TOURISTS MARCHING IN, SAINTS FLYING OUT?

THE SOCIAL AND ECONOMIC IMPACT OF AIR ACCESS

Conference ‘Diverse Island Environments’
Saint Helena Island
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BACK IN 2002....
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PRESENTATION SET-UP

1. EXPECTATIONS ABOUT AIR ACCESS IN 2002
2. AIR ACCESS TO REMOTE COMMUNITIES – LESSONS FROM ELSEWHERE
3. IMPACT ON ST HELENA - DISCUSSION
1. EXPECTATIONS ABOUT AIR ACCESS ON ST HELENA - 2002


• Qualitative Research: 26 interviews (in a 3 month period ‘on island’)

• Focus on St. Helena’s Future
  • British Citizenship
  • (Air) Access
A BRIEF HISTORY OF ACCESS TO ST HELENA
AIR ACCESS STUDIES UP TO 2002

• St Helena: one of the most insular places in the world due to lack of Air Access.
• First studies on Air Access during WWII by SA Airforce, followed irregularly by British Government in decades afterwards.
• Two major problems:
  • Absence of suitable aeroplanes to meet the exceptional criteria for serving St Helena
  • The physical difficulty of creating a ‘credible’ airport
• 2002: airport more feasible
  • Development of new aeroplanes which can service the island
  • A technical solution/idea to build a feasible airport at Prosperous Bay Plain
AIR ACCESS DISCUSSION IN 2002

Source: St Helena Herald, 11 January 2002.

**Table 8.2 Referendum results by area**

<table>
<thead>
<tr>
<th></th>
<th>Airport</th>
<th>Replacement RMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>St Helena</td>
<td>60.9%</td>
<td>39.1%</td>
</tr>
<tr>
<td>Ascension</td>
<td>93.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>The Falklands</td>
<td>96.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>RMS crew</td>
<td>87.8%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Overall</td>
<td>71.6%</td>
<td>28.4%</td>
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Source: St Helena Herald, 8-2-2002
IMPACT OF AN AIRPORT

- Environmental (out of our scope)
- Economic
- Social
FORESEEN ECONOMIC IMPACT: TOURISM

• Improved access as condition for ‘high impact – low volume’ tourism.

“We have to go for that, partly because of the expense of getting here, you’re not getting your budget tourists”
- Tom Crowards, Government Economist, 2002

• But what about the island’s ‘uniqueness’?

“One of the greatest attractions of St Helena is it’s remoteness. That you have to battle to get here. It’s all part of the build up. If you take that away, what does Saint Helena have that is special?”
- Bishop John Salt, 2002
FORESEEN ECONOMIC IMPACT: INVESTORS AND WELL-OFF PENSIONERS

INVESTORS
• Investing in St Helena might get more interesting as travel and transport to and from the island gets easier
• But isolation will always remain a barrier for production goods
• Possibilities in high end niche products or non-physical products

PENSIONERS
• Well-off pensioners from for instance South Africa might be interested to buy property on the island with increased access
• Higher quality amenities will be needed to attract this group
• A possible drawback are higher land prices, making it harder for Saints to buy land.
FORESEEN SOCIAL IMPACT: WAY OF LIFE

• A change in the ‘way of life’ on the island:

Maybe the way of life will change (...) I’m talking about the general factors which people value at the moment. It’s quiet, it’s peaceful, things like that (...) This is part of what makes us the people we are.

(...) Materialism comes in, and all the negative things that go with it. But (...) who has the right to deny this to people? I certainly don’t.

- Chief Education Officer Pamela Lawrence, 2002.
OTHER FORESEEN SOCIAL IMPACT:

• Changing ties to Britain: less dependency

• A more ‘entrepreneurial spirit’ among Saints

• More social stability as a result of more economic stability

• Access to more high end health care

• Easier to visit the islands and/or relatives abroad: stronger family ties
SOCIAL AND ECONOMIC IMPACT OF AIRPORT

What can we learn from other places?

