

Guernsey Annual Better Life Indicators Report

2018

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This report contains an adapted version of the Regional Well-being framework from the OECD Better Life initiative. It gives an overall impression of quality of life in Guernsey compared to other jurisdictions, via a set of internationally comparable indicators.



States of Guernsey
Data and Analysis

1.1 Introduction

In June 2017, the States of Guernsey agreed to use the Regional Well-Being Index developed by the Organisation for Economic Development and Cooperation (OECD) to monitor progress against the Future Guernsey Plan (www.gov.gg/policyandresourceplan). This index looks, not only at the economic well-being of a region, but also at the experiences and living conditions of its population. Following further research, it was agreed in June 2018 that the Policy & Resources Committee would publish an annual monitoring report containing an adapted version of the OECD Regional Well-Being framework, taken from the OECD Better Life initiative.

The framework for measuring well-being was developed by the OECD to address a gap in the statistics available. It is intended to give a broad picture of the living conditions experienced by a population, since these are not always illustrated well by measures of economic growth. The framework uses several different measures to assess overall well-being levels.

This is the first such report and it will be used to support the States of Guernsey's policy planning and monitoring process. It also provides a framework against which progress can be measured. It provides an overall impression of living conditions in Guernsey, which is intended to help give an objective view of the effectiveness of the policies of the States and help highlight areas that need attention. It should be noted that the measures presented are intended to be evaluated over the long-term and, since this is the first edition, only three years worth of information is presented for most indicators. It should also be noted that the information is historical (relating to 2017 and earlier), so provides a reflection of the past policies of the States as well as recent global and Island conditions.

Information is incomplete in some areas of this first edition. Work is underway to source the missing data but in the pursuit of openness and transparency the report is being published with the gaps highlighted. It is hoped that this report can still usefully inform the public, States Members and any proposed changes to the policy priorities or work streams of the States.

The majority of the indicators in this report have been selected from the OECD Regional Well-Being and Better Life frameworks. Six additional indicators have been added to ensure the framework is broad enough to cover the range of policy areas in the Future Guernsey Plan. The indicators used in this report are broken down into four categories, aligned with the themes in the Plan:

- Our economy
- Our quality of life
- Our community
- Our place in the world

Measures highlighted with an * indicate those indicators drawn directly from the OECD framework.

Full data is available for twelve of the nineteen indicators. Partial data is available for three indicators (one in economy, one in quality of life and one in place in the world). No data is available for four of the indicators, all in the community category. This data will be included in subsequent editions once survey work is completed. Details regarding why the data is not available or is incomplete and actions that are being taken in order to fill the data gaps is included in the relevant sections. The framework may evolve over time as priorities change, but the intention is for it to remain broadly aligned with the OECD Regional Well-Being framework.

1.2 Summary

Throughout this report, Guernsey’s well-being indicators are presented in the context of the 36 OECD member countries wherever methodologies are comparable. Two or three of the indicators are comparable within each sector except “Our community”, where data is not yet available for Guernsey. Jersey last produced a Better Life Index report in 2013 so the figures have not been included as comparators in this report.

The comparable information can be used to give a summarised view of how Guernsey performs in relation to the other countries in each sector overall. **Figure 1.2.1** below presents this information visually, showing that Guernsey is positioned at the upper end of the scale. Ten is the score given to the highest performing country and zero is the score allocated to the lowest.

In “Our economy”, Guernsey scores 9.4 out of 10 (with 10 being the highest scoring country). This score is based on the indicators “employment rate”, “unemployment rate” and “household income”. In “Our quality of life”, Guernsey scores 7.0 using the indicators “income spent on housing”, “age-adjusted mortality rate” and “life expectancy”. In “Our place in the world”, Guernsey scores 7.4 using the indicators “voter turnout” and “access to broadband”.

Figure 1.2.1 Summary of scores



The Future Guernsey Plan sets out the following overarching aim,

“We will be among the happiest and healthiest places in the world, where everyone has equal opportunity to achieve their potential. We will be a safe and inclusive community, which nurtures its unique heritage and environment and is underpinned by a diverse and successful economy.”

This summary shows that Guernsey is starting from a strong position in relation to OECD member countries.

2.1 Our economy

The OECD Regional Well-Being indicators in this theme in the Plan include household disposable net income, employment rate and unemployment rate. Additional indicators included for Guernsey are GDP per capita and average surplus / deficit in public finances.

Gross Domestic Product (GDP) is a measure of the size of the economy and is an important indicator of the economic well-being of a region. Guernsey's GDP per capita grew between 2015 and 2017, continuing an upward trend over the longer term history. Further information can be found on www.gov.gg/gdp.

Average surplus / deficit in public finances represents the fiscal stability of a jurisdiction and its ability to deliver public services with the money available to it. A positive figure indicates a surplus, whereas a negative figure would indicate a deficit. As shown below, the average surplus over five years (calculated in accordance with the accounting practice used in the 2017 accounts) grew between 2015 and 2017. See www.gov.gg/accounts for further information on the finances of the States of Guernsey.

