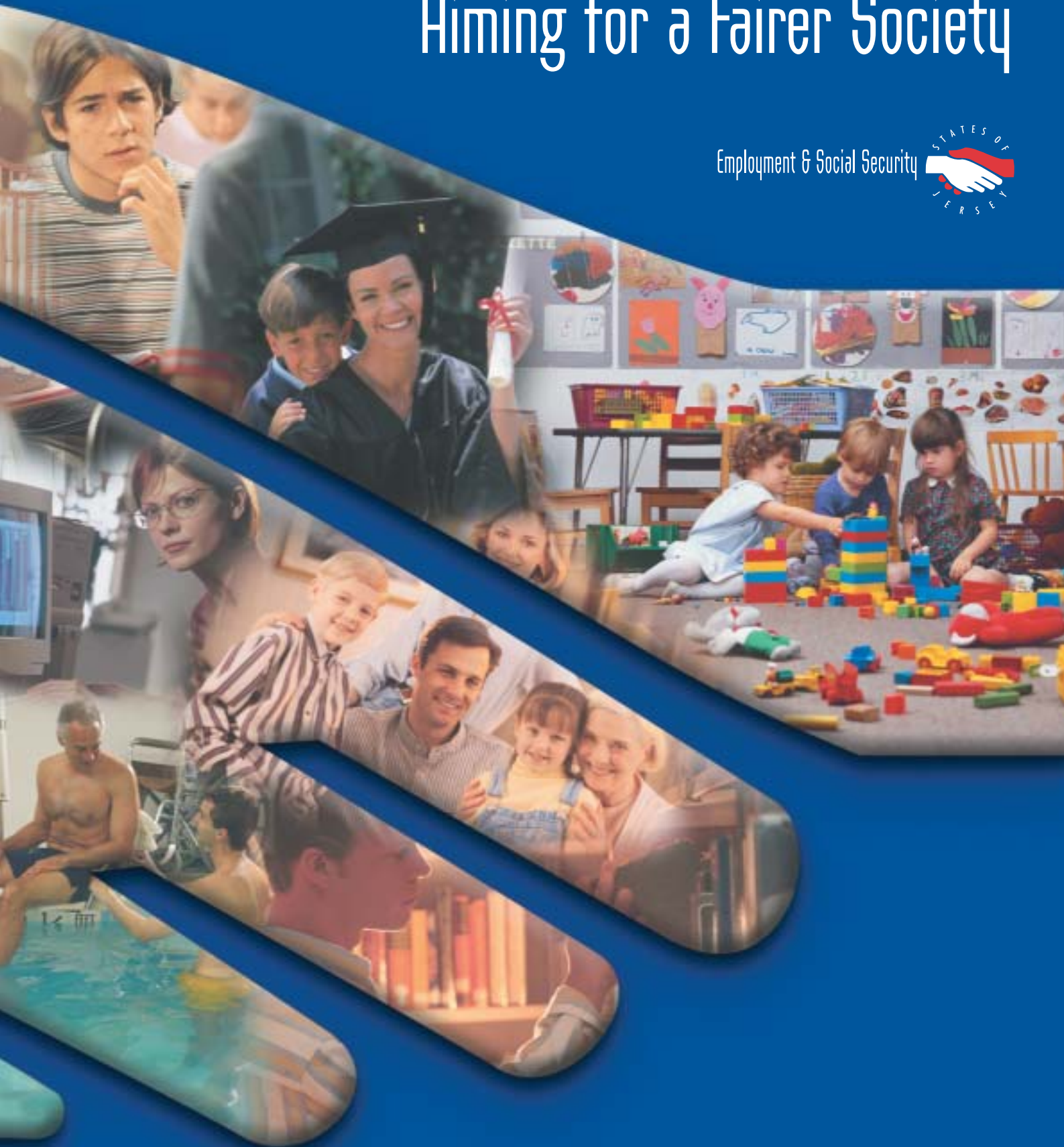


Aiming for a Fairer Society

Employment & Social Security



A report prepared for the
Social Policy Strategy Group, States of Jersey
by Robert Walker, University of Nottingham
and Institute for Fiscal Studies

October 2001



Contents

Page

Summary

1

Aiming for a Fairer Society

2 - 24

Reflections on Jersey Social Policy

2

1. Policy Context

3

1.1 Structures and procedures

3

1.2 Financial uncertainty

4

1.3 The population question

4 - 5

1.4 Economic choices

5 - 7

2 Framework for Public Policy

7 - 8

3 Attitudes to Social Policy

9 - 11

4 Principles of Social Policy

11 - 12

5 Social Policy Priorities

13

5.1 Equity and Access

13

5.1.1 Residency qualifications

13 - 15

5.1.2 Access via length of residence

15

5.1.3 Access via means-testing

15 - 16

5.1.4 Access to health

16

5.1.5 Contributing to social welfare

16 - 17

5.2 Security

17

5.2.1 Welfare

17 - 18

5.2.2 Health finance

18

5.2.3 Community and residential care

19

5.2.4 Ageing

19 - 20

5.2.5 Provision for disability

20

5.2.6 Training, education & employment

20 - 21

5.3 Quality of life

21

5.3.1 Housing

22

5.3.2 Environment and transport

22 - 23

5.3.3 Community

23

6 Conclusion

24

List of Contributors

25



Summary

Sixteen members of the Jersey policy community were interviewed in June/July 2001 to solicit their views so as to assist the Social Policy Strategy Group in an iterative process of policy development. Respondents concluded that although Jersey was economically successful, success had been bought at the cost of creating an unjust, two-tier society.

Social policy development was thought to be constrained by political structures and procedures that encouraged 'short-termism' and inhibited the exercise of political leadership (Section 1.1); by uncertainty as to the state of public finances (Section 1.2), by lack of a coherent population policy (Section 1.3) and by a failure to promulgate a clear economic strategy (Section 1.4). What was required was a framework for public policy comprising an economic strategy, specifying the kind of economic development preferred and outlining the balance to be given to economic growth compared to population size and environmental protection; a fiscal strategy going beyond a commitment to self-sufficiency to specify the desired level of spending and the balance of funding methods and a social strategy setting out priorities, policy goals and performance criteria (Section 2).