- Searched all airports newly opened from 1990 onwards on Wikipedia for places with similarities to Saint Helena
- Searched literature on Google Scholar, using keywords ‘airport’, ‘air transport provision’, ‘remote’
THE DUTCH PERSPECTIVE…

- 3rd largest airport in Europe
- Over 63 million passengers, 6 runways and almost 500,000 flights annually
- Discussions about noise pollution and about opening a satellite airport
AIR ACCESS TO REMOTE COMMUNITIES - LESSONS

- The impact of air connectivity on economic growth and development is well established in the literature – *also for remote communities*
- In some regions, communities, or routes freemarket conditions would not facilitate the development of proper transport connections.
- It can be argued that air transport services are a social right of inhabitants.
- The public sector steps in to provide a service and connect a region or community.
- Different policies are in use around the globe (Fegada et al 2018, p. 65)
AIR ACCESS POLICIES

<table>
<thead>
<tr>
<th>Route-based policies</th>
<th>Passenger-based policies</th>
<th>Airline-based policies</th>
<th>Airport-based policies</th>
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<tbody>
<tr>
<td>A specific/s route/s</td>
<td>Traffic distribution rules</td>
<td>Discount to residents</td>
<td>State-owned firms</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Airport-based policies</td>
</tr>
</tbody>
</table>

Source: Fegada et al 2018, p. 66

Policy most often applied: route-based in form of Public Service Obligations (EU) / Essential air services (US)

- Short term contract with commercial airline -> obligations to provide service / subsidy to do so
- Flexibly applied and details are often secret

Note: policy applied at *national* level
EXAMPLE 1: BRØNNØYSUND (NORWAY)

117,000 passengers annually, partly under PSO contracts
EXAMPLE 1: BRØNNØYSUND (CONT.)

Large-scale survey of airport impact commissioned by government in 2010

Social impact:
• Better contact with friends and relatives; better access to health services
• Retention of residents: 75% of respondents strongly agree that they are more likely to continue living in the region as a result of having a local airport.
• Moving to the region: for 36% of new residents, airport was ‘very important’

General: The impacts of air transport activities are more significant in larger than in smaller regions

Since 2010 number of flights / passengers has increased and region population increased by 5% over last 10 years
EXAMPLE 2: BAWEAN AIRPORT (INDONESIA)

- Island off north coast of Java, 150 km to main port
- Minimum 3-4 hours boat travel, but wave condition can make travel impossible
- Tourists and Baweanese working abroad mentioned as target groups
EXAMPLE 2: BAWEAN AIRPORT (INDONESIA)

Showing the difficulties in running a new remote airport

- 2006: Construction began (1200 m runway). Problems with land acquisition, resettlement, soil conditions, etc.
- 2012 airport was finished, tenders were made – but flights did not commence
- 2013 local authorities handed back control to central govt
- 2016 first flights started (subsidized)
- 2017 four months hiatus in operation due to contract problems

Currently two flights per week, but tourism agencies still advertise boat travel
LESSONS FROM ELSEWHERE

• Be realistic and consider uniqueness of airport
• Provide a reliable flight scheme
• Usefulness of projections is limited, build on experience
• Tourist monitoring and resident survey may be worthwhile
• Solve practical problems for use of airport by residents and tourists
• Targeted marketing: ‘Evidence does suggest that the ability for airports in remote regions to develop air services can be influenced by innovative approaches to marketing that are underpinned by a market-orientated approach to airport management’ (Brathen & Halpern 2012)
‘It all depends on air access. If we have air access, the place could be flooded with outside investors and the Saints will be just workers. On the other hand, Saints could also be business owners, they could have more money, they could be more enthusiastic and have more fire.’ (Lyn Thomas – then managing director SHDA)

‘I would not like to see that in 20 years’ time the island is going to be overrun by tourists, that Saint Helenians themselves are going to be pushed into the corner, as has happened elsewhere, and that the large investors are creaming off all the money. (…) I’d like to see a more secure, more stable, more financially independent island in 20 years time, but not one that is significantly changed. Just changed enough to make it comfortable.’ (Susan O’Bey – then headmistress Prince Andrew School)

‘I don’t think 2020 is necessarily going to mean that there will be wholesale change. I see the number of people coming to the island will be very limited. We have no beaches, we have very little in terms of leisure (…). There is not a great deal of incentive for sudden change.’ (David Hollamby – then governor)

‘The best scenario is that (…) we’re really buzzing here, great things going on between us and Ascension, we are having international conferences here (…) I would say if you want to build a hotel, it has to be a hotel for conferences.’ (Basil George)
SAINT HELENA IN 2020: VIEWS FROM 2002 (2)

Poster by Kayleigh Henry, Jeremy Clingham, Sophie Young and Colin Thomas
SAINT HELENA IN 2020: VIEWS FROM 2002 (3)

Poster by Laura Lawrence
DISCUSSION AND QUESTIONS

Now that it’s 2018 and the airport is a reality:

1. What do you feel will be the economic impact on St. Helena, in about five years?

2. What do you feel will be the social impact on St Helena in about five years?

3. What can be done (and by whom) to strengthen positive impact of air access and to limit negative impact on the island and the Saints?
SOURCES AND CREDITS


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