

Information Technology

FOR Information Technology users and suppliers to form a lightweight¹, informal representative body as an interface between the Industry and the States of Jersey.

FOR establishment and maintenance of a central register of Information Technology suppliers, for use by both government and IT users in tendering processes.

FOR consideration of providing financial support for the representation of Jersey e-business suppliers at industry trade events offshore in the context of a “Jersey” IT brand.

FOR development of the Island’s legal and compliance systems to facilitate rapid migration of electronic businesses to Jersey, possibly involving the development of an “Abstract Legal Platform”.

It is difficult to suggest specific policies that will result in growth of the Island’s information technology industries: IT policy is an area that has received considerable attention since 1999 through a wide range of initiatives, none of which appear to have lead to a coherent, long term strategy that will place Jersey in the forefront of offshore IT service provision.

Steps Jersey has taken in the past include:

- The appointment of an IT Strategy Advisor, Peter Griffiths, in 1999.
- Creation of the Jersey Information Society Commission (JISC)
- Establishment of a website, e-team.je to promote the Island’s IT industry and to encourage teamwork between various IT suppliers to deliver solutions to end users.
- Establishment of the Technology, Media and Telecommunications (TMT) group in 2002 / 2003.

The most recent steps Jersey has taken towards the formation of an e-commerce strategy plan is through a strategy meeting held at the Royal Jersey Agricultural and Horticultural Society headquarters in May 2004. This resulted in the production of a public consultation paper entitled “E-Commerce Strategy Plan for Jersey: electronically connecting business”.

It should be noted that IT is not a discrete industry in the way that, say, the finance, tourism and agricultural industries are. Rather, IT is a support industry that serves to automate service processes, in much the same way as machinery automates production processes.

The key to developing both the Island’s IT industry and improving the productivity, and profitability of the Island’s key industries relative to other jurisdictions is the adoption of IT to undertake repetitive tasks that while labour intensive, are process oriented and do not require soft knowledge and skills.

The emergence of locally based knowledge, skills and computing systems that are closely coupled to the Island’s legislative framework and government processes has the potential to bind businesses that would otherwise be highly mobile to the Island, creating advantage against competing jurisdictions in dimensions other than corporate taxation.

In this regard, I believe that the States of Jersey should support² the formation of an industry body comprising IT users, and suppliers to:

¹ In this case, the term “lightweight” refers to low levels of administration and low barriers to entry.

² Use of the word “support” should not be deemed financial support: in many cases, the success of an industry body can be attributed simply to recognition of the Industry body by the States of Jersey.

- i. provide a forum for dialog between IT users, suppliers and government in regard to current and future business needs;
- ii. facilitate the transfer of knowledge between IT suppliers, users and government on a regular basis; and
- iii. assist in the formation of policies and legislation that could improve the performance of the Island's IT industry.

The industry body should be relatively lightweight in administrative terms as it is likely that industry representatives would be expected to serve on the board of such a body; serving on the board should not entail particularly high levels of commitment from industry representatives.

Instead, the industry body should focus on providing an informal conduit for communication between users, suppliers and the government to facilitate the creation of special interest groups that could focus on the development of specific policies, applications and standards³ for IT in the Island.

Establishment of an industry body representing IT suppliers could facilitate the creation of a central register to enable both the government and IT users to issue requests for tenders and receive expressions of interest quickly and easily: marketing for many businesses is an expensive process and effectively lowers the profitability of the sector as a whole.

There is potential that the Island's technology sector could lead the development of an electronic marketplace for IT services.

Establishment of a Jersey IT Brand

Depending upon the growth potential of the industry, bearing in mind the size of the Island's resident IT workforce, it may be worthwhile considering the establishment of a "Jersey" IT brand for promotion abroad.

In particular, there are growth industries such as disaster recovery, business continuity, fulfilment and media production where Jersey could be promoted as an industry at offshore trade show events.

In this case, the States of Jersey may wish to consider the merits of providing financial support to suppliers in these industries at key trade events by way of sponsoring an area, branded in terms of Jersey IT, serving to promote not just individual suppliers but the Island as a whole in the field of Information Technology.

Jersey's Legislative Framework

As the IT industry has developed to integrate information technology and communications, it has become possible for a business or business unit to exist in one country while serving customers in another.

This is one of the reasons that Jersey is becoming increasingly attractive to offshore companies in terms of disaster recovery and business continuity services.

However, there may be implications in terms of the Island's legal and compliance systems that may make the operation of, say, a foreign financial services business from Jersey more difficult by virtue of the different standards, law and tax regimes applicable in each jurisdiction.

It may be possible to enhance Jersey's ability to compete in international electronic service provision, and business continuity services by developing what I have called an "abstract legal platform" that essentially provides a "location independent" legal framework for electronically-oriented businesses enabling the transfer of operations and business between jurisdictions easily in the event of natural disasters such as floods, and hurricanes that have affected various jurisdictions in the past.

³ Standards could have a very positive role to play in the Island's financial services industry insofar as a body such as Jersey Finance could provide a portal that publishes details of financial products and provides search facilities. In this case, development and adoption of a "standard" for describing locally available financial products may assist the industry by reducing the cost of disseminating information relating to the Island's product portfolio to offshore financial advisors.

Potentially, Jersey could “export” many of its processes – including compliance systems – as part of such a platform, potentially generating income from businesses that are not actually operating in Island.