The employment participation rate is calculated by dividing the number of employed and self-employed people by the total number of people aged 15 to 64 (to be comparable with the OECD). The unemployment rate is the number of unemployed people divided by the total labour force i.e. the total number employed and self-employed or seeking work. Both these measures are good measures of the health of an economy and engagement of the population in its economy. Unemployment is closely associated with poor well-being. On the next page these are shown compared to other jurisdictions and it can be seen that Guernsey compares extremely well. Further details are available from www.gov.gg/population.

Guernsey's economy enjoys high employment participation and exceptionally low unemployment rates. Guernsey is able to sustain low unemployment rates, in part, by allowing the expansion of the workforce to meet the demand for labour by bringing in workers from outside the Island. This practice is particularly evident in highly seasonal sectors like hospitality. This allows the workforce to expand and contract while placing less pressure on participation and unemployment rates. This pattern allows Guernsey to sustain significantly lower unemployment levels than are typically seen in larger jurisdictions while still meeting the demands of employers for skilled labour.

Household income is an important indicator of the resources available to the population to satisfy its basic needs. It can be a symbol of life satisfaction and perceived self-worth for individuals within a population. A household's net disposable income represents the resources available to a household after payment of tax and housing costs like rent and mortgages. The median is used to prevent small numbers of very high or very low values from distorting the central tendency. This figure increased between 2015 and 2016. Data for 2017 will become available in November 2019 and is published on www.gov.gg/household, where more detailed information on household income is available. These figures are converted to Purchasing Power Parity, which adjusts for differences in currency exchange rates and differences in the cost of non-housing goods and services in different jurisdictions, using a UK conversion factor to allow comparison with other jurisdictions. Median household income in Guernsey is very high relative to comparator jurisdictions, reflecting low levels of unemployment and a high level of employment in sectors with a high level of added value.

2.1 Our economy

The Household Income report also contains information on the Gini coefficient - a measure of statistical dispersion intended to represent the income distribution of a nation's residents. A Gini coefficient of zero expresses perfect equality, where all values are the same (for example where everyone has the same income). A Gini coefficient of 1 expresses maximal inequality among values (e.g. where only one household has all the income within a population, and all others have none). In Guernsey the Gini coefficient for gross equivalised income in 2016 was 0.40. The OECD average was 0.316.

Table 2.1.1 "Our economy": Summary of indicators

Indicator	2015	2016	2017
Gross Domestic Product per capita (real £s)	46,766E	47,873E	49,041E
Five year average surplus / (deficit) in public finances (£000s)	5,746	17,680	48,344
*Employment (% of population aged 15 to 64)	71.8	72.8	73.8
*Unemployment (% of workforce)	1.3	1.3	1.1
Household net disposable income (median £s)	31,789	32,367	-
*Household net disposable income (median US\$ PPP#)	45,938	46,305	-