Reflecting Jersey's lack of corporateness, respondents had little detailed understanding of policy areas other than their own (Section 3). Respondents argued that the committee structure did not necessarily map well onto social problems, resulted in fragmentation and inhibited policy development. Education and health were policy areas that attracted most positive comment while housing and transport received the least.

Reflecting respondents' perception of Jersey as being divided, priority was given to equity and fairness as goals of social policy (Section 4). There was also a strong commitment to supporting a high quality of life including the provision of quality public services, effectively and efficiently delivered, that might contribute to the creation of a more cohesive community.

Respondents identified a large number of social policy issues that needed to be addressed. Most important was the policy of housing qualification which was thought to create extreme poverty and appalling housing conditions amongst those not residentially qualified, to put children at risk of neglect and to divide society into two (Section 5.1.1).



Aiming for a Fairer Society

Reflections on Jersey Social Policy

Talking with selected members of the Jersey policy community reveals a striking unanimity of view. Jersey is perceived to be an economic success and this success is expected to continue despite new risks arising from an increasing competitive global economy. However, the success is recognised to have been bought at the cost of creating 'a two-tier society': 'fantastic wealth is evident for all to see' at the same time as 'families with children live in appalling housing conditions'. All agree that this situation is 'unfair', 'unjust' and 'ultimately unsustainable'. The ambition of the leading politicians and key policy makers is 'to achieve a fairer society'. The challenge lies in building popular support for change and effecting policies that bring this about while not undermining economic success. The demand is for political vision and leadership that antiquated machinery of government may historically have frustrated.

Given the widespread desire to change political structures and procedures and the consensus at the heart of government to bring about a fairer society, there is little reason why appropriate policies should not be put in place earlier rather than later. Not to do so would be a failure to govern that could in time erode Jersey society and threaten its economic success.

This brief report derives from discussions held in June and July 2001 with 16 people selected by a sub-group of the Social Policy Strategy Group. They include five senators, two former constables, six senior officials and three other leading members of the policy community all of whom gave freely of their time and experience to contribute to the study. They spoke in confidence and for this reason views are not attributed to specific individuals. The report deals with respondents' concerns, hopes, aspirations and informed opinion derived from perhaps 200 years of collective experience of making policy in Jersey. The facts upon which opinions are based have not been checked since this lies beyond the scope of the enquiry but policy decisions will of course need to be grounded in evidence wherever this is possible.

The report divides into five sections. Respondents' accounts of the context in which policy is made are presented first before rehearsing the case for a strategic framework within which individual policies can be developed in the second section. Perceptions of the challenges facing the main areas of social policy are summarised in the third section and then the principles that respondents would like to see underpinning social policy development are discussed in the fourth. Finally, respondents' suggestions for the reform of social policy are presented and assigned a preliminary priority to stimulate consideration within the Social Policy Strategy Group.



I Policy Context

Respondents insisted that in order to understand the lack of strategic policy development in Jersey that it was necessary to understand the broader political and policy context. The context constrained social policy development and required reform if policy advance was to be pursued effectively.

I.1 Structures and procedures

Although major policy advances have been made in recent years, most notably in the areas of health and social services, employment and social security, the consensus is that strategic policy making has been conspicuous by its absence. There has been little political leadership at either an individual or committee level. Split responsibilities between the Policy and Resources Committee and Finance and Economics Committee and the inability of the former to exert its will over other semi-autonomous committees has resulted in a lack of corporateness and a paralysis of policy making.

The root cause of this inertia was identified as a political system that boasted a surfeit of democracy: 53 independent politicians governing the island and others at parochial level facing triennial elections created a culture of 'short-termism' and strategic inactivity. Committee members had too little time between elections to acquire background knowledge, investigate problems, develop policy and canvass popular and political support to effect controversial change. Being close to the public, politicians - and committee chairpersons in particular - also invested much time in responding to the demands of individual voters that engaged them in executive activities rather than legislative development. Senior officials were similarly often diverted from strategic to 'fire-fighting' activities.

One consequence of these impediments is that officials rather than politicians often initiate policy change but do not have the political authority to drive policy forward. A second is that policy development is piecemeal rather than coordinated and strategic. The prevailing view was that the system of States Strategic Plans initiated in 1991 had fallen into abeyance. While the strategic objectives first promulgated in the 1995 States Strategic Plan could be criticised for their lack of specificity, they provided a framework within which incremental reforms could be developed that were cumulative in their achievements. Without such a framework policy makers were easily diverted from strategic goals and day-to-day policy advance was inhibited.



1.2 Financial uncertainty

An example of the lack of corporateness with profound implications is uncertainty over island finances. It is generally believed that the growth in the states' income has fallen below trends in expenditure. One reason for this is thought to be the fall in global interest rates that has caused investors to switch from income generating investments, which are subject to taxation in Jersey, to capital growth investments that are not.

However, there is doubt about both the size and permanence of this shortfall in income among politicians and officials in the spending departments. A view prevails that any shortfall is likely to be short-lived and that, in any event, 'Wolf!' has been cried too often before when resources have always eventually been found. This, in turn, reflects a widespread belief that public expenditure is driven by the high expectations of an electorate that has historically been protected from the fiscal implications of demands for high quality public services because the majority of government funding is generated from the corporate sector. For the same reason, the political system has generally been able to avoid making hard financial choices or specifying strategic funding priorities. In a new financial scenario priorities would have to be formulated but political structures and practice currently militate against this.

The universally accepted view among respondents was that something like the cabinet system of government proposed by the Clothier Committee was required if policy and related expenditure priorities were ever to be successfully evolved and implemented. Most respondents believe that this will occur since the current policy inertia is unsustainable.

1.3 The population question

Population policy or, perhaps more accurately, doubt about population policy is a pervasive influence on policy deliberation in Jersey. The prevailing assumption is that Jersey residents are protective of their environment and fearful of the risk of ever becoming Europe's Hong Kong; they therefore demand that the population should not be allowed to increase. On the other hand, though, the belief is that Jersey people are also fervently attached to their high standard of living and the vast majority of respondents felt that increasing living standards and a static population were incompatible aspirations. As a result, some trade-off between economic and population growth would need to be sought.



Respondents mostly thought that historically the population 'problem' had been overstated. Indeed, at least one person believed the population to be already falling. Jersey was still predominantly unspoiled and there was little evidence of any strains on service provision with the unquestioned exception of housing. However, politicians have responded to concerns of the electorate by inventing an arbitrary population ceiling of 85,000, which everyone believed to have been well exceeded, and by deliberately not sanctioning sufficient numbers of new dwellings to accommodate increased population numbers. The result was high housing costs, overcrowding and hardship.

