

POPULATION TRENDS AND ISSUES IN ISLAND ECONOMIES

Mark Boleat and James Linder

May 2016

EXECUTIVE SUMMARY

Over the past 20 or so years the focus of debate on the population issue globally has tended to shift from concerns about over-population to concerns about the consequences of an ageing population. The key variable is the dependency ratio, typically expressed as the number of individuals aged below 15 or above 64 as a percentage of the number aged between 15 and 64. In the UK the dependency ratio is currently 52%; by 2060 it is forecast to rise to 68% with the principal immigration assumption. The UK trend is around the average for industrialised countries.

The position in Jersey and other comparable states can be summarised as follows –

- Jersey's population has been rising at about 0.9% a year and now stands at 100,800. With nil net migration the population would fall to 94,000 by 2065 and the dependency ratio would rise from the current 53% to 83%; with 350 net migration the ratio would rise to 74%. Policy seeks to limit immigration.
- Guernsey's population has fallen slightly since 2012 and now stands at 62,700. With net migration of 100 the population would fall to 62,500 by 2060 and the dependency ratio would rise from the current 49% to 89%. Population policy has recently moved away from seeking to prevent population growth towards maintaining the size of the working population.
- Alderney's population fell from 2,297 in 2001 to 2,013 in 2014. The population has been ageing and the dependency ratio already stands at 72%. Policy seeks to reverse the population decline.
- The Isle of Man's population rose by nearly 11% from 2001 to 2011 to reach 84,500; since then it has increased by just 0.6% to 85,000. With nil net migration the population would remain fairly static until 2030. The dependency ratio is currently 55%; with net nil migration it would rise to 78% in 2035. Policy is currently shifting towards trying to increase the size of the working population.
- Bermuda's population has fallen since 2009; the latest official figure is 65,000 in 2013. The official projection is for the population to fall to 61,600 by 2020. The dependency ratio is currently low at about 43% but is forecast to rise to 62% in 2030.
- The Cayman Islands have experienced rapid population growth; the population rose by 49% between 1991 and 2001, by 32% from 2001 to 2011, and has since risen further to 58,200 in 2014. The rise in population has led to a fall in the dependency ratio from 85% in 1970 to 31% in 2010.
- Gibraltar's population increased by 17% between 2001 and 2012 to 32,600. The dependency ratio is currently 52%.

Jersey's position is broadly comparable to that of the UK and its nearest comparators, Guernsey and the Isle of Man. Nil net migration would imply a falling population and rising dependency ratio. Better understanding of the trends has led in a number of island jurisdictions to a switch of emphasis from seeking to limit immigration to seeking to increase or at least maintain the size of the working population.

CONTENTS

Introduction	3
The context	4
Jersey	6
Guernsey	10
Alderney	13
Isle of Man	14
Bermuda	16
Cayman Islands	19
Gibraltar	21
Comparisons	23
Issues for consideration	25
References	26

THE AUTHORS

Mark Boleat is Chairman of the Policy and Resources Committee of the City of London Corporation, a position he has held since May 2012. In this capacity Mark is Deputy Chairman of TheCityUK, the promotional body for the UK financial services industry, and the International Regulatory Strategy Group, a Vice Chairman of London Councils, and a member of the boards of Central London Forward, London and Partners and the Centre for London. He is also Chairman of the Housing and Finance Institute. He has previously been Director General of the Building Societies Association (1986–93) and the Association of British Insurers (1993–99) and has been a member of a number of commercial, regulatory and third sector boards. He is Chairman of the Guernsey Competition and Regulatory Authority and a former Chairman of the Jersey Development Company and the Jersey Competition Regulatory Authority. He is the author of *Jersey's Population – A History*, and has written reports for the States on housing, consumer policy and population policy.

James Ian Linder graduated from the University of Essex in 2015 with a 1st class degree in Economics and Politics. He has since joined the Digital Jersey team, working as its Planning and Analytics Officer. In this capacity James works to promote inward investment and to produce accurate metrics of Jersey's digital economy. Previously, he has worked for the Jersey Policy Forum, in a temporary position, where he supported the committee in establishing sustainable foundations for Jersey's first think tank.

THE JERSEY POLICY FORUM

The Jersey Policy Forum is a not-for-profit organisation whose purpose is: “to promote education for the benefit of all the people of Jersey on social, economic, environmental, public policy and public administration issues in the context of Jersey's status as a microstate”.

The Forum is governed by a committee comprising people from business, the third sector, education and public administration and includes people with significant experience in conducting and managing research.

The Forum works in the following areas: macro-economics, government, international relations, social policy, environmental policy and culture and heritage.

www.jerseypolicyforum.org



Introduction

In recent years the theory of demographic transition has risen in prominence as the effects of an ageing society become clearer. The theory assumes that as nations industrialise, a demographic transition from high birth and mortality rates to declining fertility rates, longer life expectancies and falling mortality rates occurs.

A key variable is the “dependency ratio”, typically calculated as the number of people aged below 15 or above 64 as a percentage of the number aged between 15 and 64. This is an imperfect measure, not least because many people over the age of 64 work and young people are generally dependents well beyond the age of 15. However, it is the standard measure and enables comparisons to be made over time and between jurisdictions.

As the fertility level declines, the dependency ratio falls as the proportion of children decreases relative to the increase in working-aged persons. This period is considered a “demographic dividend” as society has a growing number of potential producers relative to the number of consumers (low dependency ratio). However, as fertility levels continue to decline, the dependency ratio rises as the proportion of those of working age declines relative to a growing share accounted for by older people.

This phenomenon has stirred much interest, mirrored in the endless stream of publications studying the ageing of peoples in developed economies around the world. Much of this attention has focused on the tapering off in the economic dividend from the post war baby boom generations who are entering their years of retirement, the full societal consequences of which are still to become clear.

This study seeks to address this area of research in the context of Jersey and other similar jurisdictions. For the purpose of consistency and comparability, the study has compared all jurisdictions using the same variables and timeframe, the availability of data permitting.