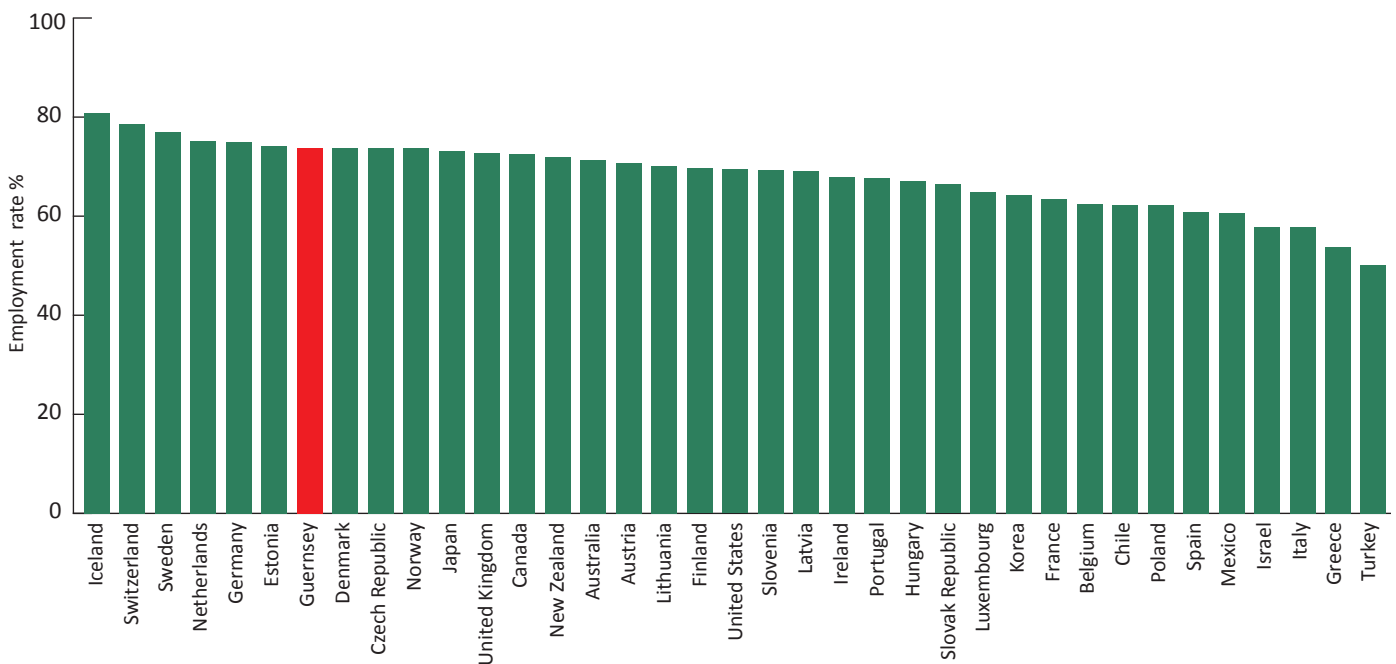
E = estimated

purchasing power parity

Sources: Treasury, Rolling Electronic Census, Data & Analysis

The OECD publish the data for their member countries on <https://stats.oecd.org/>. Figures are taken from there for comparison with Guernsey and only those that are directly comparable are presented.

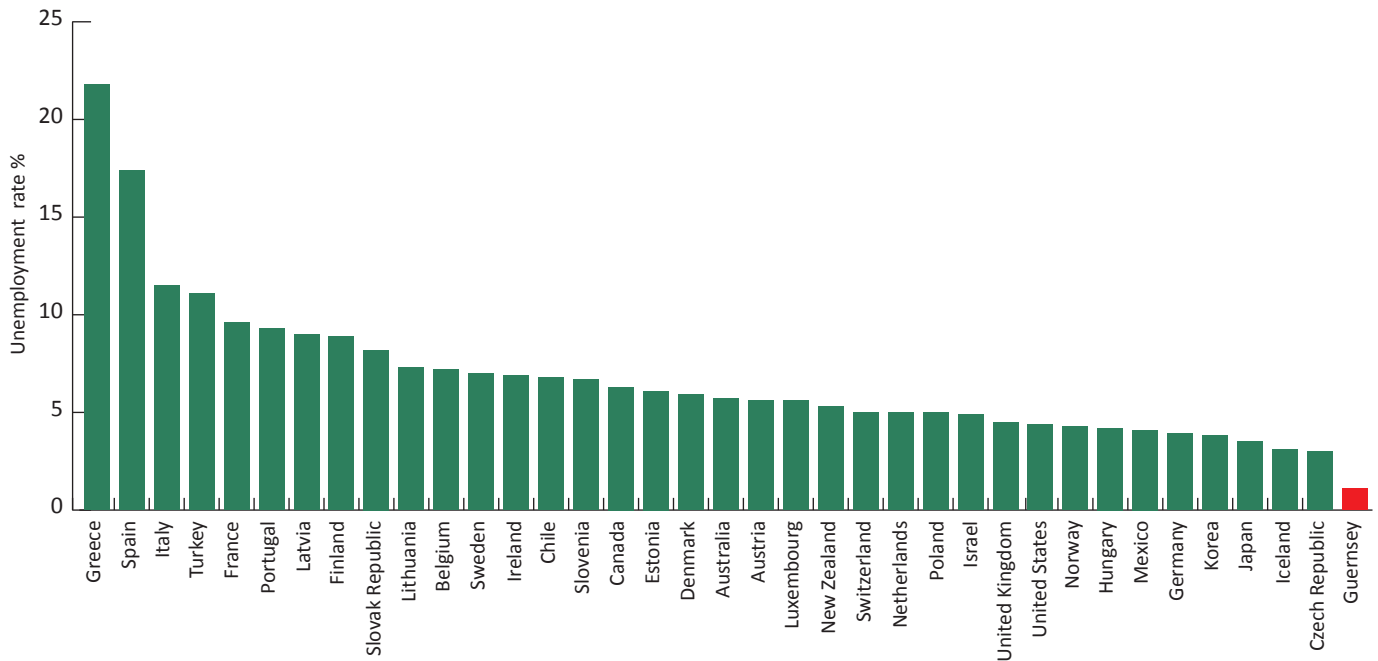
Figure 2.1.1 Employment - comparison with OECD member countries



