK, not only are they not dependent on the working population in Jersey but they may also help to support that population through their spending and the taxes that they pay. Wealthy immigrants can make a significant contribution to the sustainability of the population.

26. It may be helpful to conclude this section by commenting on the current position. The population of Jersey increased by 700 in 2005, 1,000 in 2006 and 1,400 in 2007. These figures are directly related to the high rates of economic growth, 7% in 2006 and 2007. Economic growth slowed substantially in 2008 and will be significantly negative in 2009 and probably in 2010. Population growth is likely to have fallen in 2008 and will be low or negative, perhaps substantially so, in 2009 and 2010. This has nothing to do with population policy and everything to do with the current economic situation.

Conclusions

27. Debates on population policy tend to be characterised by emotion rather than rational analysis, and often ignore basic facts. As a result there are unrealistic expectations about what policy measures can achieve, and some damage is done by policy measures implemented for the wrong reasons.

28. Some key facts for Jersey are –

- The Island’s population has for many years been very cosmopolitan.
- Jersey people have always been among the most mobile in the world.
- Jersey’s economic success over many years, and therefore the wealth of the local community, could not have been sustained without significant net immigration and the use of short term migrant labour.
- Jersey is not densely populated compared with comparable territories.
- The rate of population growth in Jersey over the long term has not been exceptional.

28. Given these points, Jersey needs a population policy that is realistic in respect of the current circumstances of the Island and what can be achieved through policy measures. The approach of the Council of Ministers is broadly correct – to seek to influence net immigration by housing policy and economic policy. However, the Council of Ministers and the States need to recognise that the size of the population is not within their gift; it is not a variable that is capable of precise control. The 2001 Census indicated that around 2,500 people acquire residency in Jersey every year and about the same number give up residency; net migration is the difference between two very large numbers. There are also thousands of seasonal workers each year. There are perhaps 30,000 people currently living outside the Island who have residential qualifications and who can return at any time. And there are jobs in Jersey that need to be done and if local people will not or cannot do them then migrant labour is needed.

29. So while the broad policy objective of a gradual increase in the population is reasonable there should be no expectation that the Government can deliver this, and that there are bound to be significant short term fluctuations in the population, reflecting the very flexible nature of the Jersey labour market.

30. A final point – a rising population is a sign of a successful economy, but needs managing to minimise undue strains of the infrastructure and environment. A falling population is a sign of economic problems; the consequences are far more serious and difficult to manage.

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Much of the information in this paper is extracted from an early draft of a detailed paper – *Jersey's Population Trends*, which seeks to analyse and explain the changes in Jersey's population since the earliest times. This paper will be published in due course on www.boleat.com.

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