This study is specifically concerned with Jersey and other island states that have something in common with Jersey – through constitutional status or physical proximity. The islands studied, with approximate populations in brackets, are –

Jersey	(101,000)
Guernsey	(63,000)
Isle of Man	(85,000)
Bermuda	(65,000)
Cayman Islands	(58,000)
Gibraltar	(33,000)
Alderney	(2,000)

While all the territories are British, they are different in their relationship with Britain. Jersey, Guernsey, Alderney and the Isle of Man are part of the British Isles and strongly connected to the British economy. Bermuda and the Cayman Islands are in the Western Atlantic, and more isolated. Gibraltar is not technically an island, as it is connected to Spain with which it also has strong commercial, if difficult political, links.



The context

To provide a context for the island jurisdictions, it is helpful to note the position in Britain, both in respect of the total population and age structure, and how this compares with other major economies.

Historic census data shows that the resident population of the UK was 57,439,000 in 1991, a 4.2% increase over 1981. It increased by 2.9% to 59,113,000 in 2001 and then more rapidly by 6.9% to 63,182,000 in 2011.

Recent annual data are shown in Table 1.

Table 1 UK, population, 2000–2014

Mid-Year	Population millions	Increase 000's	Natural increase 000's	Net migration 000's
2000	58.9	201.6	62.3	139.3
2001	59.1	227.5	74.3	153.2
2002	59.4	252.6	61.7	190.9
2003	59.6	270.9	76.7	194.2
2004	60.0	313.7	103.8	209.9
2005	60.4	463.0	127.0	336.0
2006	60.8	413.8	159.0	254.8
2007	61.3	492.0	187.1	304.9
2008	61.8	504.7	220.6	284.1
2009	62.3	436.8	216.7	220.1
2010	62.8	498.9	243.3	255.6
2011	63.3	525.7	255.2	270.5
2012	63.7	419.9	254.4	165.5
2013	64.1	400.6	212.1	188.5
2014	64.6	491.1	226.2	264.9

Source: Office of National Statistics (2015)

The table shows a steady increase, which over the long term has been reasonably equally divided between natural increase and net migration. The annual rate of increase in 2014 was 0.84%. Since 2005 this rate has fluctuated within a narrow band of 0.63%–0.84%.

The dependency ratio in the UK increased from 54% in 1961 to 59% in 1971, since when it has fallen to 55% in 1981, 54% in 1991, 53% in 2001 and 52% in 2011.

Table 2 shows the principal official population projections for the UK.

Table 2 UK, population projections, 2020–2060

Mid-Year	Net Nil migration millions	Principal migration assumption (+185,000 a year) millions	High migration assumption (+265,000 a year) millions
2020	65.8	67.4	67.8
2035	67.6	73.0	75.1
2060		80.0	

Source: Office of National Statistics (2015)



The table shows that with no net migration the population rises slowly until 2035. By contrast, with the principal migration assumption (net immigration of 185,000 a year – less than half the figure achieved in the last ten years) the population continues to rise steadily, reaching 80.0 million in 2060, an increase of 23% on the 2015 figure. With the high migration assumption (net migration of 265,000 a year – still below the actual figure in each of the last ten years) the population rises to 75.1 million in 2035.

The impact of the alternative population assumptions on the dependency ratio is shown in Table 3.

Table 3 UK, dependency ratio projections, 2020–2060

Year	Net Nil migration %	Principal migration assumption %	High migration assumption %
2020	59	59	58
2035	66	65	64
2060		68	

Source: Office for National Statistics (2015b)

The table shows that the alternative migration scenarios have little impact on the dependency ratio by 2035, there being a significant rise under each assumption. The ratio then increases more modestly.

The UK is in fact in a more favourable position than other countries. Table 4 shows forecasts of dependency ratios for a number of countries.

Table 4 Dependency ratio projections, industrialised countries, 2020–2060

Year	UK %	Germany %	Japan %	France %	USA %	OECD average %
2015	55	52	65	59	52	52
2020	58	56	69	62	56	55
2025	61	62	70	65	61	58
2030	63	70	72	69	64	62
2035	66	77	77	71	65	64
2040	66	77	85	74	64	66
2045	66	78	91	74	63	68
2050	68	80	94	75	64	70
2055	–	83	95	76	64	
2060	–	83	96	–	66	

Source: OECD (2015)

The projected dependency ratio for the UK in 2050 is lower than that of Germany and France and, marginally, the average for OECD countries (broadly speaking, the world's richest countries). The country that stands out is Japan, which already has the highest dependency ratio of major countries, at 65%, and a forecast ratio of over 90% in 2045, significantly above the OECD average of 68%.



Jersey

Population trends

Jersey's population has increased rapidly since 1991, with 13,775 (16%) more residents in 2011 than two decades earlier. Table 5 shows the official census date.

Table 5 Jersey, population, 1991–2011

Year	Population	Increase %	Corrected increase %
1991	84,082	10.6	10.6
2001	87,186	3.7	3.7
2011	97,857	12.2	10.2

Source: States of Jersey (2012)

Note: in 2011 an estimate was made for the first time of the “undercount”; the increase shown in the final column corrects for this.

The table shows rapid increases in the decades to 1991 and 2011, with a slower, but still significant, increase in the intervening decade.

Annual end-of-year population estimates are published by States of Jersey Statistics Unit. Table 6 shows the most recent data.

Table 6 Jersey, population, 2000–2014

End-Year	Population	Increase	Natural increase	Net migration
2000	88,400			
2001	88,900	500	190	300
2002	89,300	400	90	300
2003	89,600	300	250	0
2004	90,100	500	220	300
2005	91,000	900	220	700
2006	92,300	1,300	190	1,100
2007	94,000	1,700	320	1,400
2008	95,400	1,400	300	1,100
2009	96,200	800	250	500
2010	97,100	900	270	700
2011	98,100	1,000	390	600
2012	99,000	900	360	500
2013	N/A)	300)
2014	100,800	1,800)	310	1,200)

Source: States of Jersey (2015)

Note: A change of policies created difficulties in ensuring that data were comparable, hence no figures were produced for 2013.