Source: OECD.Stat

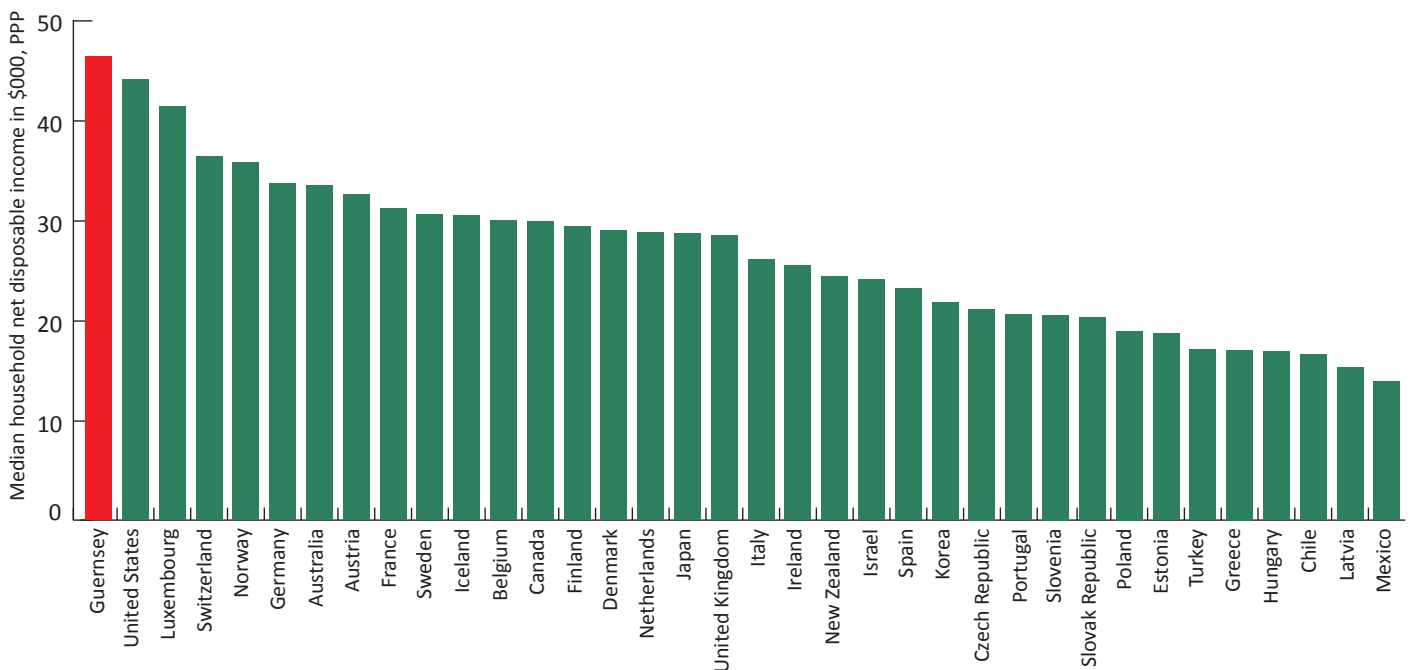
2.1 Our economy

Figure 2.1.2 Unemployment - comparison with OECD member countries



Source: OECD.Stat

Figure 2.1.3 Household income - comparison with OECD member countries



Source: OECD.Stat

2.2 Our quality of life

Personal security, health and housing conditions are used as indicators of the quality of life of a population. Six measures are used to give a high-level picture of the quality of life in Guernsey.

The number of bedrooms per person is an indication of whether housing is over-crowded or under-utilized. Bedroom data is currently available for approximately 84% of the residential property in the Island and this showed that overall, there were 1.6 bedrooms per person, which was slightly higher than in 2015. More information on the domestic housing stock of Guernsey is available from www.gov.gg/property.

Despite the acknowledged high cost of purchasing a property in Guernsey, the overall average percentage of income spent on housing is lower than the comparator jurisdictions. This is in part because of the higher median household income discussed in section 2.1. The high percentage of households who are owner occupiers, particularly among older people, is also a significant contributing factor. 44% of households own their own home outright and therefore face little or no housing costs. Data for 2017 will become available in November 2019 and further details can be found on www.gov.gg/household.

Life expectancy and mortality rates may indicate the level of access to health services in a region. The life expectancy at birth is presented as a three year rolling average ending in the year indicated, due to the relatively low size of the population in Guernsey. Long life expectancy is generally associated with high living standards. Factors such as the quality of sanitation, diet, health care, working conditions and community support services all contribute to longer life expectancies. Guernsey is 9th among the OECD jurisdictions used for comparison with a life expectancy at birth of 82.3 years. The figure decreased between 2015 and 2017, but is stable over the longer historic trend, which is included in the Facts and Figures Booklet at www.gov.gg/ff.

Guernsey's age adjusted mortality rate (the number of deaths as a percentage of the population, adjusted for the different age profiles of the jurisdiction) was 8.1% in 2017, broadly comparable with other northern European countries like Germany, Belgium Ireland and the UK.

The homicide rate is the official measure used in the Regional Well-Being Index but homicides are rare in Guernsey. The violent crime rate is added for context. Violent crime, which includes murder or homicide, assault, robbery, grievous bodily harm and harassment, can negatively affect the people living in the region where the crimes take place. The number of violent crimes (including assault) per 10,000 people are shown below. The 2017 figure equates to 390 violent crimes in Guernsey. The figures fluctuate year on year, but appear stable overall.