Businesses, respondents opined, usually needed to recruit personnel in order to remain successful. Some new staff could be recruited locally although since unemployment was effectively nil, companies were competing for the same people which tended to be inflationary. Others with specialist skills had to be recruited from outside Jersey. Moreover, multiplier effects were inevitably involved since successful businesses generated demands for services both as commercial suppliers and to provide retailing and recreational outlets to make Jersey attractive to staff. Restricting population growth risked alienating business by increasing staff costs and restricting economic activity.

Moreover, Jersey's demography suggested a substantial ageing of the population which meant a shrinking workforce would have to finance growing numbers of economically inactive pensioners. Under such circumstances there was a need to import labour both to sustain existing services and to fund increased social costs.

Although most respondents thought that population numbers should be allowed to expand, a minority felt that public antipathy would prevent this from happening. A counter argument was also articulated, namely that the population would be allowed to increase as it had been in the past for the benefit of the 'ruling elite', against the wishes of the majority of the population and with little regard to the well-being of the island community. All looked to the new report on population to stimulate debate that would lead to a coherent and sustainable policy.

1.4 Economic choices

While a clear population policy was urgently needed, it was recognised that this was inextricably linked to decisions about the desired future direction of the economy which would, in turn, determine key dimensions affecting social policy, namely the extent of need and the availability of resources.



It was also appreciated that, in large measure, decisions about the direction of the economy could not be predetermined. Jersey's current prosperity was largely the result of happenstance, the growth of the financial sector more than substituting for the decline in agriculture and tourism caused by changes in international demand (exacerbated, to a degree, by the success of the finance industry which in turn inflated costs faced by other enterprises). Likewise, Jersey's future would be dependent on global forces, notably the continued success of financial services.

However, it was necessary to make broad choices. Was Jersey to go for rapid further growth? Was it to continue on the above trend growth of the last decade? Was it to curtail or even to forgo growth so as to conserve the environment and preserve the existing quality of life? Each scenario generated different policy options.

Respondents, with few exceptions, chose to continue on approximately the same growth path as in recent years but considered the implications of restricting growth. As rehearsed in the above discussion on population policy, most respondents choosing continued economic growth believed that this required some increase in population. This was also considered to be beneficial in its own right for demographic reasons, provided Jersey's housing problems were successfully tackled. Population growth, some argued, could be minimised by concentrating on high value-added and non-staff intensive industries. This built on Jersey's prevailing competitive strengths but would require policies to increase skill levels in the labour force and would probably result in the further demise of agriculture and tourism. A minority view was that population growth had to be curtailed through more energetic enforcement of the Regulation of Undertakings law, and that this in turn could well reduce the high rate of growth that was undermining the long-term interests of the community.

Most respondents thought that holding to the current population, or curtailing economic growth, would have substantial implications for public finances requiring reductions in expenditure and/or increases in taxation. Indeed, those people who believed that the current financial situation was truly a cause for concern argued that these options had to be confronted immediately, and that further curtailment of economic and population growth would merely exacerbate an existing problem.

Politicians were united in their desire to keep the island fully self-sufficient, to avoid borrowing and to contribute annually to the strategic reserve. It was in this context that the shortfalls in revenue predicted for 2003 and 2004 provoked concern. Almost everyone thought that there was legitimate scope for increasing personal taxation since the average citizen received far more back in the form of services than they paid in taxation. Introducing a PAYE system would improve cash flow but some politicians and officials felt that making the system more progressive could frighten off the finance sector. It was also the prevailing view that increasing corporate taxation would be

counterproductive. While the conventional wisdom was that the financial industry in Jersey was not excessively price sensitive, the international trend was towards lower corporate taxes, especially among Jersey's direct competitors. This left a sales tax, sometimes portrayed as a tax on luxuries so as to curtail the regressive properties that attach to most expenditure taxes, the use of social security contributions to increase the tax take and, a variant of the same approach, a hypothecated health tax or contribution system. Raising revenue through hypothecated contributions had the potential to be progressive and being, in effect, an employment tax, a mechanism by which population growth might be controlled.

Discussions did not cover the trade-offs between taxation and expenditure although the implication was that further taxation was required to sustain existing levels of expenditure. Politicians were more confident than officials that savings in expenditure could be made without reducing the quality of services although both groups agreed that there was duplication in the system - partly a consequence of the lack of corporateness. Indeed, one official noted that the failure of corporate government in Jersey and the resultant lack of specific priorities had very probably led to higher levels of public expenditure than otherwise would have been the case. However, this respondent took pride in the quality of service provision and did not spontaneously volunteer areas where improvements in efficiency could be achieved.

The policy context, therefore, is one in which there is a need for fundamental decisions to be taken as to the direction of economic and population policy. These decisions are profoundly political in nature in that they will not only determine the nature and quality of social and economic life on the island, but also require a change in the mindset of the electorate and the redistribution of resources in such a way that not everybody gains equally or indeed at all. Historically, institutions and procedures have failed to foster leadership able to build the political support needed to take and follow through on such decisions. It seems unlikely that it will be possible to muddle through without serious negative effects for much longer. Having taken decisions about the direction of economic and population policy, the process of social policy development is likely to be much more efficient and effective.

2 Framework for Public Policy

Respondents with direct responsibility for the design and delivery of social policy believed that it was imperative to devise and promulgate economic, fiscal and social strategies for Jersey. Without this, prioritisation proved impossible, Cinderella services, such as residential care, primary health care and parish welfare, lost out to politically more appealing causes and the planning of incremental development of services was at best haphazard.



What was wanted was a clear statement of the balance to be sought between economic growth, population numbers and environmental protection. Historically the electorate had never been engaged in determining the trade-off between these goals: voters had not been presented with clear choices and this had fostered a fantasy that perpetual growth was possible without environmental change and with a static population. Without a clear choice being made, it was difficult to determine either a fiscal or social strategy; that is whether public services would continue to be funded largely from economic growth or require increased taxation and/or need to be reduced either in quality or coverage.