It can be seen that the rate of increase peaked in 2007 since when it has declined slightly but has averaged about 0.9% a year since 2009. Net inward migration has accounted for about two thirds of the total increase in population. Until fairly recently there was a correlation between the rate of economic growth and the rate of population increase. This now seems to have broken down, the economic downturn over the last five or so years coinciding with a rapid rate of population increase.



Population projections

The States of Jersey Statistics Unit makes no specific population forecasts but rather publishes projections based on alternative assumptions. These assumptions range from net nil migration to positive net migration of 700 people annually. Table 7 shows the projections to 2065.

Table 7 Jersey, population projections, 2020–2065

Year	Net Nil migration	200 net migration	350 net migration	500 net migration	700 net migration
2020	100,900	102,600	103,900	105,100	106,800
2035	101,700	107,200	111,300	115,000	121,000
2065	94,000	108,500	119,400	130,400	144,900

Source: States of Jersey (2013)

The table shows that with net nil migration the population would be fairly static until 2035 before falling quite sharply by 2065. At the other extreme net annual migration of 700 people, a little below the level of the past decade, would see the population rise to 121,000 in 2035 and 144,900 in 2065.

Dependency ratio

Jersey's dependency ratio increased from 57% in 1961 to 60% in 1971 following which it fell to 47% in 1991 before rising quite sharply to 53% in 2001. It has been fairly stable since then. It is significant that the decade of slowest population growth, from 1991 to 2001, was the decade in which the dependency ratio increased sharply.

The Statistics Unit has analysed what effect population growth would have on Jersey's dependency ratio under several net immigration scenarios. Table 8 summarises the analysis.

Table 8 Jersey, dependency ratio, 2020–2065

Year	Nil migration %	200 net migration %	350 net migration %	500 net migration %	750 net migration %
2020	54	54	53	53	53
2035	72	70	68	66	64
2065	83	77	74	71	68

Source: States of Jersey (2013)

These figures illustrate the significance of migration for the dependency ratio. The zero migration assumption, consistent with a stable population until 2035 and then a falling population, would lead to an increase in the dependency ratio to 72% in 2035 and 83% in 2065. With 350 net migration, marginally above the government's current "planning assumption" of 325, there would be a significant rise in the dependency ratio to 74% by 2065. Even with net migration at 750 a year the dependency ratio would rise to 68% by 2065.

Policy

Immigration and population size is considered to be an important political issue in Jersey, regularly featuring as an issue about which the public is most concerned. Over many years the policy has been to seek to constrain the growth of the population by –



- Restricting the ability of “non locals” to be employed by local businesses.
- Restricting the ability of “non locals” to buy or rent housing.

However, implementing the policy has proved problematic, partly because of the difficulty of defining “local” in a community where around half the population are born outside the island and given the very strong two-way links between Jersey and the UK. Targets have regularly been announced but with no means of achieving them; when they have been exceeded new targets have been announced. The expectations of some as to what policy can achieve are not capable of being realised. The current “interim policy” has a planning assumption (but often referred to as a target) of 325 net immigration a year, even though net immigration has run at an average of nearly 600 a year for the past five years.

The most recent legislation is the Control of Housing and Work (Jersey) Law 2012. This simplified previous controls. A second new law, the Register of Names and Addresses (Jersey) Law 2012, provides for registration cards in order to obtain a new job or to buy, sell or lease property. The legislation provides for four statuses – entitled, licensed, entitled to work and registered. Table 9 sets out the criteria.

Table 9 Jersey, Residential status under the 2012 law

Status	Definition	Housing	Work
Entitled	Someone who has lived in Jersey for 10 years	Can buy, sell or lease any property	Can work anywhere and doesn't need a licence to be employed
Licensed	Someone who is “an essential employee”	Can buy, sell or lease any property in their own name if they keep their licensed status	Employer needs a licence to employ a “licensed” person
Entitled to work	Someone who has lived in Jersey for five consecutive years immediately before the date a registration card is issued, or is married to someone who is “entitled”, “licensed”, or “entitled to work”	Can buy property jointly with an “entitled” spouse/civil partner. Can lease registered (previously “unqualified”) property as a main place of residence.	Can work anywhere and doesn't need a licence to be employed
Registered	Someone who does not qualify under the other categories	Can lease “registered” property as a main place of residence	Employer needs a licence to employ a “registered” person

Under the Control of Housing and Work Law all businesses must have a licence to trade, which limits the number of “registered” and “licensed” workers they can employ. Businesses wanting to employ migrant workers must demonstrate that they are “high economic value”. Alongside this policy a number of initiatives have been introduced to equip local people to become more employable. In implementing the policy ministers have sought to bear down on those employers employing a higher proportion of migrant workers than their competitors.

The most recent policy statement (States of Jersey, 2014) was issued in January 2014. In this report the Council of Ministers said:

“We need a balance between economic, community and environmental goals. Earnings, productivity, health, town development policies to protect the countryside – they all play a part in helping frame population policy. This is why we have developed “Preparing for our Future” –



providing a framework to enable our community to coherently plan for the long term, and setting the issue of population in the wider context of what type of Island we want Jersey to be.

In the meantime, we are proposing an interim population policy for 2014 and 2015.

1. Maintain the planning assumption of +325 migrants per year that has underpinned the long-term policies approved by this Assembly. This is a reasonable basis for an interim population policy – limited migration that will maintain our working age population and allow our economy to grow.
2. Enable migration which adds the greatest economic and social value, and only where local talent is not available. In particular;
 - a. Support the “Back to Work programme” and other initiatives to encourage employment and improvements in skills for Islanders
 - b. Use migration controls to increase the employment of “entitled” and “entitled to work” staff, particularly in businesses that employ more migrants than their competitors.”

There has been no announcement in 2016 of a “new” policy to replace the interim policy, leading some to suggest that there is no “policy”. However, this is incorrect. The policy is as it has been for some years – to limit the ability of people to come to Jersey to live or to work, with the refinement noted in point 2 above. The net immigration assumption of 325 people a year has little significance for immigration policy, although it may well be influencing other policies such as provision of infrastructure and health and education services.



