

3.17 Deputy J.M. Maçon of the Minister for Economic Development regarding the definition of sustainable economic growth

Would the Minister give his department's definition of sustainable economic growth?

Senator A.J.H. Maclean (The Minister for Economic Development):

Sustainable economic growth in economic terms is the rate which does not lead to accelerating inflation. This would normally relate to the trend, kind of average rate, of growth over the economic cycle.

3.17.1 Deputy R.G. Le Hérissier:

The Minister very cleverly worked in "economic terms". I wonder if the Minister could define how sustainable economic growth is linked to environmental sustainability.

Senator A.J.H. Maclean:

I think the easiest way to explain that for the Deputy would be the basis of productivity growth. We believe that productivity growth ensures that environmental requirements are met and also constrained, as we do. In fact, it should be noted that we constrain our growth by constraining the introduction of people into the economy and the use of land. All these things arguably constrain the growth and you can see over the period, the economic cycle for say 2000 and 2008, G.V.A. (gross value added) averaged about 1 per cent, which is lower than you would expect in many other economies, because we control those external factors like population.

3.17.2 Deputy R.G. Le Hérissier:

Just a supplementary, would the Minister say, for example, whether he sees increasing the rate of local food production as an integral part of sustainable economic / environmental growth.

Senator A.J.H. Maclean:

Yes, I think that would be excellent and is indeed a route we are keen to see. The introduction of allotments is one example where we are looking to do that and I think there are other opportunities to ensure that we are more sustainable within the constraints of our own land mass.

3.17.3 Deputy M.R. Higgins:

The Minister in his answer to Deputy Maçon mentioned the trend rate. Could he explain to the House what the trend rate is in Jersey? For example, in the United Kingdom 2.5 per cent is the normal trend. Would he first of all tell us what the trend rate is in Jersey and what he thinks would be unsustainable?

Senator A.J.H. Maclean:

Yes. I think I answered that question a moment ago. The trend rate in Jersey between 2000 and 2008, which is arguably from peak to peak, is 1 per cent G.V.A. As the Deputy has pointed out that is below the U.K. rate, partly because we control factors like migration, which has a constraining factor on our growth.

3.17.4 Deputy M.R. Higgins:

Just following through. Again, what would be unsustainable? Obviously the Jersey economy was growing in the previous 2 years by 7 or 8 per cent. Does he believe that is sustainable?

Senator A.J.H. Maclean:

That is exactly the point about looking over the economic cycle. Yes, we have seen economic growth. In fact last year, 2008, it was 2 per cent. It came down significantly. The previous 2 years, the Deputy is correct, it was at 7 per cent. But over the economic cycle, and that would be the period from peak to peak or indeed from trough to trough, between 2000 and 2008 averaged at 1 per cent, which is below what you would see in the U.K. because we constrain issues like migration.

3.17.5 Deputy D.J. De Sousa:

Twice now the Minister has said we control population. The last census that we had was in 2001. We have still got a couple of years until the next one. We do not know the level of population, so how can he tell the House that we have controlled population?

Senator A.J.H. Maclean:

There are many other mechanisms used other than censuses to get a feed on what the population is doing. We get, for example, a very good read through the Regulation of Undertakings, we get requests for increased population, requests for business to increase their staffing levels and so on. There is a whole raft of data available through the Statistics Unit which gives us a good indication of what is happening with regard to migration.

3.17.6 The Deputy of St. Mary:

Because we have heard that sustainability equals continuous, can the Minister confirm that his definition of sustainable economic growth excludes environmental destruction and pollution anywhere in the world and labour exploitation elsewhere?

Senator A.J.H. Maclean:

Sorry, can the Deputy repeat that? I missed it. **[Laughter]**

The Deputy of St. Mary:

Can the Minister confirm that his definition of sustainable economic growth excludes environmental destruction and pollution anywhere and labour exploitation?

Senator A.J.H. Maclean:

I think it is fair to state that my view or the department's view of sustainable economic growth takes into consideration environmental issues within the Island which is absolutely appropriate and it is indeed constraints within the Island that we are concerned about.