There was also a need to clarify the kind of economic development preferred. There were choices to be made about the balance between the finance sector, tourism and agriculture and thus between high and low value added production. Only in this way was it possible to ensure that incentive structures did not have perverse consequences and that a suitably qualified labour force was available.

The existing fiscal strategy was couched primarily in terms of commitments to self-sufficiency and to adding annually to the strategic reserve. Once an economic strategy had been formulated, fiscal strategy could be extended to include statements relating to the desired volume of public spending, the level and distribution of the tax take and the extent of redistribution to be achieved through the tax system in support of strategic social policy goals. The fiscal strategy would need to include commitments on the intended balance between corporate and individual taxation, between taxes on income generation and capital growth and between direct and indirect taxation. It would also include goals in relation to the progressivity of the tax system and the coordination of tax thresholds, and decisions about the role of social security as a tax raising instrument and relationship between income tax and social security contributions and their joint interaction with the level of benefit payments.

Social, economic and fiscal strategies are self-evidently inter-dependent even though this interdependency has been obscured by a political system that encourages populist politics. Jersey's commitment to high quality public services requires either sustained economic growth or high taxation. For this reason, fiscal strategy cannot be developed in isolation from strategic social goals but nor can social policies be developed without a clear fiscal framework. A social policy strategy would comprise a set of shared aspirations or principles and a set of strategic priorities within which would be nested policy goals and performance criteria. The strategy would need to be dynamic, that is subject to regular review so that adaptations could be made to changed circumstances and policy outcomes. It would also need to be informed by review and analysis of current and projected social need and expectations.



3 Attitudes to Social Policy

Such is the lack of corporateness in Jersey that the persons interviewed, although all committed to collaborative policy making, had comparatively little knowledge about areas of social policy for which they were not responsible or were perhaps unwilling to share their views. Nevertheless, the comments offered may provide some hint of the likely response to suggestions for policy reform.

More was said about housing than any other topic. Much of the comment related to the distinction drawn between people who are residentially qualified in terms of access to housing and subsidy and those who are not. This was identified as the major factor distinguishing Jersey's 'haves' from the 'have nots' and is much discussed below. Respondents also dwelled on the lack of affordable housing, State's housing that was stigmatised and frequently, when talking about Jersey's poor, homeless people. It was left to those responsible for housing policy to note the positive achievements: a high quality housing stock, a good repairs service (albeit with poor long-term maintenance) and a subsidy system that ensures that housing committee tenants never have to devote more than a quarter of their income to housing costs.

In contrast, there was nothing but praise for the education system. It provided education of the highest standard in well-resourced schools and offered generous support for higher education in the UK. Primarily because of the special provision that allowed 26 teachers per year to be offered permanent employment, the service was also generally able to attract high quality teachers. The fact went unremarked that the system embraces fee-paying schools within the public sector that offer parents no more in return than to ensure that their children are educated with the children of like-minded parents, thereby perpetuating social divisions in Jersey society.

Transport was never mentioned except to complain about the quality of public transport that trapped the poor, disabled and elderly at home.

Health, though, received much positive comment. The hospital service and primary health care were generally considered to be very good although access to the latter was thought to be a problem for certain subgroups (discussed below). But there were major misgivings, most notably concern that the health system was financially unsustainable, at least under the current funding system. Moreover, the real fear was that expenditure would continue to escalate as medical advance fed expectations and an ageing population generated greater demand. There was additional concern about a perceived shortage of nursing home, residential care and sheltered housing but little discussion at all about social work practice.



There were mixed messages about employment and social security provisions. The general impression was of an improvement in the coverage of benefits and appreciation of the rationale for building up the strategic reserves to meet the claims of rising numbers of retirement pensioners. There was widespread, sometimes vehement, criticism of the parish welfare system that was thought to be unfair, but recognition - from sometimes unexpected quarters - that the situation had improved in recent years. The logic of being able to access all benefits from a single office was rehearsed on a number of occasions and attention drawn to the fact that this was not yet possible. Concern was expressed that benefits were received by people who did not deserve them, either because of abuse of the system or, as in the case of Disability Transport Allowance, poor design and targeting. One politician remarked that if 'real poverty' existed in Jersey then that was unacceptable; the implication was that real poverty might not still exist - a possibility strongly refuted by most respondents. With the exception of childcare - and one person who drew attention to the importance of introducing a minimum wage - employment measures were scarcely mentioned, although some politicians were concerned by the continued strength of the TGWU and the perceived diminished authority of employers.

Social security was sometimes seen as the most worrying drain on central resources with expenditure thought to be increasing faster than that for health. Moreover much of the expenditure was mortgaged on future income.

There was a widespread view that the committee system resulted in fragmentation and inhibited policy development where issues crossed committee boundaries. Even the logistics of establishing joint committee meetings was formidable. Therefore, a forum was needed to take a strategic overview to address boundary-crossing issues, to identify areas of duplication and also gaps in provision. Officials who belonged to the Social Policy Strategy Group, and those presidents who were associated with it, were generally enthusiastic that this group went some way towards meeting this need. Equally, though, there was a view that the group was seriously under-resourced, lacking a full-time secretariat and an analytic capacity, and was limited in its ability to initiate real change. The interviews revealed that outside those directly involved, the group did not enjoy a high profile and a number of politicians were unclear as to its composition and role. There was also some fear that making it more powerful would inevitably result in demands for greater expenditure.

Some respondents also suggested that the committee and departmental structures could be changed to accommodate boundary issues. Among the ideas floated were the merger of the social service components of Employment and Social Security with Health and Social Services, hiving off benefits as a separate department or agency; the merger of the Housing Department with Environment and Planning; and also the separation of housing benefits from the Housing Department.



To summarise, there was recognition that the machinery of government did not map well onto prevailing social issues and that structures to promote strategic approaches to policy were required. Taking the social policy domains singly, education and health attracted most positive comment and housing and transport the most negative.

4 Principles of Social Policy

Part of the brief was to seek respondents' views on what should be the guiding principles of strategic policy on the island and the strategic objectives of social policy and their priority. Not surprisingly respondents found it difficult to devise principles on the spur of the moment and a more appropriate device might be to draw up a list of principles and to consult on it. When presented with the policy objectives established in the 1995 Strategic Policy Review, '2000 and Beyond', respondents tended to accept them as sensible before suggesting ways in which they might be modified. Unfortunately, it was not possible to talk through the 1995 Review in more than a small number of interviews.