Guernsey

Population trends

Table 10 sets out the Guernsey population statistics since 1991, but it should be noted that Guernsey has dispensed with the decennial censuses and has introduced a new electronic method of counting the population.

Table 10 Guernsey, population, 1991–2013

Year	Population	Increase %
1991	58,800	9.9
2001	59,600	1.4
2013	62,915	5.6

Source: States of Guernsey (2015a)

The population increased rapidly in the decade to 1991, then only slowly in the following decade before increasing more rapidly subsequently. This pattern is similar to that in Jersey, but at a lower level. Table 11 shows the most recent annual data.

Table 11 Guernsey, population, 2000–2014

31 March	Population	Increase	Natural increase	Net migration
2006	61,029			
2007	61,175	146		
2008	61,726	551		
2009	62,274	548	111	437
2010	62,431	157	143	14
2011	62,915	484	102	382
2012	63,085	170	127	43
2013	62,732	-353	111	-464
2014	62,711	-96	101	-197

Source: States of Guernsey (2015a)

The table shows that the population has declined since 2012 such that the total population at the end of 2014 was lower than that three years earlier. This significant change in trend has resulted in a policy rethink.

Dependency ratio

Guernsey's dependency ratio was 63% in 1961 and 1971; it then fell steadily to 49% in 1991 and it has remained at about that level subsequently.

Projections

Guernsey's population projections are based on "a best fit scenario [that] lies between the plus 100 and plus 200 [net migration] scenarios". Table 12 shows the population projections and corresponding dependency ratios with these two scenarios.



Table 12 Guernsey, population projections and dependency ratios, 2020–2070

Year	Population, +100 scenario	Dependency ratio	Population, +200 scenario	Dependency ratio
2020	64,180	58%	64,918	57%
2030	65,560	70%	67,516	68%
2040	65,412	80%	68,754	76%
2050	64,277	83%	69,070	77%
2060	62,465	89%	68,775	82%
2070	60,467	87%	68,323	82%

Source: States of Guernsey (2015a)

The two alternative migration scenarios show either a fairly static population, and in the case of the lower assumption a significant fall after 2030. It follows that the dependency ratio would move to a high level, 89% in 2060. Indeed even with the high migration scenario the dependency ratio would increase to 76% in 2040 and 82% in 2060.

Policy

Like Jersey, Guernsey has sought to limit population growth by regulating the housing and labour markets. Table 13 shows the current framework.

Table 13 Residential status under Guernsey Law

Status	Definition	Housing	Work
'Essential' Employment-Related Licences	When skills required are in limited supply locally.	Locally market/housing options given.	Employer needs a licence to employ a "licensed" person
15-Year 'Essential' Employment-Related Housing Licences	When skills required are in limited supply locally; potential for permanent residential status after 15 years.	Right to live and rent in the locally housing market.	Employer needs a licence to employ a "licensed" person
Short-Term Employment-Related Housing Licences	Short-term licences are issued in recognition of a lack of available manpower in the Island	Boarding lodging in a locally qualified residence.	Employer needs a licence to employ a "licensed" person
Non Employment-Related Housing Licences	Non employment-related housing licences are issued when the applicant has strong connections with the Island.	Various	Not dependent on employment.
Declarations of Lawful Residence	36 categories under which Declarations of Lawful Residence can be issued. Wife/children who has essential housing licence.	Right to buy, live and sell in the open and local market.	Not dependent on employment.
Status Declarations	Status Declarations are issued to people who are complete Qualified Residents.	Right to buy, live and sell in the open and local market.	Entitled to work without a license.
Working Permit (Immigration)	Work permits for up to four years at a maximum. Permits are issued to non-EU peoples.	None.	Employer needs a licence to employ a "licensed" person.

Source: Housing Department (2011)

Guernsey has a two tier housing market, with the local-market restricted to 'qualified residents' and the open-market for anyone who wishes to buy or live in Guernsey (with



visa approval if necessary). While there is no restriction on the ownership of property only those with 'qualified residency' or certain working permits can live in houses other than those designated as "open market". The current system of permits is complicated and will be replaced by the provisions of the Population Management Law, expected to come into operation in 2017.

The downturn in population has led to a rethink on policy. The Island's Parliament agreed a new policy in December 2015. The policy document (States of Guernsey (2015b) noted the previous policy objective agreed in 2007 which required policies "consistent with maintaining Guernsey's population at approximately its current level". The paper noted that without a policy intervention Guernsey's workforce would decline by 13% by 2035 while the total population would be unchanged, and that after that time both the total and the working population would shrink. This would have significant implications for both tax revenue and for businesses. The new policy is a shift away from a focus on a defined population number or net migration and instead focuses on developing and maintaining Guernsey's workforce at a size and make-up consistent with the States strategic economic, social and environmental objectives.

The paper makes the point that Guernsey cannot directly control its population – States' policies have direct control over only 7% of the population.

The conclusion of the paper usefully summarises the reasons for the new approach –

"The fiscal, economic and social repercussions of demographic change are the most significant long-term issues Guernsey faces. In light of this the Policy Council believes that existing Population Policy must be reassessed and the debate on population refocused. The States' current policy to "adopt policies consistent with maintaining Guernsey's population at approximately its current [2007] level" is increasingly in conflict with the States' fiscal and economic objectives; namely: to achieve long-term balance; to place a real term freeze on Government spending; and to provide a skilled and flexible labour market. It also increases the difficulty of maintaining the limit placed on aggregate States' income of 28% of GDP.

The burden on the working age population to provide and fund an increasing volume of support services necessary to meet the needs of a growing retired population will increase over time. Without working age population growth to maintain and support economic and revenue growth the States will face a choice between reducing the services they provide or increasing taxation, or more likely a combination of the two. Increasing the Island's workforce will not eradicate these issues but will share the cost burden across a bigger working-age population, as well as helping to ensure that necessary resources are in place to support the delivery of key services.

