Productivity - Interview with Deputy Kirsten Morel, Minister for Economic Development.

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June saw the culmination of Productivity Week, a series of events to focus on productivity building on the Jersey Business annual independent Productivity Survey.

At the heart of the programme of events was a conference where members of the business community and politicians discussed several issues that affect the health of our economy, including barriers to productivity.

Introducing the event with a keynote speech, Economic Development Minister Deputy Kirsten Morel spoke about the Island's need to be more productive to ensure we don't fall behind the rest of the world in terms of real, sustainable growth.

The importance of productivity is not lost on political, social, and economic leaders in our community: higher productivity increases economic resilience, sustainability, and profits and, therefore the standard of living.

We sat down with the Minister to dive deeper into his concerns and his aspirations for the Island's economy, what he is doing to stimulate growth, and how he thinks we can overcome any barriers to business in achieving his productivity objectives.

"As the Minister for Economic Development, I am at the political forefront of steering our Island's prosperity and growth. Productivity is the lifeblood of any thriving economy, driving innovation, prosperity, and a better quality of life for all citizens. Yet, beneath the surface lie challenges that need our attention. To overcome those challenges, we need to harness our Island spirit of innovation and entrepreneurialism. Government, with our partners at Jersey Business and other organisations such as Digital Jersey and the Jersey Chamber of Commerce, has a big part to play in that.

"Our economy may not have dipped, but it most certainly isn't growing. It has plateaued and that is a problem not just for now, but for the future and we must address it. How will we do that? We cannot just bring in more people so the most effective tool in our box is to increase the productivity of what we already have.

"For me, productivity is about working smarter, being innovative, coming up with new ways to work and deliver our products and services.

"If business is going to play its part, then Government also has an important role to undertake, starting with a review of our processes because wherever we can drive efficiencies, we will create small improvements that can make a difference in the long term.

We need to be more responsive and make doing business easier. I want Jersey's business community to see us as a trusted partner, genuinely interested in helping them achieve their own successes.

"I feel as an Island, a veil has been drawn over our historic culture of innovation and entrepreneurialism and I want to lift it, particularly for our younger generation who we need to bring fresh perspectives and ideas, and who need to feel they are being listened to and supported.

"As a young man I believed, and I still believe, that Jersey enables people to achieve their dreams. In Government we need to open doors, not close them,

and let our creative minds do their best work, unencumbered by processes and policies.

“I worry that we are not maximising the potential of our economy. Of course, our Finance Industry is strong, and it attracts a lot of our brightest minds, but our traditional industries such as agriculture, tourism and the marine economy equally offer so much potential for innovation and productivity growth. We have a healthy digital economy and I think we should do more to support our creative services sector. All of this helps drive our export markets and stimulates cross border trade, which in turn feeds productivity.

“Our farmers are already undertaking ground-breaking work, adopting technology to be leaner, fitter, and more profitable and seeking out new markets; in Tourism I would like to see international hotel chains establishing a foothold here because they bring with them a global outlook and, importantly, the capital freedom to invest in our product. I believe the marine economy is largely untapped and could not only attract new businesses to Jersey, but also play an even greater role in sustaining our environment. And of course, our growing Digital Economy can support these industries and fuel productivity.

“All of these things are possible, and I am committed to helping them come to fruition. But Government needs to make the journey smoother, simpler so we don’t stifle innovation and entrepreneurialism; we must let them breathe. That means reviewing and simplifying our processes: planning, business licensing, work permits – these are all potential barriers to business, and we need to do more to improve them.

“Of course, with economic growth comes immigration. That is inevitable for a small Island economy, but we need to view immigration in terms of what works for Jersey. We need cultural diversity because it encourages fresh perspectives and stimulates innovation. Immigration cannot be uncontrolled, but it can be targeted, and we should be doing more to encourage our young people to come back to the Island, and part of that must be giving them diverse opportunities – so back to our need to help our traditional sectors flourish.

“Attracting new people to the Island, and graduates to return, goes hand in hand with the adoption of new technology to help solve another issue that currently is a significant barrier to economic growth: the talent squeeze. Available jobs far outstrip the number of potential candidates, but I hope that organisations can use this pressure to look at other ways to increase

productivity. Is there a technology solution out there that could solve the problem, instead of hiring an additional person? Would that technology enable a business leader to spend more time *on* their business, instead of elbows-deep *in* it?

“This is where agencies such as Jersey Business can really help. Larger businesses have whole teams who can research and procure technical solutions to a problem; smaller and medium sized enterprises often need help and guidance to overcome these barriers – that help, and guidance does exist, and I would urge them to make use of the resources available to them.

“To achieve greater productivity does not necessarily need more people, it requires smarter thinking. Working smarter to build a better future will also create a more robust and sustainable economy and a richer society.

“I have always believed in enterprise and that Jersey is a great place to start a business. Innovation and entrepreneurial spirit are in our DNA and the business environment is fertile because it is collaborative, supportive, and networked. There is no shortage of help available to anyone who wants to turn an idea into a business here. As Government, we need to make sure we don’t get in the way, but rather we make the path easier to navigate.

“Productivity Week, and the Productivity Survey as well as the ongoing Productivity Circle series managed by Jersey Business demonstrate that our enterprise culture is strong, that our spirit of endeavour is alive and that our ambition to innovate and achieve is well founded. Working together, we can make business simple.”

What next?

As part of its drive to support businesses on the Island with innovation, efficiency and productivity improvements, Jersey Business has its Productivity Support Scheme Grant. To stimulate and kick start change for businesses of all shape and size, the grant, funded by Government and managed by Jersey Business, offers match funding between £5,000 and £50,000 to eligible businesses. Those who have been operating in Jersey for 18 months or more and can prove how the grant could positively impact input costs, process efficiency, output and revenue will be considered.

Contact us to learn more about the scheme and the support offered by Jersey Business.

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