2.2 Our quality of life

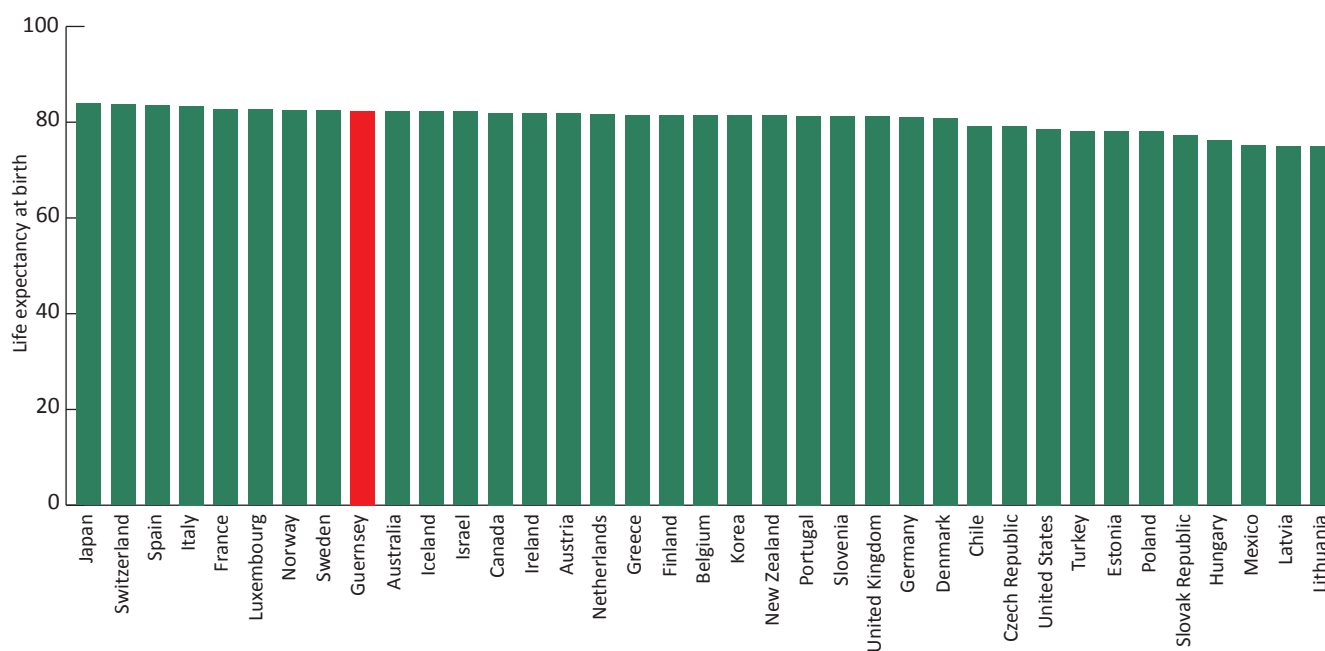
Table 2.2.1 “Our quality of life”: summary of indicators

Indicator	2015	2016	2017
Number of bedrooms per person	1.5	1.6	1.6
*Income spent on housing (% of total income)	16.7	16.5	-
*Life expectancy at birth in years	83.1	82.7	82.3
*Mortality rate	7.0	7.6	8.1
*Number of homicides per 10,000 population	0	0	0
Number of violent crimes per 10,000 population	63	59	63

Sources: Rolling Electronic Census, Data & Analysis, Guernsey Public Health Services, Guernsey Police Annual Report

Figure 2.2.1 shows that the life expectancy for people born in 2017 in Guernsey ranked between that of Sweden and Australia. **Figure 2.2.2** indicates that the average percentage of income that Guernsey households spend on housing is lower than that of many other countries. As flagged on the previous page, this in part reflects the relatively high proportion of households that own their properties outright.

