

# Students' success with IoD

THREE students have won the opportunity to attend next year's Institute of Directors' annual convention in London following their attendance at the Guernsey event last October.

Gilbert Bishop-White from the Grammar Sixth Form Centre, Fergal Morrissey from Elizabeth College and Freya McLaren from Ladies' College all blogged for their place on the all-expenses-paid trip to London to attend the convention in September, with the support of the Ana Leaf Foundation.

Its 'Directors of Tomorrow' scheme, now in its seventh year, saw nine students attend an informal lunch last October to meet Sarah Montague, Today presenter and the moderator of the Guernsey IoD annual debate.

The students, selected by their teachers for their interest in business and current affairs, then attended the evening's debate and drafted blogs on their thoughts on the evening. This year's debate addressed the question – 'Is Guernsey a demographic time bomb?'

The Directors of Tomorrow judging panel, including representatives of the Ana Leaf Foundation and the IoD Guernsey Committee, selected the winners.

'The Guernsey IoD debate was particularly important for our students as we discussed the issues that are going to affect their generation, in particular issues



Three students have won the opportunity to attend the Institute of Directors' convention in London. Pictured, left to right, are Gilbert Bishop-White of the Grammar Sixth Form Centre, Richard Le Tocq, chairman of the Guernsey IoD, Freya McLaren of Ladies' College, Linda Johnson, vice-chairwoman of the Guernsey IoD, and Fergal Morrissey from Elizabeth College. (13881432)

surrounding population and the ageing demographic of our island,' said Richard Le Tocq, chairman of the local branch of the IoD.

'I think the students' blogs show real depth and knowledge. We fully support a scheme that places value

on the development of Guernsey's future leaders and are extremely grateful that the Ana Leaf Foundation has given students this opportunity. It is a great initiative.'

Hayley de Putron, trustee of the Ana Leaf Foundation, added: 'The

Directors of Tomorrow initiative gives our future leaders an insight into local business and a chance to voice their opinions on the current issues that surround them.

'I was impressed by the intuitive comments made by the students

both during the debate and in their blogs, providing another perspective on Guernsey's key issues.'

You can read all of the students' blogs here: <http://business.jtglobal.com/channel-islands/media-centre/events/>

## Gilbert Bishop-White

CHIEF MINISTER Jonathan Le Tocq's talk of needing more flexibility to attract the right people is something I agree with, and the comments that digital tech has much potential is something I personally agree strongly with, given my interests in technical industry.

Geoff Miller [GLI Finance] brought an insight into how business leaders feel about Guernsey, saying that you need certainty if you bring jobs into the island and that there are problems with people struggling to get into the island. This issue of bringing in outside talent is something that Deputy Le Tocq said he was working on addressing with the new population management scheme. Whether or not this new scheme addresses all of the concerns Mr Miller raised is something that only time will tell.

Deputy Le Tocq also pointed out that Jersey has experienced an increase in unemployment – he attributed this to too high a rate of population growth. I have mixed feelings on increasing our population – I feel that we must allow talented and specialised individuals onto our island, especially if we are to aspire to become a technical centre. On the other hand I agree with Deputy Le Tocq that we must be careful in how we approach this inflow of new islanders.

Mr Miller's statement that the 'writing is on the wall' for certain financial sectors is something I agree with. We are coming under ever-increasing pressure from the UK and must be prepared for some difficult change ahead.

As a young person I am aware that changes to pensions will have a large impact on myself. Chris Brock [Island Global Research] suggested that people should have a second pension which [moderator] Sarah Montague suggested would be unfair on the youth, as previously the state pension was sufficient to live off but must now be supplemented by private savings. I would tend to disagree with this sentiment – I feel that though these changes would be hard in the short term, going forward they would provide more control over how we prepare for the future.

I believe that we have a difficult few years ahead of us – concerns about the stability of our financial sector are combined with an ageing population. These issues are not insurmountable though, and I will echo a point from [keynote speaker and economist] Tim Harford – we have faced similar problems before, in the '70s the failing agricultural industry spelt disaster for Guernsey. I believe if we, as a society, maintain the resilience that Deputy Gavin St Pier says we must foster in the young, we will not only survive, but thrive.

