

2015.10.05

### **3.4 Deputy S.Y. Mézec of St. Helier of the Chief Minister regarding the distribution of the proceeds of economic growth:**

Following the publication of the latest *Measuring Jersey's Economy* report, which shows that the economic standard of living in Jersey has fallen by almost a fifth since 2007, what measures, if any, will the Government be introducing to ensure that the proceeds of economic growth are fairly distributed?

#### **Senator A.K.F. Green (Deputy Chief Minister - rapporteur):**

The latest economic figures are an indication of further recovery. Employment is growing, earnings are growing, our economy is growing. This comes after a difficult economic time with profits being hit by the global banking crisis. We now need to ensure that our recovery is sustained with standards of living rising for all Islanders of all walks of life. For me, this means supporting the strategic priorities we have outlined, the balance of budgets proposed in the Medium Term Financial Plan, more investment for health, education and a focus on jobs, productivity, innovation and enterprise. This is the best way to support our community, to ensure that we all benefit.

#### **3.4.1 Deputy S.Y. Mézec:**

Is the Deputy Chief Minister aware that, in the same period of time, the number of Islanders earning above £1 million a year has quadrupled and, if he is or is not aware of that, does he agree that it is a bad sign that Jersey is becoming a more unequal society? What does he believe the Government should be doing to rectify this?

#### **Senator A.K.F. Green:**

I think the Government's role is to ensure that we have an economy that supports growth. Those people with the high earnings that the Deputy refers to are the very people that supply employment. They are the very people that ensure that we have jobs for our children, for our grandchildren. I have no problem with people working hard to improve their situation, to increase their income. Everybody should do that.

#### **3.4.2 Deputy G.P. Southern:**

The Income Distribution Survey of 2009-2010 brought out the fact that the lowest 20 per cent of the population claim 7 per cent of the income, whereas the top quintile, the top 20 per cent, claim around 50 per cent of total income. Does the Minister have any up-to-date figures on what distribution of income is involved on the Island today?

#### **Senator A.K.F. Green:**

I know those figures exist, but I do not have them with me. I am quite happy to ensure that the Members get them.

#### **3.4.3 Deputy M.R. Higgins of St. Helier:**

The Minister has stressed the importance of economic growth. Can I ask the Minister: bearing in mind the figures from 1998 to the present time show that we have had negative growth over that period of time, taking peaks and troughs into account, what makes him believe we are going to do better over the next few years or the next 5 years?

#### **Senator A.K.F. Green:**

My good friend the Deputy is right that we have been through a difficult time. That was not of our making. That was a global banking crisis. He fails to mention that in 2014 we saw a 10 per cent increase in benefit from the finance industry and a 5 per cent increase overall for our economy. That is a good sign. It does not mean that we are out of it yet. We have a lot of work to do, but it is a good sign, the best in Europe.

#### **3.4.4 Deputy M.R. Higgins:**

The Minister did not answer the question. He chose to choose from 2008, when we went into recession. I mentioned the figures from 1998, which shows from that time, taking peaks and troughs together, Jersey's economic growth has been negative. What makes him believe it is going to be any better this time?

#### **Senator A.K.F. Green:**

As I said, we know that it was negative and lots of other economies went through the same difficult patch, but we know that 2014 are the first green shoots of economic improvement.

#### **3.4.5 Deputy S.Y. Mézec:**

My question was actually about inequality and I do not think we have heard many answers on that subject. Could I ask him, therefore, if we accept the Corporate Services Scrutiny Panel's figures that the tax rises which are going to be introduced over the next few years are going to leave families £1,000 a year worse off, could he explain how that is conducive to reducing inequality in Jersey?

#### **Senator A.K.F. Green:**

I do not see how they can say that at the moment. We have not done those sums ourselves, but we do know that there are more jobs. Productivity is improving, income is increasing and we are heading in the right direction for the improvement in the economy. The best way to help people improve their situation is to reward hard work.