

St Helena Airport and Supporting Infrastructure



Environmental Statement: Volume 6

Socioeconomic Impact Assessment

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CONTENTS

1.	INTRODUCTION	1-1
2.	METHODS	2-1
	General Approach	2-1
	Sources of Potential Effects	2-2
	Sources of Information	2-3
	Stakeholder Engagement	2-3
3.	POLICY CONTEXT	3-1
	Introduction	3-1
	St Helena Strategy and Draft Sustainable Development Plan	3-1
	Land Development Control Plan	3-4
	St Helena Investment Policy	3-6
	St Helena Tourism Policy	3-7
4.	EXISTING SOCIOECONOMIC CONDITIONS	4-1
	Population Characteristics	4-1
	Economic Development	4-4
	Education and Training	4-10
	Health	4-11
	Social Cohesion, Security and Crime	4-12
	Housing	4-13
	Utilities	4-13
5.	CONSTRUCTION PERIOD EFFECTS	5-1
	Introduction	5-1
	Potential Effects	5-1
	Mitigation	5-7
	Residual Impacts	5-12
6.	OPERATIONAL EFFECTS	6-1
	Introduction	6-1
	Potential Effects	6-1
	Mitigation	6-9
	Residual Impacts	6-14

List of Tables

Table 2.1 – Assessment of Significance Criteria	2-2
Table 4.1 – Population Estimates	4-2
Table 4.2 – Baseline Population Projection	4-4
Table 4.3 – GDP and GNP	4-5
Table 4.4 – St Helena Labour Force	4-6
Table 4.5 – Private Sector Employment (2005)	4-7
Table 5.1 – Employment Multipliers	5-3
Table 5.2 – Summary of Construction Phase Impacts	5-15
Table 6.1 – Employment Multipliers	6-3
Table 6.2 – Summary of Permanent Operation Phase Impacts	6-17

1. INTRODUCTION

- 1.1 This Volume discusses the potential socioeconomic impacts of the development of an airport and supporting infrastructure on St Helena. The assessment considers both the adverse and beneficial effects of the proposed scheme.
- 1.2 The Volume sets out the methodology, policy context, baseline conditions, potential impacts (both temporary and permanent), mitigation measures which would be put in place to minimise potential adverse impacts, and the residual impacts taking into account the proposed mitigation

2. METHODS

GENERAL APPROACH

- 2.1 Although not a statutory requirement in St Helena, DFID and SHG require that the application for development permission be accompanied by an Environmental Statement (ES) which summarises the findings of the Environmental Impact Assessment (EIA). This socioeconomic impact assessment has therefore been carried out with regard to the EIA procedures set out in Volume 2, 'Chapter 3: The Environmental Assessment Process and Environmental Issues'.
- 2.2 Effort has also been made to comply with international best practice including the Equator Principles. The International Finance Corporation (IFC) Environment and Social Development Department has prepared a series of guidelines including:
- Good Practice Note on Addressing the Social Dimensions of Private Sector Projects (December 2003);
 - Social Analysis Sourcebook: Incorporating Social Dimensions into World Bank-Supported Projects (December 2003);
 - Performance Standard 1: Social and Environmental Assessment and Management Systems (April 2006);
 - Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets (May 2007);
 - Guidance Note 1: Social and Environmental Assessment and Management Systems (July 2007).
- 2.3 The methodology for the assessment has been carried out in four stages as follows:
- (i) Identification of existing socioeconomic baseline conditions;
 - (ii) Assessment of the potential effects which could occur temporarily during construction and permanently during operation;

- (iii) Identification of the mitigation measures which will and have been incorporated into the scheme to reduce any negative impacts; and
 - (iv) Description of the residual effects, i.e. prediction of the effects which are likely to occur assuming the mitigation measures are implemented.
- 2.4 The socioeconomic impacts of the airport scheme have the potential to have impacts on the national economic and social environment. Due to the size of the island, at 410 km², the assessment of most impacts has been carried out at a national level. Where appropriate local impacts specific to the airport site or the site of its supporting infrastructure have been assessed. Impacts beyond the national boundaries have not been considered.
- 2.5 The assessment of significance has been undertaken using a seven point scale as shown in Table 2.1.

Table 2.1 – Assessment of Significance Criteria

Major adverse
Moderate adverse
Low adverse
Negligible
Low beneficial
Moderate beneficial
Major beneficial

SOURCES OF POTENTIAL EFFECTS

- 2.6 The potential effects of the proposed airport and its associated infrastructure have been considered under a number of key headings. These are based on potential impacts identified through a participatory process in the work carried out by SHG's social advisor:
- Population characteristics;
 - Economic development;
 - Education;
 - Health;

- Social cohesion, security and crime;
- Housing; and
- Utilities.

