

READING THE ECONOMIC RUNES: AN AIRPORT - ST HELENA'S LAST OPPORTUNITY

by Trevor W. Hearl

'Air access offers the island its last opportunity to break out of its aid dependency and to achieve its vision.'

This is the stark warning with which the St Helena Government (SHG) concludes its 75-page *Strategic Review* of the island's economic prospects for the next ten years, citing the grim alternative as 'an island of the old, poor and unemployable', for which Britain will be asked year on year to sign larger and larger cheques. Prompting the British Government (HMG) further to 'fund an airport on St Helena', it gave current estimates - studiously ignoring St Helena Airways - of £25 million for the airfield, £8 million for related projects and an increased shipping subsidy of £2.5 million; 'a lot less expensive than a new RMS', claimed the Review optimistically, blinking at the loss of about 70 high quality careers and the pessimism of previous airport studies.

Readers who recall Union Castle's two 12-passenger monthly mail ships of a generation ago, when the cry was 'if only we had our own ship', may well ponder this new dependence on 'air access to Ascension Island and Southern Africa'. But as today's economists see only a 'sunset scenario' for St Helena without it, let me review the Review which, like all bitter pills, is well coated, in this case with optimistic aims, generous promises and the stirring rhetoric of 'the Vision':

'A prosperous, peaceful and democratic society for all achieved through sustainable economic, environmental and social development, leading to a healthy and eventually a financially independent St Helena'.

In seeking to devise 'an economy which generates its own wealth', the Review surveys the successes and failures of past policies with commendable frankness. But it does not need Cassandra to read the omens.

The old chestnuts of crippling aid dependence, low productivity, high fares and freightage, small markets and a folklore of failed enterprises and entrepreneurial exclusions, are products of the island's history and geography and as endemic as the wirebird. On these shifting sands someone, ghosting for the St Helena Government, has had the thankless task of dismantling the centralist economic regime of a lifetime to build a policy quite alien to the community's experience and inclinations. Few will be surprised, therefore, that the unpopular remedies of the 1990s created as many ills as they cured, and that long accepted panaceas - tourism, exports, inward investment and import substitution - are now judged unlikely to fund islanders' rising expectations. Even tourism, given every incentive, will generate only £1 million per annum, while high freight costs deter exports more than imports, and though a brewery is hoped to cut the latter sharply, it would not do to

count the barrels yet, given the fate of island breweries in the past. 'The job of government is to steer not row the boat,' proclaims the Review, but nor is the job of Government to rock the boat say Saints, shy of privatisation, with the result that a score of copper-bottomed enterprises are still going begging, from an £800,000 pa electrical generating business and a £100,000 pa world-famous post office, down to a £40,000 pa printing shop. Local enterprise does not mean the same for islanders and planners!

Political apathy is seen as another handicap to building a healthy economy. It peeves the Review that councillors fail to initiate economic policy yet deny 'ownership' of legislative decisions vital to the welfare of the community. But the bemusing Constitution, more suited to a principality than a parish, forces them to be reactionary. Even the Review admits:

'Confusion exists as to what constitutes the Government of St Helena, non-Executive Council Members see themselves as the opposition and there is a feeling of them and us between Councillors and the Administration'.

Yet how could it be otherwise? Councillors stand as 'Champions of the People', not of 'The Castle', representing no party and no policy. Paternalistic Governors and ex-pat officials also endeavour to serve 'the People', but they are servants of the Crown, pursuing the policies of Westminster 'to maximise economic growth' and 'fulfil legal obligations', so ironically the electorate feels itself in double jeopardy. Add to this the distrust of 'government' engendered by the arbitrary actions and restrictive regulations which seem to be the bane of colonial administrations, and it is small wonder that electors take a jaundiced view of the whole process and vote with a volatility that has swept the board at general elections. Nevertheless, a 36% turnout is 'not healthy for democracy,' grumbles the Review; nor does it suggest popular enthusiasm for 'the Vision'.