The following articles are edits from the winning blogs of the three students, with their reflections on the IoD convention from last October. The IoD holds its mid-term update event at St James on Tuesday

**THE theme for this year's debate was 'Guernsey's ageing demographic – a ticking time bomb?' My initial reaction to this theme was 'this isn't going to be that relevant to myself since I'm at the beginning of my working life rather than the end'. But as the evening progressed I realised how incorrect I was and how my generation was actually going to be the most affected.**

Tim Harford gave some notable advice to Guernsey regarding growth. I was also shocked to realise what a problem ambitious young people emigrating was and as a result there are now 20% fewer under-20s on Guernsey than in 1980. Being part of the diminishing group and expecting to add to that percentage, it struck me what a significant and imminent problem this was. Chris Brock then progressed to give some context to the debate which also supported Tim's point as only half of Guernsey's population expects to stay on Guernsey for the rest of their lives and that only 43% of the population feel confident about Guernsey's long-term prospects. So far the evening was not filling me with confidence about Guernsey's future and I was beginning to see how significant Guernsey's time bomb really is.

The debate commenced with the staggering statistic that it used to be every 100 people working were supporting 53 people out of work. This number is moving towards 80, meaning there

## Freya McClaren

is a significant increase in the dependency ratio due to the ageing population. The obvious two solutions were either to pay more tax or to reduce benefits such as pensions. Unsurprisingly the more popular is the latter. However there was an almost dark horse solution that we actually need to introduce more economically active people to feed into the economy. This was a popular idea among the panellists and audience, however I did get the impression that this was primarily because it just shifted the burden off their generation.

Although I knew all too well that attracting these economically active people was going to be a problem as at this point I was feeling even less attracted to return to Guernsey and pay for everyone's pensions. Sarah Montague skilfully picked up on this and asked the panellists how they are going to attract these entrepreneurs to an island not renowned for high start-ups but with high house prices and a lack of diverse industries. The panellists recognised that we need to diversify the economy as we have just relied on the tax benefits to draw people in, but this is slowly being eroded.

Then, controversially, Jane St Pier suggested that to diversify the economy we need to invest in our workforce and create these economically active

entrepreneurs, rather than just trying to bring over already successful entrepreneurs. This was refreshing to hear as the focus shifted to locals who I believe will want to give back to Guernsey and will strive to preserve the prosperity, culture and heritage, rather than newcomers who see Guernsey purely from a tax perspective.

However I recognise that population growth would still be beneficial to the island, but I still felt that how this population growth was going to be achieved had not been answered. This was raised by the student table and suggested innovation in other industries such as computing, so Guernsey career options would be more broad-based. The students also touched on the elephant in the room, why should young people come back to the island to bail out people who aren't prepared to pay more tax. However this question – though applauded – was tactfully not answered. The debate offered a unique and fascinating experience into what I now realise is a very significant problem on Guernsey. I thought that the contribution from the students was vital as although our opinions tended to be in the minority, we represented the young people who this burden will fall on. Overall, I hope that this time bomb will be defused soon and I won't be at the IoD debate in 20 years' time when it's too late.

## Fergal Morrissey

AN INCREASE in the pension age is inevitable. To what age though and what will be done about those workers with skills in manual labour who can no longer work in their current occupation? It would be fair to assume that people are not willing to work for longer, but Pat Merriman pleaded for older people to be allowed to continue working. Despite being nearly 90, she still finds useful work to do.

The majority in the room raised their hands in agreement that Guernsey needs to increase its population. This could be achieved through immigration. When asked what type of people Guernsey should be looking to attract, Mel Carvill responded 'young high earners'. However, unlike in the past, we now need to 'roll out the carpet' to attract people to Guernsey. For example, a company director revealed that for their company they would pay less in taxes if they were based in the UK.

The students' table felt it unfair for our generation to be taxed heavily in the future to fund the current generation's pensions who are unwilling to save for themselves. Many students from Guernsey go to university in the UK and the desire for these young potentially high earners to return will be hindered strongly if those working have to fund the majority of the pensions of the generation that preceded them.

Especially given that it was said during the evening that Guernsey is currently in an ideal position demographically and the States virtually have a licence to print more money, so therefore we should get more money from those earning now. Suggestions for how this would be achieved included revisiting GST, increasing the tax higher earners pay and introducing inheritance tax. The evening was intriguing and the fascinating debate really opened up my eyes to the issues faced in Guernsey which I was not fully aware of, since I had been too busy looking at the issues other places faced, neglecting to realise the magnitude of the decisions that need to be made closer to home.