The degree of control the States have over migration and the total size of the population is limited. Economic and labour market conditions are at least as significant a factor as immigration controls. As such, the Policy Council proposes that the States' strategic Population Objective should move away from a focus on a defined population number or net migration target and instead the focus should be on maintaining the Island's workforce at a size and shape consistent with supporting Guernsey business and achieving the States' strategic economic, social and environmental objectives.

In order to create the right conditions to optimise the size and shape of the work force, it will be necessary to co-ordinate a suite of policies that will be applicable to many areas of government. For example, the Committee for Education, Sport and Culture has a role to play in equipping school leavers with the skills necessary to participate in the work place. The Committee for Economic Development similarly has a responsibility to consider policies designed to facilitate economic growth. There are many other areas where Government and the private sector will need to consider how best to create the right climate to encourage an active work force so that, ultimately, the Committee for Home Affairs can take account of such policies in administering the new Population Management regime.

The Policy Council strongly believes that, rather than relying on crude targets on population numbers or migration levels – neither of which can be applied in reality – this broader policy-based approach will result in improved long-term outcomes for Guernsey. "



Alderney

Alderney is the smallest jurisdiction covered in the study, indeed so much smaller than the other territories that it is of questionable value in making comparisons. However, it is included because it is a Channel Island, and also to illustrate the implications of a falling population on the dependency ratio.

Table 14 shows the population from the three most recent full censuses.

Table 14 Alderney, population, 1991-2013

Year	Population	Increase %
1991	2,297	10.1
2001	2,294	-
2013	1,903	-17.0

Source: Island Analysis (2013)

The table shows static population between 1991 and 2001, although it should be noted that this followed many years of a steady increase from a total of 1,328 in 1951. However, between 2001 and 2011 there was a sharp decline of 17%. Table 15 shows the most recent annual data.

Table 15 Alderney, population, 2007-2014

31 March	Population	Increase	Natural increase	Net migration
2007	2,217			
2008	2,220	3	-21	24
2009	2,175	-45	-25	-20
2010	2,144	-31	-12	-19
2011	2,061	-83	-32	-51
2012	2,040	-21	-20	-1
2013	2,030	-10	-14	4
2014	2,013	-19	-23	4

Source: States of Alderney (2014)

The figures have been compiled on a different basis from the Census hence the slight difference in the 2013 figure. The population has declined in each year since 2008 although the rate of decrease has moderated a little since 2011.

Alderney has a much older age structure than either Jersey or Guernsey. The dependency ratio stood at 63% in 2007 and has since increased sharply to 72% in 2014, demonstrating the impact of a falling population on the ratio. The 2013 census report noted “the vast differences of population profiles in percentage terms by age group between Alderney and Jersey and Guernsey”. Alderney had 42% 60+, Jersey 21% and Guernsey 23%.”

Alderney has no restrictions on non-locals coming to the Island. Indeed the thrust of population policy now is to encourage immigration, as the impact of a falling population is well understood. One of the strategic aims of the States of Alderney for 2015-16 is to “achieve a sustained reversal of population decline, with particular emphasis on families and younger people”.



Isle of Man

Population trends

The Isle of Man has experienced rapid population growth over the past two decades, with 14,709 (+21%) more people in 2011 than in 1991. Table 16 shows the official census data.

Table 16 Isle of Man, population, 1991–2011

Year	Population	Increase %
1991	69,788	7.9
2001	76,315	9.4
2011	84,497	10.7

Source: Isle of Man (2012)

The table shows a consistent accelerating rate of increase of population, different from the experience of both Jersey and Guernsey, which had a slower rate of increase in the middle decade. About 90% of the population growth has been caused by net migration rather than natural increase.

The Isle of Man does not publish annual end-of-year population estimates so there is no clear indication of trends since 2011. However, there has been a significant decline in the natural increase from about 200 in 2010 to just 14 in 2014. The official estimate of the population in 2015 is 85,015, just 0.6% higher than in 2011.

Dependency ratio

The Isle of Man has historically had a high dependency ratio. The figure was as high as 86% in 1976. It then fell steadily to 62% in 2001 since when it has increased to 64% in 2011. However, with the definition that it uses the ratio was 52% in 2011 since when it has risen to 55%.

Population projections

The Isle of Man Economic Affairs Division projects population growth on assumptions of nil, 500 and 1,000 annual net migration. Table 17 indicates the forecast growth in population under these different assumptions.

Table 17 Isle of Man, population projections, 2020–2035

Year	Net Nil migration	500 Migration	1,000 Migration
2020	84,886	87,403	89,919
2025	84,701	89,772	94,844
2030	84,373	92,104	99,836
2035	83,067	94,129	104,650

Source: Figures provided on request from the Isle of Man Economic Affairs Division.

The nil net migration assumption would result in the population remaining static until 2025, before gradually declining. At the other end of the spectrum, if net migration ran at 1,000 annually, then the population would increase steadily to 104,650 in 2035. The 500 net migration forecast is perceived as the 'primary' model by government, which would lead to a population of 94,129 in 2035.



Table 18 shows the forecast dependency ratios with the alternative migration assumptions.

Table 18 Isle of Man, dependency ratio, 2020–2035

Year	Net Nil migration %	500 Migration %	1000 Migration %
2020	59	58	58
2025	63	61	60
2030	71	67	64
2035	78	73	69

Source: Figures provided on request from the Isle of Man Economic Affairs Division.

With net migration of nil, the dependency ratio would rise rapidly to 78% in 2035. The 500 migration assumption reduces the ratio to 73% by 2035, and the 1,000 net migration assumption reduces it to 69%.

Policy

There is no restriction on buying property in the Isle of Man, but restrictions on employment are imposed through a work permit system.

There appears to be no formal policy on population. However, unveiling the government's Enterprise isle initiative in July 2015 the Chief Minister said "we must aim to increase our working population by 500 to 1,000 people each year." While this can partly be achieved by higher employment participation rates such figures will also require significant net immigration.



Bermuda

Population trends

Table 19 shows the population growth of Bermuda in the two decades from 1991.