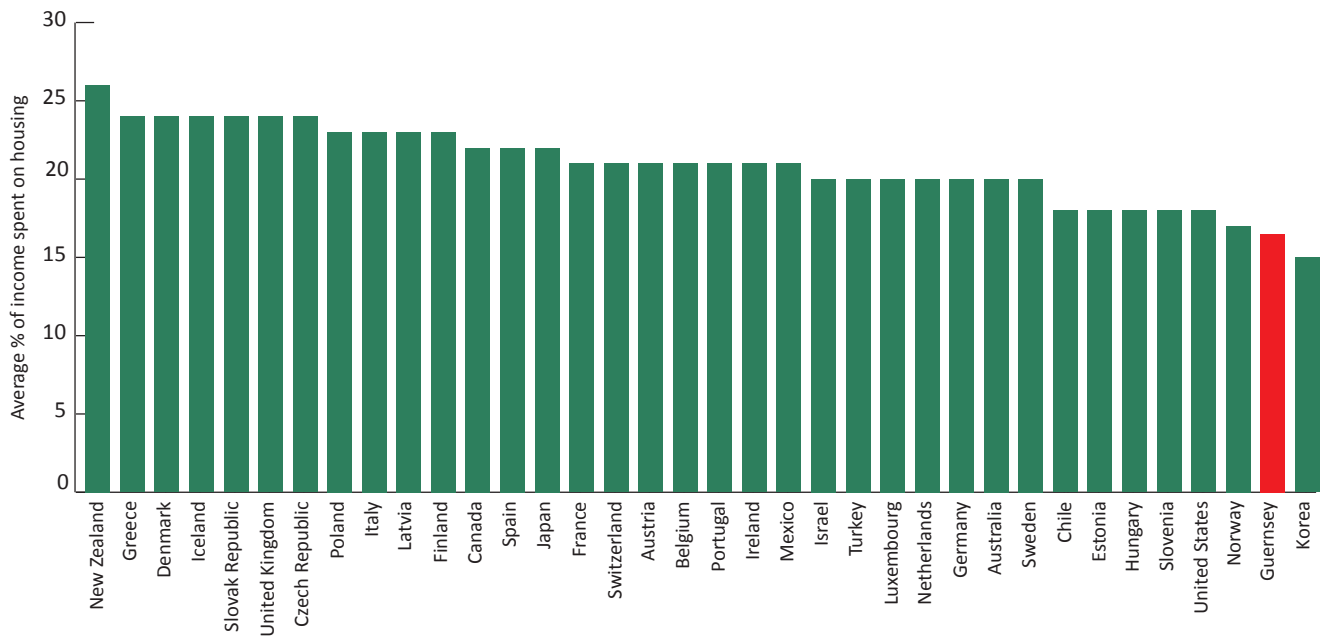
Figure 2.2.1 Life expectancy at birth - comparison with OECD member countries



Source: OECD.Stat

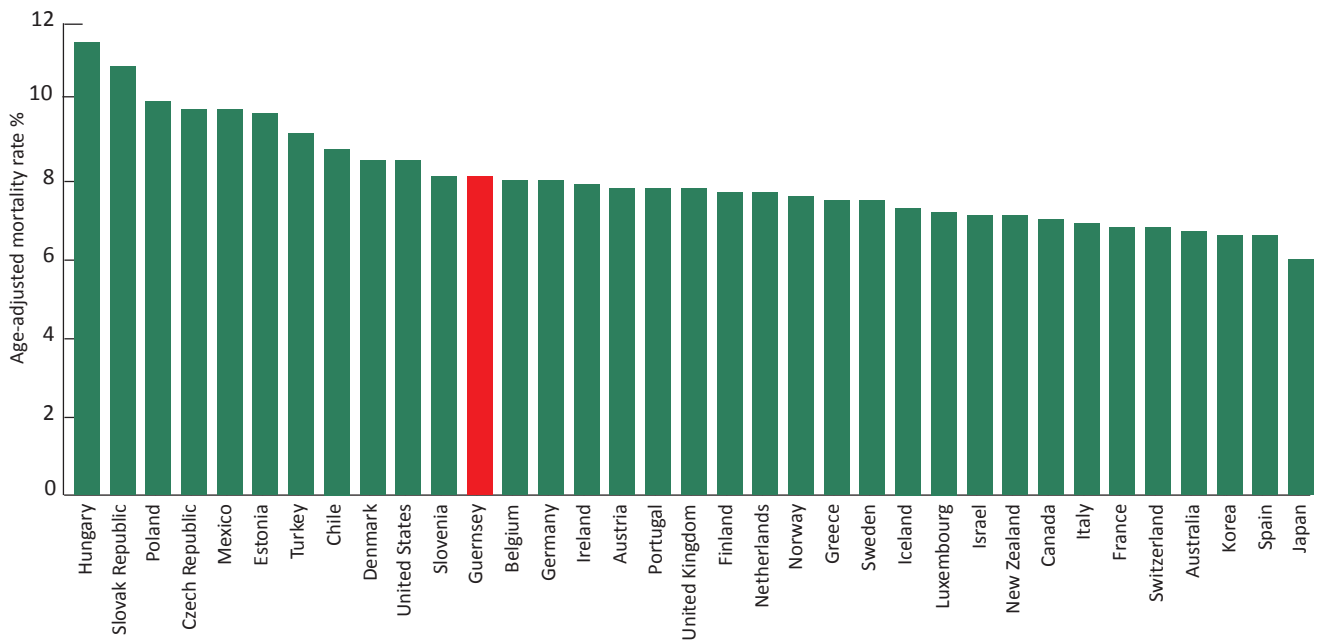
2.2 Our quality of life

Figure 2.2.2 Income spent on housing - comparison with OECD member countries



Source: OECD.Stat

Figure 2.2.3 Mortality rate - comparison with OECD member countries



Source: OECD.Stat

2.3 Our community

Data is not currently available for the “subjective well-being” indicators in this section. There are two surveys currently underway which will provide a baseline of data for these indicators.