Equity and fairness were principles to which virtually everyone ascribed. Moreover, it was evident that these principles had priority because it was generally accepted that Jersey was an unfair and unjust society. Repeatedly people talked of the 'huge disparities in wealth', of the 'haves and the have nots', and the divide between the residentially qualified and unqualified. Residency qualifications were for most people the most potent symbol of unfairness and the issue that had to be addressed first and foremost if Jersey society was ever to confront the problem of inequity.

Significantly, the discussion of equity focussed more on access than on outcomes. While people commonly wanted financial inequalities to be reduced, the lack of access to housing and welfare services experienced by the non-residentially qualified attracted most disquiet. Not only did respondents believe the differential access to be unacceptable on ethical grounds and would inhibit the attainment of social harmony; they feared that Jersey could be castigated in the courts of international public opinion.

A second aspiration was that Jersey citizens should enjoy the highest possible quality of life. It is important to note that invariably the discussion was couched in terms of quality rather than simply standard of living. Respondents were very clear that a bid for higher incomes alone could easily destroy the social community and environment that were prized components of Jersey's way of life. This implied, therefore, a trade-off between economic growth and other less tangible qualities including, it should be said, quality health care, education and other state provided or funded services. As already noted, while the principle of this trade-off was universally accepted, views diverged as to



precisely where the trade-off should be struck. Some gave priority to stasis, preserving what existed already, while more believed that quality of life and living standards should continue to increase and that this would mean that people would have to accept change in the environment. Respondents usually related their aspirations to the perceived achievements of neighbouring countries, as did '2000 and beyond' although some questioned whether a small island community could legitimately aspire to equal what could be achieved by much larger economies and jurisdictions.

Despite doubts over the practicalities, respondents believed that Jersey should aspire to the provision of quality services, health care, education, public transport and social security and welfare benefits. Citizens, clients and consumers of services should be accorded respect in the way that services are delivered. People aspired to a society where everyone could be an individual and where individuals with particular needs could be supported. Jersey, as any society, could and should be judged by the way that it treated its most vulnerable inhabitants. However, such aspirations were almost invariably qualified with reference to the resources available, to the need to achieve value for money and the desire to prevent the creation of dependency. The closer respondents were to being responsible for island finances, the more likely they were to argue explicitly that Jersey could not afford universal benefits or free at the point of use services and that generosity could be increased if resources were targeted on the most needy. Such respondents presumed that employers and employees were close to, or had reached, the limit of what they were prepared to pay in taxes and contributions.

Respondents also aspired to creating a stronger, healthier community that was more cohesive and inclusive. Some felt that such a society would have the family closer to its centre, although the dislocation caused to the family by immigration and migration was often acknowledged.

It was recognised by respondents that quality of life and high quality social services were reliant on a successful economy that, in turn, depended on a skilled, productive and flexible labour force. Hence respondents were keen to ensure that education and health continued to be priority services and that life-long learning be promoted to meet the ever changing demands of the economy.

Finally, there was a commitment that public services should be delivered effectively and efficiently. This meant the sensible use of staff and information systems, review of the mechanisms of service delivery and, on occasion, a re-division of responsibilities between the agencies of government and between government and for profit and not for profit sectors. The commitment to efficient public service was reinforced by the idea that service users should be treated with respect; poor administration, where it occurred served to undermine the status of clients exposing them to unnecessary hassle, lengthy waits, repetition and duplication. Poor public administration also made life unduly difficult for public servants engaged in the delivery of services. In addition, it was widely recognised that bureaucratic waste restricted opportunity and constrained what public services could deliver.



5 Social Policy Priorities

All respondents were asked about the social policy issues that needed to be addressed within the next year and within five years to a decade, both in policy areas for which they had a direct responsibility and others that they considered to be important. Almost all agreed that residency topped the list although few had confidence that they knew how the issue should be tackled. The funding of healthcare, better access to welfare benefits and a closer integration of residential health and community services also emerged as high priority ahead of a large number of issues, many of which went unrecognised by those without direct responsibility or specialist interest.

The large range of issues raised in the interviews means that it is not possible to cover many in depth. The diversity of issues and the fact that a number cut across the current committee structure indicates that it is inappropriate to organise them according to the committee responsible. Instead, they are loosely ordered in relation to the social policy principles elucidated above.

5.1 Equity and Access

Respondents believed that people should be treated fairly in terms of the contribution that they were expected to make to Jersey's finances and in terms of their access to services and benefits. They knew that this did not happen and many admitted to feeling shamed by this.

5.1.1 Residency qualifications

Housing policy in Jersey is used to regulate population growth by limiting new build to a level below proven demand and by means of imposing a 19-year residency requirement for access to States housing and/or receipt of housing subsidies. Housing policy indirectly, although not necessarily intentionally, in turn moderates the rate of economic growth. However, most respondents agreed that housing policy had not had a great effect on population growth because single people seeking work were probably prepared to tolerate over-crowded housing for pecuniary reward. Also, the island population had grown naturally as well as by net migration while social and demographic factors had reduced household size but increased the number of potential households.

While the consensus was that housing policy had failed to curtail population growth, it was also viewed as the principal source of social division on the island. Latent demand for housing far outstripped supply thereby increasing house prices and rents. High public expenditure on housing



subsidies kept housing costs to bearable levels for people with residency qualifications but forced everyone else, except the highest paid, to live in intolerable housing conditions or to forgo other basic necessities. Respondents were convinced that the policy created extreme poverty among families with children, put children at risk of neglect as both parents were forced to work unsocial hours to make ends meet, encouraged abortion, reduced educational achievement and fostered anti-social behaviour among young people with nowhere to study. Twenty per cent of the population were reported not to be residentially qualified.

Most respondents wanted new house building to be increased beyond that allowed for in the Island Plan and virtually everyone wanted the residency requirement reduced from nineteen years, most commonly to five years and some people to even less. However, respondents differed in the speed with which they thought that this could be accomplished - officials typically believing that it should be done more rapidly than politicians - and in the mechanism to be used. Most people believed that the new policy should be limited to people already living in Jersey and that a new system should be put in place for newcomers. Others thought that the provision should apply universally including to newcomers who might only have to wait for five years before qualification.