Table 19 Bermuda, Population, 1991–2010

Year	Population	Increase/Decrease %
1991	58,460	10%
2000	62,059	6%
2010	64,237	4%

Source: Government of Bermuda (2013)

That table shows that Bermuda's population has increased significantly but that there has been a steady decline in the rate of increase, attributed to declining birth rates, increasing emigration and increased life expectancy.

Yearly population estimates are published by the Bermuda Department for Statistics. Table 20 shows the latest yearly estimates from 2000 to 2014.

Table 20 Bermuda, Population, 2000–2013

End-Year	Population	Increase	Natural increase
2000	62,310	950	–
2001	62,699	389	–
2002	63,125	426	426
2003	63,525	400	400
2004	63,955	430	430
2005	64,353	398	398
2006	64,693	340	340
2007	65,084	391	391
2008	65,462	378	378
2009	65,811	349	349
2010	64,444	-1,367	294
2011	64,685	241	241
2012	64,911	226	226
2013	65,091	180	177
2014	65,187	94	94

Source: Government of Bermuda (2015)

These figures are reproduced from the official publication but are clearly misleading as except in one year the population increase is shown as being the same as the natural increase. It seems that the actual figure from the 2010 census was reconciled with the estimated annual run of figures by simply counting the whole of the difference as net emigration in a single year. These figures also reveal that the natural rate of population growth has fallen by nearly 80% since 2002, probably reflecting net emigration of young adults.

It should be noted that these figures have come under some scrutiny, with one commentator, Anchor Investment Management (2013), arguing that the population fell by over 6% between 2008 and 2012.



Dependency ratio

The dependency ratio in Bermuda fell steadily from 64% in 1960 to 40% in 1991 since when it has increased slightly to 43%.

Population projections

In 2010 the Bermuda Department for Statistics published population projections for the years to 2030. These showed a fairly stable population, but with a sharp increase in the dependency ratio, from 43% in 2010 to 62% in 2030, largely as a result of a doubling of the proportion of the population aged over 65. Table 21 shows the data.

Table 21 Bermuda, Population Forecast 2010–2020

Year	Population	Increase	Natural Growth	Net-Emigration
2010	64,129	-	-	-
2011	63,193	-936	280	-1,216
2012	62,408	-785	37	-822
2013	61,954	-454	30	-484
2014	61,777	-177	19	-196
2015	61,735	-42	138	-180
2016	61,695	-40	122	-162
2017	61,658	-37	109	-146
2018	61,623	-35	95	-130
2019	61,592	-31	81	-112
2020	61,566	-26	70	-96

Source: Department of Statistics (2010)



Policy

About 80% of the population are native-born, a much higher proportion than in Jersey or Guernsey. There are ten types of work permits available for non-residents. Table 22 shows the position.

Table 22 Bermuda, types of work permits

Status	Definition
Seasonal Permit	Allows for the hospitality industry to employ staff for up to 8 months.
Occasional Work Permits	Allows for casual or part time model etc. to be employed for up to 100 hours during a year.
Short term Work Permit	Must be used by all employees for individuals employed for up to six months. Holders are expected to leave Bermuda, ones their permit time is over, unless an extension application has been made.
Global Work Permit	These permits are used by international businesses to relocate employees to Bermuda, providing there use is not to fill a pre-existing Bermudian role. These run for 1, 2,3,4,5 years.
Standard Work Permit	Allows for business to employee international talent on a 1,2,3,4, or five year permit basis. This is only when local talent is unavailable to fill the business needs.
New business Permits	Allows for new business to automatically receive work permits for the first six months since obtaining their new business permit. These are on 1,2,3,4, and 5 year periods.
Entrepreneur Permit	Allow a new start-up entrepreneurs a one year working permit, without registering a new business.
Periodic Work Permit	Those employed to make multiple visits for a period of time no greater than 30 days each trip. These permits may be granted for 1, 2, 3, or 4 years.
Travelling Salespersons	Those employed to make multiple visits for a period of time no greater than 30 days each trip. These permits are only granted for 1 year.
Emergency Permit	In the case of a business emergency, companies can apply for emergency permits which are similar to short term permit, but with faster response times.

Source: Ministry of Home Affairs, Department of Migration (2014)



Cayman Islands

Population trends

The population of the Cayman Islands grew very rapidly in the two decades to 2011. The population in 2011 was 98% larger than in 1991 with 27,478 extra residents. As recently as 1970 the population was only 10,000, less than a fifth of its current size. Table 23 shows the census data.

Table 23 Cayman Islands, population, 1991-2011

Year	Population	Increase %
1991	28,039	-
2001	41,900	49.4%
2011	55,517	32.4%

Source: Cayman Islands Government (2011)

Table 24 tracks the make-up of the Cayman Islands population growth from 2000 to 2014.

Table 24 Cayman Islands, population, 2000-2014

End-Year	Population	Change	Natural increase	Net migration
2000	40,200	1,200	482	724
2001	41,350	1,150	490	660
2002	42,452	1,102	463	639
2003	43,574	1,122	470	652
2004	40,242	-3,332	426	-3,758
2005	44,403	4,161	529	3,632
2006	52,819	8,416	528	7,888
2007	54,079	1,260	584	676
2008	55,998	1,919	627	1,292
2009	56,508	510	648	-138
2010	55,521	-987	657	-1,644
2011	55,277	-244	624	-868
2012	56,732	1,455	587	868
2013	55,691	-1,041	527	-1,568
2014	58,238	2,547	557	1,990

Source: Economics and Statistics Office (2014)

These figures show the rapid growth that the Cayman Islands has experienced in the years from 2000 to 2014, but also the volatile net immigration levels. It should be noted that the significant fall in population in 2004 (3,332) is attributed to Hurricane Ivan, which displaced many residents temporarily. The sharp increase in the islands' population in 2005 and 2006 was the result of residents returning and high labour demand for the reconstruction effort.

Population projections

The Cayman Government does not produce any official population projections.



Dependency ratio

The rapid increase in the population has led to a corresponding fall in the dependency ratio from 85% in 1970 to 31% in 2010, one of the lowest figures in the world.