The quality of support network will be ascertained by asking, “If you were in trouble, would you have people you could count on to help when you needed them?”. This indicator is an important reflector of individual well-being and feeling of social unity. This question was included in the Well-being Survey, which closed at the end of October 2018, but the results were not available at the time of publishing this report.

The Well-being Survey also asked people to evaluate their life satisfaction on a scale of 1 to 10. This measures both how the population views itself and how happy people are with their lives.

The overall level of education of a region can affect its productivity and crime rate and levels of political engagement. However, wide differences in educational attainment within a region can lead to divergence in the range of earnings. Members of households taking part in the Household Expenditure Survey that was ongoing at the time of publishing this report (see www.gov.gg/hes) have been asked to provide information on the highest level of qualification they have attained and early (unweighted) indications are that the level of secondary education may be as high as 90% across the population. However, this Survey is only repeated once every five years and due to the complex nature of the Survey itself, it may not be the best option for gauging the prevalence of higher levels of educational attainment.

Table 2.3.1 “Our community”: summary of indicators

Indicator	2015	2016	2017
*Quality of support network	data not currently available		
*Life satisfaction	data not currently available		
*At least secondary level education	data not currently available		
2:1 degree or higher level qualification	data not currently available		

2.4 Our place in the world

The quality of the local environment and people’s engagement with the wider community are important factors in the current and future well-being of a country. Air pollution and bathing water quality, (also used in the Annual Indicators of Poverty Report, which can be found on www.gov.gg/indicators) have been selected as quantitative measures of this aspect.

Air pollution levels fluctuate year on year, but are decreasing over the longer historic trend included in the Annual Indicators of Poverty Report, which can be found on www.gov.gg/indicators.

Voter turnout gives an indication of the public’s trust in government and of their willingness to participate in their own governance. This figure will be updated after each general election and in the event of by-elections being held in the intervening years, such as that in 2017, the turnout for those will also be included. The 2016 general election had a record high turnout, at 73% of the people on the electoral roll. This equated to 35% of the Island’s population.

Access to services, such as broadband, is a measure of how easy it is for people to access information and obtain what they need or want for a satisfactory life. The percentage of households with access to broadband increased between 2015 and 2017 and, as shown on the opposite page, is relatively high compared with other OECD member countries. This figure was calculated by applying the number of broadband subscriptions to the number of households in Guernsey.

Table 2.4.1 “Our place in the world”: summary of indicators

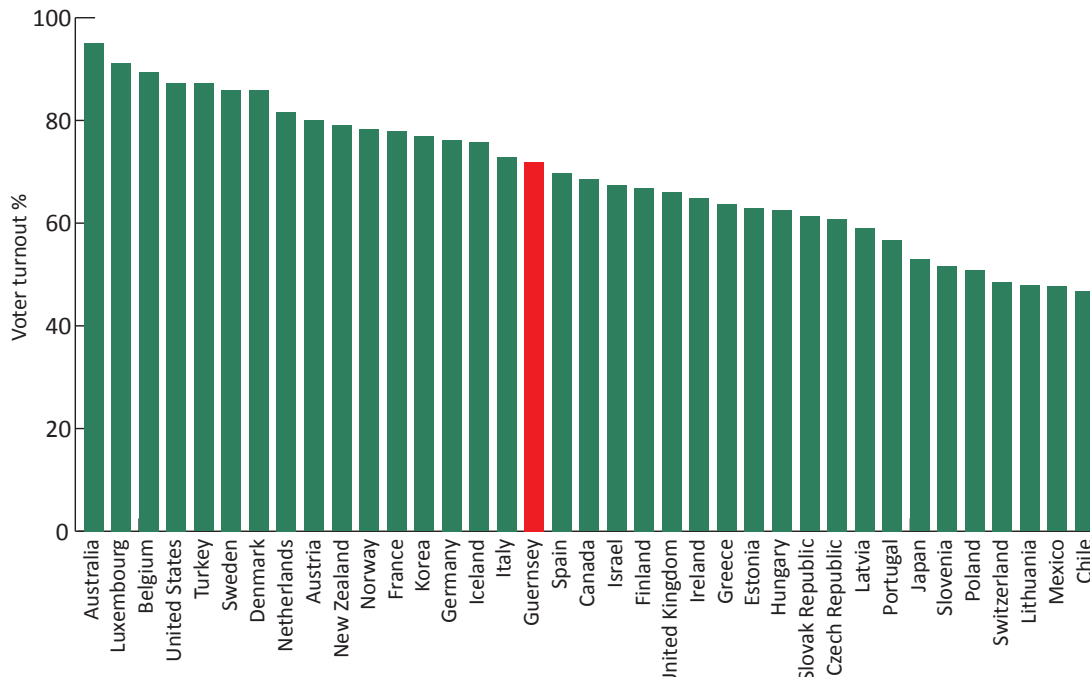
Indicator	2015	2016	2017
*Air pollution levels (μg nitrogen dioxide per m^3) - rolling three year average	16.52	14.92	13.57
Bathing water quality (% of beaches obtaining a guideline level pass)	92	92	77
*Voter turnout (% of population on electoral roll)	-	73	72
*Households with access to broadband (% of households)	92	91	95