The principal constraints identified were public opinion, impact on the housing market and the practicalities of devising a workable system of immigration control. The political arithmetic was thought to undermine the chance of change without strong political leadership. Those without residency qualifications tended not to vote, while the residentially qualified would fear an influx in immigration leading to higher rents and, perhaps, longer term, to a fall in the equity value of their houses if supply was increased. People with residential qualifications were thought to be blind to the hardship caused by the current system and instead were prone to blame social ills on immigration. The introduction of lengthy residency requirements in 1979 had created an injustice that was socially divisive, economically reinforcing and possibly politically irreversible.

Respondents were unsure what effect reform would have on the housing market, partly because no one was clear of the policy permutations that were possible. Many felt that simply removing the residency requirement would have less impact on the states sector than sometimes envisaged since people were already housed and the supply of new housing could not be increased instantaneously. The cost of extending rent subsidy schemes to currently unqualified people would probably be considerable but could drop over time if increased supply led to a fall in the cost of housing.

Most respondents felt that some brake was required on new immigration. Some strongly advocated work permits - presented by one respondent as treating all in-comers as short-term (j) category applicants - although others felt that such a system would not work well, especially in a situation



where demand exceeded labour supply. Few people were clear about the advantages of the proposed occupancy control system and whether this could be used successfully to limit immigration.

5.1.2 Access via length of residence

Access to many other services besides housing is dependent on length of residence: six months for health care, five years for non-contributory benefits, Health Insurance Exemption and Regulation of Undertakings. The fact that the same criteria do not apply to each service makes access to service provision haphazard, because clients may not be aware of all the residency rules, and often results in bureaucratic hassle and inequitable treatment. For example, the cost of native welfare is borne by the rates whereas that for non-natives is centrally funded which some respondents suggested led non-natives on occasion to be more generously treated by the parishes than natives. Then, again the parishes bear the cost of residential care for natives but not for non-natives and there were suggestions that parishes could place non-natives in residential care without adequate assessment. Moreover, people's status can change over time meaning that they find themselves in the wrong system and funding stream.

Most people believed that it was appropriate to impose a residency period on access to services to deter 'free-loaders' but that as far as possible it should be consistent across all services. One rationale commonly presented was that immigrant workers contributed to the economy through social insurance payments and taxation and deserved to gain security from their contributions in the event of unavoidable misfortune. Once people had access to services they should be treated in exactly the same way as everyone else. By implication this meant that funding streams should also not be differentiated according to length of residence that would, in turn, eradicate bureaucratic hassle arising from overlapping services.

5.1.3 Access via means-testing

It was generally accepted that some benefits should be targeted according to income since Jersey could not afford universal access. However, there was suspicion that a multiplicity of different means-tests existed which created inequity, meant multiple applications were necessary for some people, and blurred the message that there was support available to all who needed it. The preferred response was that, where possible, means-tests should be standardised and a single door to benefits provided. Only a few respondents had knowledge of the deliberations of the working party on low income support.



One topic noticeable by its absence was the adequacy of benefits. Nobody argued that contributory or non-contributory benefits were generally too low, and concern about parish welfare was limited to occasions when people were believed to receive less than their full entitlement. There were some worries about possible low take up, especially of parish welfare, but no data seemed to be available.

5.1.4 Access to health

Targeting of the Health Insurance Exemption (HIE) was a particular cause of concern identified by politicians, officials and people outside of government. Few people objected to the principle of paying for medical consultations but many believed that the threshold for access to HIE was inappropriate, causing great hardship for families and old people with incomes just above the threshold, especially those suffering chronic conditions, and families with teenage children. A sceptic remarked that there would always be demands to raise eligibility thresholds but those with first hand knowledge of the problem were convinced that the threshold problem with HIE was real and the consequences severe. Some people were also concerned about the distinction between the 'fee for service' principle in primary care and 'free' service provision in secondary and about the balance of resources between the two sectors.

In addition, or perhaps as an alternative, to making the HIE threshold more sensitive to family needs, some respondents suggested opening drop-in medical clinics offering free access to general practitioners or nurses at fixed times in much the same way that a primary health care system is offered to visitors to Jersey. Some also suggested free health assessments for people aged over 60 on the grounds that prevention is more cost effective than cure.

5.1.5 Contributing to social welfare

A widely shared view was that some Jersey citizens could afford to contribute more to the provision of public services by paying more tax. Indeed, some believed that low personal taxation, combined with high tax yields from corporate taxation, had undermined citizenship by masking the link between public consumption and personal cost and may have contributed to low turnout in elections. Moreover, a more progressive tax system could contribute to the goals of fairness and equity by better linking social contributions to what people could afford and by helping to reduce the stark inequalities in income that respondents found offensive. Some also doubted whether the corporate sector contributed enough to Jersey's social infrastructure and the few who thought that economic growth should be curtailed also believed that corporate taxation could be used to achieve this.



While the majority view was that increased and more progressive taxation was both feasible and desirable, everyone was aware of the need not to frighten away either industry or high earners. Increased taxation might also lead to demands for greater participation in the making of policy.

5.2 Security

Respondents believed that public services should seek to provide security for people confronted by adverse circumstances and loss. While most were convinced that service provision was generally good, there were areas in which Jersey was not performing well or where services were at risk.

5.2.1 Welfare

Welfare provision by the parishes attracted widespread and sometimes strong criticism. The prevailing view was that the principle of locally administered, individualised discretion was incompatible with modern service delivery. People felt that committees comprised of parishioners interviewing applicants was potentially humiliating and amounted to forcing a semi-public admission of failure in front of neighbours. This deterred take-up. It also resulted in inequitable provision without access to independent appeal and, while some felt that consistency in decision making had improved over time, a number of respondents believed that they had more than hearsay evidence that discretion was not always applied to enhance benefits but very often used to reduce them.

Funding of welfare was also considered problematic. Not only were natives funded from rates and non-natives from general revenue (see above for the problems that this generated), but the concentration of claimants in three urban parishes meant that residents in these parishes were forced to pay higher rates for reasons beyond their control. The fact that plans to equalise the burden across parishes had not yet been agreed illustrated the problems of achieving an equitable system of welfare while it remained a responsibility of the parishes.

It was generally acknowledged that the system was operated in good faith. It was also admitted that a locally based system that was often largely dependent on volunteer support generally resulted in an economical service, although advocates of reform felt that economies of scale could be achieved through a standardised, regulated system.