The planners, meanwhile, face a new and alarming threat from Ascension Island as its commercial users - BBC, Cable & Wireless etc - gave notice to end their funding of local services on March 31, 2000. While Britain seeks a political solution based on democratisation, SHG - where the 'stark realities' for the jobs of Saints came as a shock even to the Citizenship Commission - faces dire economic consequences. For 40 years remittances from 'Ascension Boys' - and more recently from fishing licence revenues - have made the most conspicuous contribution towards raising St Helena's living standards, enabling Saints to defy its dormant economy. But with democratisation these funds would be diverted elsewhere; nor would it be the only loss of remittances. Today nearly half (45%) of the island's workforce is employed overseas, feeding well over £2.5 million a year into islanders' budgets, but when emigration accelerates with the anticipated return of UK citizenship by 2003, migrants will invest their savings not in St Helena but their new homeland. Moreover the 'brain drain' will cripple the island's already struggling social services, leaving the planners to cope with their doomsday predications. *Six transit gloria S Helenae!*

Saints have always taken pride in ‘muddling through, however, and in recent years, despite zero growth in labour productivity, they have done so, as the Review admits, with considerable success. The reasons are not far to seek. SHG’s long-standing policy of meeting the lack of work at home by exploiting labour needs offshore has curbed the birth rate, as has the pill, and encouraged a lucrative remittance income, while Development Aid has been spent on the island’s infrastructure - power, water, transport, housing, leisure, education, health and social welfare - to provide subsidised services. Even now there is a £9 million programme under way for waste disposal, pest control, road improvement, water supply, housing and community care, so that whatever the Jeremiahs say, St Helena has amenities that any English village would envy and a standard of living beyond the wildest dreams of most people in the world, ‘offering the best possible health service and education in an un-polluted and safe environment,’ says the Review. So why worry?

To be sustainable such policies have to be delicately balanced. Above all they need the loyalty and understanding - or at least the docility - of the governed and that is what SGA no longer enjoys. The better the provision, the greater the need for skilled staff and good maintenance, as the Review illustrates from the plight of education. There, despite fewer pupils and generous resources, the loss of 80% trained staff since 1990 has resulted in ‘serious under-achievement at all levels’, so that even an Armed Forces recruitment team complained of poor literacy and numeracy among otherwise promising applicants. In health care, too, islanders’ expectations are similarly threatened, not only with an ageing population and the high cost of treatment, but also from the need among younger age-groups for more protection against AIDS, alcoholism and child sexual abuse. Crime is also increasing with the police under strength. The high expenditure on infrastructure has not been matched, unfortunately, by investment in maintenance or wealth creation, ‘a classic dilemma’ compounding the problems of economic fragility by fuelling consumption, not production. With the seed corn spent and the skilled workforce leaving, the chances of building ‘an economy which generates its own wealth’ are slim indeed.

How then is St Helena to be saved? The Review cites a few thrifty measures, in addition to confining the RMS to a South Atlantic shuttle service, such as the realistic pricing of Government goods and services with preference given to the private sector, correcting ‘considerable’ benefit/tax ‘disincentives to work’, releasing the media from Government control, improving land utilisation and ‘making the island more user-friendly to inward investors’ through immigration reform, among others - in fact correcting errors which should never have been made.

‘Friends’ will be disappointed to find no reference to a museum in the Review but there are scores of other topics to catch readers’ interest - crime, fisheries, housing, male unemployment, taxation and even the Euro. Ever since 1974 these Reviews and Development Plans have been required reading for serious St Helena-watchers every five or ten years and are well worth re-reading as they tackle the same old issues. There was even a 14-page study on Civil Aviation Development in 1974, when their solutions can be seen to have masked, rather than solved, the is-

land's problems. Education is a prime example, for which no effort or expense was spared, yet there is still a huge disparity in (pupil) achievement, compared with UK.

This time all is said to hang on gaining air access to Ascension Island and Southern Africa, though the British Government's response to the latest urgent study on Ascension Island's potential as an economic helpmate for St Helena, is probably more immediately crucial. But what do islanders expect from reforms inevitably conjured up by outsiders? Not much, I fear. It is not that their views go unsought; they are simply not understood in a Catch 22 situation. The perspectives from which Saints on the one hand and the Men from the Ministry on the other, view problems and solutions, are poles apart. Yet the greatest irony of all is surely that, while planners seek the road to the Promised Land, visitors enjoy the island's easy-going ambience and old-world charm with all mod cons and, like the tourism correspondent of *The Weekend Australian*, believe the Saints have already found it, 'a place of innocence - in some ways a paradise'. St Helena is nothing if not a land of contradictions; that is why, whatever the strategic reviewers decide, the Saints will surely muddle through.

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