Sources: Environmental Health and Pollution Regulation, Data & Analysis, The Channel Islands Competition & Regulatory Authorities

2.4 Our place in the world

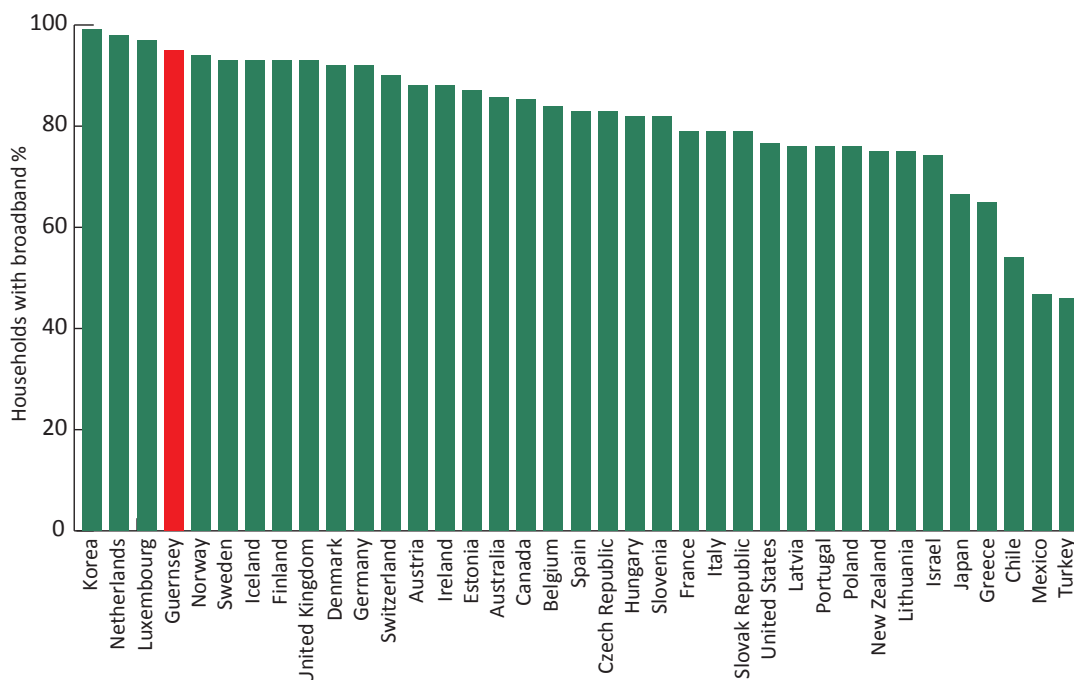
Figure 2.4.1 shows the percentage of people with voting rights who participated in the latest election in each country. Voting is compulsory in some countries (such as Australia), with varying degrees of enforcement. In Guernsey you need to be eligible to vote and on the electoral roll to have the right to vote in an election. **Figure 2.4.2** shows how the percentage of households with broadband in Guernsey compares with other OECD member countries. It is positioned between Norway and Luxembourg towards the top of the rankings.

Figure 2.4.1: Voter turnout - comparison with OECD member countries



Source: OECD.Stat

Figure 2.4.2 Households with access to broadband - comparison with OECD member countries



Source: OECD.Stat

3.1 Further Information

The indicators presented in this report provide a baseline from where Guernsey's performance over time and in relation to OECD member countries can be monitored using a recognised methodology. The report is intended to provide a high level summary and to signpost readers towards sources of more detailed information. There are gaps in the report that need to be filled, but it provides a starting point. In future editions, trends will begin to emerge. Refinements may be made to the way some indicators are measured or presented, while maintaining the continuity of time series data as far as possible.

Work is ongoing to ensure performance measures are in place to monitor the progress towards achieving social policy objectives and also the objectives set out in each of the priority policy areas identified in the Future Guernsey Plan. Policy development and implementation is tracked against milestones and following implementation, the impact on the Island is monitored. It is hoped that transparent and objective measurement, such as this, will add to the policy development and prioritisation process.

An update on this work will be provided as part of the Future Guernsey Plan update that is presented to the States in June 2019.

3.2 Contact details

You may also be interested in other States of Guernsey Data and Analysis publications, which are all available online at www.gov.gg/data. Please contact us for further information.

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