A number of models for reform were suggested including full centralisation with administration placed entirely in the hands of the States and various forms of partnership in which the parishes administered a regulated system with different degrees of latitude. The objective was better to



combat financial hardship by ensuring equality of treatment throughout Jersey while retaining but improving local access and encouraging take up. Reforms of the funding mechanism for welfare were not discussed in detail but would either entail raising exchequer funds to cover the full cost (allowing a reduction in rates) or raising a levy from parishes to cover part of the cost of the new scheme.

While most respondents felt strongly that radical reform of the system of parish welfare was desperately needed, there was not, on this occasion, unanimity of view. It was widely believed that constables would be against a centralised system and a number of advantages of the present system were rehearsed: it allowed for individualised treatment; took account of differences in the parishes; provided support to low income working families not available from the states; and avoided people having to travel to St Helier. Likewise, potential weaknesses were identified in the proposed reform: any alternative scheme was likely to result in more benefits being paid out; it could restrict access especially if people were obliged to visit St Helier; and funding would be difficult given the current system of joint funding through rates and general taxation.

5.2.2 Health finance

There was profound concern that escalating costs of health care could put at risk the quality of health care that had hitherto provided security for all on Jersey. Expensive new drugs and medical procedures, rising medical manpower standards and cost, and increased expectations all added to pressures on the system. Views were mixed as to the extent that efficiency savings could be attained without reducing the quality of service provision. Some felt cost management throughout the service was not sufficiently rigorous because staff believed that additional resources had always been found when needed. Others argued that without extra resources, rationing, increased waiting lists and higher charges were inevitable. The possibility of a hypothecated health tax, perhaps packaged as a form of health insurance scheme levied on employees and possibly their employers, was floated as an alternative to rationing and was consistent with the widespread view that higher earners could legitimately be expected to pay more tax.

No consensus was sought in the interviews as to either the extent of the funding problem or the preferred solution. However, it was clear that all believed the issue required full analysis and a cogent political response.



5.2.3 Community and residential care

Inchoate policies and procedures relating to residential and community care were concerns that resonated with respondents who knew about such matters. The funding and provision of residential care is shared between the States and parishes according to whether or not clients are residentially qualified. The law relating to access to care is reputed to be poorly drafted and assessment procedures seem to be variable in practice. While nursing home care is funded by the States, charges for board and lodging can be met by parishes in the case of financial hardship which can result in financial assessments of variable quality. The result is bureaucratic complexity and inequitable treatment.

There is also growing concern about the supply of residential and nursing home care. While a sizeable private sector exists providing care for those who can afford to pay, fees allowable by the States are often small in comparison. This is reducing the availability of bed-spaces for low income clients with the potential closure of some nursing and residential care homes. A further consequence is the blocking of beds in hospital accommodation.

Some respondents were also concerned about a lack of sheltered housing and by the failure, due to resource constraints, to pursue a comprehensive programme of health needs assessment to facilitate effective planning of community care. There is also reputed to be a shortage of social workers, psychiatric social workers and child protection officers at a time when social changes are believed to be increasing the need for these groups.

5.2.4 Ageing

The projected ageing of the population attracted considerable comment and calls for a comprehensive assessment. Two aspects of the issue were identified. The first was the fall in revenue that would result from accelerated departures from the labour force due to retirement that was envisaged to occur within a little over a decade. The second was the service needs that would be created by an ageing population. These were thought to include increased demand for sheltered housing, more domiciliary care needs, more acute health care and more nursing and residential home provision. This would have implications not only for the Health and Social Services committee but also for Housing and Environment and Planning, particularly if attempts were to be made to keep people in the communities in which they were living.



There was doubt about how quickly the negative implications of an increasing elderly population would emerge. Some argued that many of those retiring would be in good health and could be active volunteers, helping to deliver domiciliary services. Others noted that there could be demands for increased leisure facilities for the growing number of retired people.

Respondents were generally unsure about the nature and scale of the impact of an ageing population on the social and economic fabric of Jersey but were convinced that early analysis and planning was an important priority.

5.2.5 Provision for disability

A number of respondents were concerned about provisions for disabled people. The most frequently mentioned issue was the Disability Transport Allowance. While most respondents thought that disabled people should be helped with the additional cost of transport, virtually everyone was convinced that the benefit was not being used for its purpose. This view was variously based on instances of people claiming the allowance but not using it for transport, even saving it to be passed on to relatives, and the high cost of the benefit. Politicians, although critical of the scheme, could not see how it could be withdrawn.

Another perspective on services for disabled people was that they were designed and delivered in isolated 'policy silos'. Research was reported to indicate that receipt of services and benefits was random, the result of chance contacts with service providers because disabled people themselves rarely had an accurate view of their entitlement.

Given this situation some respondents called for a fundamental, cross-committee review of services and benefits for disabled people.

5.2.6 Training, education & employment

The interdependency between economic, population and social goals was perhaps most evident with respect to comments made about education and employment policies. The need for immigration would be lessened if the existing population could be equipped with the skills demanded by employers. The challenge was to predict what those skills would be - which would be made easier by a clear economic strategy - and to encourage local people to acquire them.



Within the education sector there was thought to be a need particularly to invest in the development of youngsters without great academic prowess. This meant not only tackling disengagement and disaffection but also stimulating new opportunities, perhaps with greater involvement by employers, both before and after compulsory school leaving age. There was a need to create greater opportunities for people to exploit the knowledge economy and to enhance access to lifelong learning. In part the task was to convince a somewhat sceptical public that such opportunities represented a profitable use of scarce time. It also demanded creative approaches to service delivery.

Within the labour market there was a need to promote human capital development and sustained employment in an economy dominated by small employers. Employment legislation was already being updated but outside the finance sector employers' commitment to in-training and employment advancement was limited. These issues had to be addressed if high levels of productivity were to be attained and an adaptive labour force fostered.

There was some support, albeit not strongly articulated by many, for the introduction of contributory unemployment benefit, thereby protecting individuals affected by the restructuring of industry from the stigma associated with parish welfare. The fear that this would lead to an influx of so-called 'benefit tourists' was countered by basing receipt on a sustained history of insurance contributions. Whether the qualification period should be more than the six months requirement for other short term benefits was not made clear and only specialists were concerned by the need to renegotiate reciprocal bilateral agreements.