Policy

Unlike many other jurisdictions compared in this study, the Cayman Islands do not have any restrictions on personal purchases of property. A work permit system is in operation.



Gibraltar

Table 25 shows population trends from the most recent censuses.

Table 25 Gibraltar, population, 1991–2011

Year	Population	Increase/Decrease %
1991	28,074	-2
2001	28,240	1
2012	32,577	14

Source: Statistics Office (2013)

The pattern of population change differs significantly from other jurisdictions – a modest decline in the decade to 1991 followed by a modest increase in the following decade and a very rapid rate of increase after 2001.

Table 26 tracks the population growth of Gibraltar from 2000 to 2014.

Table 26 Gibraltar, population, 2000–2014

End-Year	Population	Increase	Natural increase	Net migration
2000	27,033	-171	146	-317
2001	28,240	1,207	125	1,082
2002	28,454	214	129	85
2003	28,705	251	138	113
2004	28,991	286	179	107
2005	29,313	322	169	153
2006	29,672	359	143	216
2007	30,066	394	198	196
2008	30,496	430	173	257
2009	30,963	467	183	284
2010	31,465	502	262	240
2011	32,003	538	201	337
2012	32,577	574	197	377
2013	32,734	157	196	-39
2014	33,140	406	240	166

Source: Statistics Office (2014)

The table shows a more stable pattern than other jurisdictions, although with a significant change in 2013. Natural increase has accounted for a significant part of the increase in population, reflecting a high birth rate.

Population projections

The Government of Gibraltar does not produce any official population projections.

Dependency ratio

The dependency ratio has increased steadily, but modestly, from 47.7% in 1970 to 52.4% in 2012.



Policy

The population policy of Gibraltar should be considered in a different context from that of other jurisdictions analysed in this paper. Firstly, unlike other jurisdictions and by virtue of its geography, Gibraltar benefits from cross border labour, which has fuelled much of its recent economic growth. Secondly, as it is a part of the European Union, Gibraltar is legally obliged to enforce EU employment laws. In particular, EU anti-discrimination rules have barred the Government of Gibraltar from introducing work permits or housing licence schemes that favour locals over non-locals. Accordingly, in many regards its labour market is much more liberal than that of Jersey.

The impact of cross-border labour is seen in Table 27.

Table 27 Gibraltar, composition of labour Force, 1990–2015

Year	Frontier Worker	Gibraltar Workforce	Total Workforce
1990	1,730	12,310	14,040
2001	2,054	12,206	14,260
2015	11,841	12,581	24,422

Source: The Statistics Office (2001)

Source: The Statistics Office (1991)

Source: Department of Employment (2015)

The proportion of the workforce who are frontier workers has increased from 12% in 1990 and 17% in 2001 to 48% in 2015.



Comparisons

Table 28 summarises the key data from the jurisdictions studied.

Table 28 Comparative data, island economies

Territory	Population trend	Projections	Dependency ratio	Policy
Jersey	Increase of around 0.9% a year	“Planning assumption” is increase of 0.32% a year	53% rising to 74% in 2065 with 350 net migration	To limit immigration with the objective of population increasing by 325 a year.
Guernsey	Modest fall since 2012	Official scenarios are for net increase of 100 – 200 a year – 0.16–0.32% a year	53% rising to 82–87% in 2060 on alternative migration scenarios	Switch from seeking static population to seeking population compatible with other policies.
Alderney	Fall of 17% since 2001		72%	To increase population significantly. No property ownership restrictions.
Isle of Man	Increase of about 1% a year between 2001 and 2011, but of 0.15% a year subsequently.	Assumptions are based on zero migration (falling population by 2035), and net migration of 500 and 1,000	55%, rising to 69–78% in 2035	No property ownership restrictions. Seeking to increase size of working population.
Bermuda	Static or declining since 2007	4% fall between 2010 and 2020	43%, rising to 62% in 2030	Extensive regulation of home ownership etc.
Cayman Islands	Rapid increase of 3% a year		31%	No property ownership restrictions.
Gibraltar	Increase of over 1% a year		52%	No property ownership or employment restrictions.

The table shows significant variations between the jurisdictions from declining populations (Alderney, Guernsey and Bermuda) to a rapidly rising population (Cayman Islands). Jersey and the Isle of Man show a similar recent trend of a significant and steady increase. For the countries where the data is available dependency ratios are forecast to rise significantly. There has been a subtle change of policy in a number of jurisdictions towards seeking to increase the size of the working population, which in practice means the size of the total population. This is the case in Guernsey, Alderney, the Isle of Man and Gibraltar. Jersey retains the policy of seeking to limit the size of the population.



It is helpful to look a little wider to other island states where some data is available. Table 29 draws on data from two sources to compare trends in island economies.

Table 29 Island states, population trends, 2015–50

State	Popn 2015 000's	Popn 2050 000's	Change 2050/15 %	GDP per capita, PPP 2012 \$	Popn 0-15 & over 59, % of total, 2015 - 50
Bermuda	62	54	-13	86,000	
Isle of Man	88	104	27	54,000	
Channel Islands	164	181	10	51,890	38-48
Cayman Islands	60	82	37	43,800	
Gibraltar	32	32	-	43,000	
British Virgin Islands	30	38	27	42,300	
Iceland	329	389	18	39,900	39-47
Greenland	56	52	-7	37,400	
Andorra	70	72	3	37,200	
San Marino	32	33	3	36,200	
Bahamas	388	489	26	31,900	33-43
Faroe Islands	48	52	8	30,500	
Turks & Caicos	34	48	32	29,100	
Guam	170	228	34	28,700	38-43
Malta	419	411	-2	27,500	40-49
Barbados	284	282	-1	25,800	39-48
Seychelles	96	100	4	25,600	
Aruba	104	102	-2	25,300	37-44
Antigua & Baruda	92	114	24	18,300	35-43
St Kitts & Nevis	56	68	21	16,500	
Curaçao	157	189	20	15,000	40-46
U.S. Virgin Islands	106	97	-8	14,500	
Dominica	73	74	1	14,400	
Grenada	107	110	3	13,900	37-43
Northern Mariana Islands	55	51	-7	13,600	
St Vincent & Grenadines	109	109	-	12,000	36-42
Maldives	364	494	36	9,400	34-42
American Samoa	56	57	2	8,000	
Tonga	106	140	4	7,700	45-41
Samoa	193	241	25	6,300	45-42
Kiribati	112	178	59	6,100	41-40
Vanuatu	265	476	80	5,000	43-41

Sources: CIA (2015) for figures on GDP per capita
United Nations (2015) for all other data

Note: The GDP per capita figures on a “purchasing power parity” basis, which gives a better indication of living standards than the crude figures.

The table shows significant variations with a small number of states (notably Bermuda and Greenland) forecast to have falling populations while at the other extreme a number of islands in the western Atlantic and the Pacific are forecast to have rapid rates of increase. About half the territories are forecast to have nearly static or modestly rising populations. With the exception of the four poorest jurisdictions each of the states is forecast to have a rising proportion of people outside normal working age.



Issues

The analysis in this paper raises a number of issues that merit consideration, either to facilitate a better understanding of the dynamics of population change or on policy grounds –

- The dependency ratio is a useful variable, particularly for making comparisons between jurisdictions. However, it is inherently faulty in that it ignores changing working practices. For example, if because people are living longer they choose to work for longer then the upper age limit becomes meaningless. And in a small island like Jersey with a huge two-way flow of people the immigration of wealthy, but elderly, people will increase the “dependency” ratio even though such people far from being dependents are likely to be a net contributor to the economy through their tax payments and spending.
- Related to this point is the employment participation rate. People may choose to retire at a much earlier age than 65 but even if they have no intention of working they will not be counted as dependents in the dependency ratio.
- Jersey has a large diaspora. Boleat (2015) has estimated that there are currently some 18,000 people living outside Jersey who have residential qualifications to live in the Island, and that there has been an increasing trend for such people to return, particularly on retirement, the number now probably running at about 150 a year.
- Technological change will have a substantial impact on the labour market in the coming years, which in turn could have significant implications for immigration into and emigration from Jersey.
- It is clear that Jersey, like many other communities, will have to face the consequences of an ageing society, but it is not apparent that this has been fully reflected in a range of policy areas.
- In due course Jersey may need to rethink its attitude towards population policy – whether to continue to seek to target, or at least influence, an absolute size of population increase or rather to give priority to the size of the working population, as Guernsey and the Isle of Man have done.



References

Context

Office of National Statistics, 2015. Annual Mid-year Population Estimates, 2014. London: Office of National Statistics.
Office of National Statistics, 2014. Changes in UK population over the last 50 years. London: Office of National Statistics.
Office for National Statistics, 2014. National Population Projections, 2014-based projections. London: Office for National Statistics.
The World Bank, 2015. Age dependency ratio (% of working-age population). Washington: World Bank.
OECD, 2015. "Labour Force Statistics: Population projections", OECD Employment and Labour Market Statistics (database). DOI: <http://dx.doi.org/10.1787/data-00538-en>

Jersey

States of Jersey, 2012. Report of the 2011 Census. Jersey: States of Jersey.
States of Jersey, 2013. Jersey population projections 2013 release. Jersey: States of Jersey.
States of Jersey, 2014. Report: Interim Population Policy 2014–2015. Jersey: States of Jersey.
States of Jersey, 2015. Jersey's Resident Population, 2014 estimate. Jersey: States of Jersey.

Guernsey

States of Guernsey, 2015a. Guernsey Annual Electronic Census Report, 31st March 2014. Guernsey: States of Guernsey.
States of Guernsey, 2015b. "Maintaining Guernsey's working population", States of Guernsey Billet d'Etat No XXIV 8 December 2015. Guernsey: States of Guernsey.
Housing Department, 2011. Housing Control – Summary of Right to Work Documents.

Alderney

Island Analysis, 2013. 2013 Alderney Report. Guernsey: Island Analysis.
States of Alderney, 2014. Alderney Electronic Census Report 31st March 2014. Alderney: States of Alderney

Isle of Man:

Isle of Man Government Treasury, 2012. Isle of Man Census Report 2011. Isle of Man: Isle of Man Government.

Bermuda:

Government of Bermuda (2013). Census of population and housing. Hamilton: Government of Bermuda.
Government of Bermuda (2015). Bermuda Digest of Statistics. Hamilton: Government of Bermuda.
Government of Bermuda (2010). Bermuda's population projections, 2010–2020. Hamilton: Government of Bermuda.
Anchor Investment Management, 2013. Worse than Expected. Bermuda Economic Update. Hamilton: Anchor Investment Management.
Ministry of Home Affairs, Department of Migration, 2014. Work Permit Policy. Hamilton: Government of Bermuda.
Government of Bermuda, 2002. Bermuda Immigration and Protection Amendment Act 2002. Hamilton: Government of Bermuda.



Cayman Islands

Cayman Islands Government, 2011. The Cayman Islands' 2010 Census of Housing and Population Report. Cayman Islands: Government of the Cayman Islands.
Economics and Statistics Office, 2014. Statistical Compendium 2014. Cayman Islands: Government of the Cayman Islands.

Gibraltar

Statistics Office, 2012. Gibraltar Consensus 2012. Gibraltar: HM Government of Gibraltar.
Statistics Office, 2014. Abstract of Statistics 2014. Gibraltar: H.M. Government of Gibraltar.
The Statistics Office, 1991. Consensus of Gibraltar 1991. Gibraltar: Government of Gibraltar.
The Statistics Office, 2001. Consensus of Gibraltar 2001. Gibraltar: The Government of Gibraltar.
Department of Employment, 2015. Frontier workers by nationality, 2015, Table EMP.2. Gibraltar: Government of Gibraltar.

Comparisons

CIA, 2015. CIA World Factbook.
United Nations, 2015. World population prospects, 2015 revision. New York: United Nations.