To summarise, parish welfare reform and the sustainability of health spending topped respondents' list of concerns to do with security although there was also much support for policy development in other areas including community and residential care, services for elderly and disabled people and measures to promote lifelong learning.

5.3 Quality of Life

A number of concerns were evident relating to quality of life. Housing was mentioned most often.



5.3.1 Housing

People's concern about often appalling housing conditions has already been discussed at length above. Linked issues concerned affordability and supply. Experts believed that there was a need substantially to increase the supply of rented housing for families over and above that allowed for in the recent Island Plan. This new housing could either be provided by the States or by the growing housing association movement on the island. More land would need to be released but this could be achieved in urban areas, notably, St Helier, which could serve to enrich the local community by increasing diversity.

Increased supply of housing might exert some downward pressure on price. However, reducing prices would also require a restructuring of the subsidy system, curtailing the overall level. Unfortunately, the recent unsuccessful attempt to reduce the amount of tax relief on mortgage interest had indicated the strength of opposition that could be mounted by groups who believed that their interests were likely to be negatively affected. Nevertheless some respondents felt that this nettle had to be grasped if States' funding tied up in futile subsidy arrangements was ever to be reduced and housing prices lowered to a level that enabled people to begin to enjoy their nominally very high incomes.

A further issue that was not frequently mentioned by respondents who were not housing experts was the need to reduce the degree of segregation within States' housing. Allocation criteria, themselves the result of high demand for limited stock, had resulted in high concentrations of low income families suffering multiple problems. The result was to create dysfunctional communities characterised by high rent arrears, intergenerational strife, petty lawlessness and disruptive youth. Past attempts to mix housing tenures had not been fully successful with low levels of tolerance between different tenure groups. While key respondents felt that it would be wrong to overstate the scale of the problem - States' housing could not be compared with rough estates on the mainland - the problem was nevertheless thought to be significant.

5.3.2 Environment and transport

Issues to do with the environment tended only to be referred to in passing and often in the context of discussion about population growth and economic development. This no doubt reflects the fact that few of the respondents had specialist expertise. Most respondents believed that the environment was a key characteristic of Jersey life and one person at least seemed to put the protection, perhaps even the preservation, of the environment above almost all other considerations.



As already noted, respondents believed that striking the balance between the maintenance and promotion of living standards and erosion of the environment was among the most critical decisions that needed to be resolved if a strategic policy framework was to be achieved. Moreover, it was a balance that would need to be continually renegotiated. One major impediment in this enterprise was the strength of the 'not in my back yard' lobbies whose actions often served to precipitate unworkable compromise.

Some also argued that while the existing environment was attractive it might in any case prove to be unsustainable since it was a legacy of a time when farming was a major income generator. There was probably a need to look again at the countryside and to consider how it might be used as a resource for the community at large. This might entail the creation of country parks and increasing access through a network of footpaths.

There was limited discussion, too, about roads and transport. As noted already, the consensus was that the public transport system was grossly inadequate. The fact that most people had a car and were therefore not major users of public transport had the effect of marginalizing those who did not. There was simply not the economic or political pressure to improve the number, frequency and flexibility of services.

One other transport issue was mentioned in the context of bureaucratic waste. The split in responsibility for roads between the States and the parishes, some argued, resulted in a duplication of resources devoted to maintenance.

5.3.3 Community

Some of the ways in which respondents saw the Jersey community being fractured have already been noted including the divisions between native and non-native, Portuguese and Jersey-born, residential qualified and not, and states housing and owner-occupier. Respondents believed Jersey to be economically prosperous but not at ease with itself. Many islanders were proud to be from Jersey but many fewer were prepared to look compassionately on their less fortunate neighbours from across a social divide. People tended to be intolerant of those who were struggling, be it financially, with alcohol or drug dependency, or coping with family life without a partner. The outsider was not welcomed for the contribution they had made but feared for the demands that they might make and the threat that they could pose.

Not all these divisions could be resolved by addressing the question of residency but respondents believed it to be an essential first step.



6 Conclusion

The aim in this report has been accurately to reflect the social policy concerns and aspirations of the 16 members of the Jersey policy community interviewed in order to assist the Social Policy Strategy Group in an iterative process of policy development. The coverage of issues in the interviews prioritised scope over policy detail so as to identify agreement or potential consensus about areas in need of policy development. For the most part no attempt is made to prioritise issues or to detail policy solutions since these are the responsibilities of the Strategy Group. The exception is to report consensus on the unparalleled need to address the distinction between the residentially qualified and unqualified which was a major source of inequity, social disadvantage and grievance.

Respondents were also generally agreed that a social policy strategy could only be successfully formulated and implemented in the context of clear strategic statements about the direction of economic and fiscal policy although the interdependency of these three policy areas was recognised. Priority was given to pursuit of equity and fairness as objectives of social policy. There were also strong commitments to supporting a high quality of life including the provision of high quality public services, effectively and efficiently delivered in the context of a successful economy. The aspiration was that effectively accomplished social policy could contribute to the creation of a more cohesive and inclusive community.

The main issues that respondents felt needed to be addressed were:

Equity and access

- Residency qualifications
- Means of standardising length of residency requirements across services and benefits
- Extension of free access to primary health care
- The progressivity and level of taxation

Security

- Reform of parish welfare
- Health funding
- The funding and implementation of community and residential care
- Expansion of opportunities for life long learning
- The economic and social policy consequences of an ageing population
- The coherence of policies for disabled people

Quality of life

- The supply and affordability of housing
- Residential segregation
- The development and exploitation of Jersey's environment
- Public transport
- Developing an inclusive and caring community



List of Contributors

Professor Robert Walker is grateful to the following people for their contribution to the Report.

Senator Frank Walker
Senator Pierre Horsfall
Senator Stuart Syvret
Senator Terry Le Main
Senator Terry Le Sueur

Mrs Iris Le Feuvre
Mr Mac Pollard

Mr Ian Black
Mr Colin Powell
Mr Graham Jennings
Mr Anton Skinner
Ms Karen Huchet
Mr Eric Le Ruez
Mrs Ann Esterson
Mr Tom McKeon
Mr Francis Le Gresley





Employment & Social Security 

Published by the States of Jersey, Employment and Social Security Department,
Philip Le Feuvre House, La Motte Street, St. Helier JE4 8PE
Tel: 01534 280000 Fax: 01534 280280 www.ess.gov.je