SOURCES OF INFORMATION

2.7 The information used in this assessment consists of research studies and consultation specifically related to the air access project, and existing data sets. The information sources used are as follows:

- St Helena Access Feasibility Study, Atkins, 2004;
- St Helena Social Analysis and Development Planning Report, Ann Muir (SHG social advisor), 2005;
- Socio-Economic Public Information Leaflet, SHG/DFID, April 2006
- The Draft Sustainable Development Strategy, SHG, March 2007
- 2005 Statistical Yearbook, Development and Economic Development Department, St Helena Government

2.8 It should be noted that all economic and demographic forecasts and projections are based on those set out in the St Helena Access Feasibility Study, Atkins, 2004. These projections were based on socioeconomic data correct as of 2003 and the assumption that the airport would be operational by 2010. Socioeconomic data up to 2005 is now available and the current programme is that the airport will be operational by 2012/2013. However, given the small change in absolute numbers since the initial work was undertaken and the long-term time period for which the projections and forecasts are being considered, the numbers and trends set out in the 2004 Feasibility Study are assumed to still be accurate. The base year has been moved forward so that the forecasts can be aligned with the new project programme.

STAKEHOLDER ENGAGEMENT

2.9 A considerable amount of stakeholder engagement has been undertaken since 2002 as part of the project development work in a wide range of locations to ensure that Saints living both on the island and away from home have been involved in the process. Details of this process can be found in Chapter 6 of the Planning Statement. A summary of pertinent socioeconomic issues identified through the stakeholder engagement are set out below.

Support for the Provision of Air Access

2.10 A wide range of comments have been made highlighting support for the provision of air access to the island. Key benefits identified through consultation include:

- Halting and reversing the decline in population, especially the out-migration of young people. The current out-migration has led to children remaining on the island to be cared for by grandparents, while parents move overseas for work. One of the key perceived benefits of air access will be the improved salaries and employment opportunities available on the island enabling parents to return home and families to be reunited;
- Air access to the island will also make it much easier for Saints to visit friends and family, both those living on the island and those living elsewhere making trips home.
- Rapid regular access will provide a vital new service for people with urgent medical problems which can not be dealt with on the island. The current RMS St Helena service, with its relatively low frequency of visit and long journey time is clearly not suited to the rapid transfer of seriously ill people to suitable medical facilities. Air access will transform this situation, although it is noted that certain illnesses flying; and
- Economic development is seen as the other key benefit of provision of air access, although this is a complex issue which has generated a range of views as set out below

Economic Development and Growth

2.11 Stakeholders have expressed a range of views related to the impact of air access on economic development and growth on St Helena. Many have pointed out the benefits of air access, and indeed this is one of the key rationales for the scheme. The types of benefit highlighted include:

- New business opportunities with an expansion in the customer base and increased demand for goods and services. It was widely expressed that an economy developing through the successful establishment and growth of small and medium sized enterprises was the way forward which would create the most benefit to Saints. A number of Saints expressed interest in starting their own business in the tourism sector
- New employment opportunities with a growing and diversified labour market;

- Financial self-sufficiency to enable the island to become financially independent;
- New investment to the island as Saints living overseas return home to invest savings locally;
- Significant concerns regarding recruitment and retention problems, particularly in the caring professions. The current limitations in access are identified as one of the main factors making it difficult to recruit people from overseas into skilled and professional jobs, and air access would remove this factor

2.12 On the other hand, stakeholders have raised a number of concerns related to the economic development of the island. These include:

- Concerns that foreign investors and businesses will be attracted to the new opportunities on St Helena, and that local people will be unable to compete with these newcomers;
- Fears that property and land prices will rise as a consequence of the developing economy;
- Concerns that social polarisation will increase significantly on the island, with an increasing divide between rich and poor;
- Concerns about the extent to which the island can establish itself as an international tourist destination, and thus the likely pace and scale of economic development and indirect social changes. Mass tourism is not considered a viable option for St Helena

Increase in Crime and Introduction of Drugs and HIV/Aids

2.13 Many stakeholders raised issues related to the possible impacts of tourists and construction workers on the island. Key concerns relate to:

- The possible introduction of HIV/Aids: the island is currently believed to be free from infection. The possible introduction of the virus by construction workers or tourists is a main fear; and
- Increase in crime levels and the introduction of illegal drugs: St Helena currently enjoys very low crime levels and use of many illegal drugs which are prevalent

elsewhere in the world is unknown on the island. Local people are concerned that substantial influxes of people could lead to increased levels of crime and the introduction of previously unknown and potentially dangerous illegal drugs.

- 2.14 Maintaining a largely crime-free environment is seen as important to maintaining St Helena's current way of life and the island's attractiveness to tourists. However in general stakeholders took the view that increases in drug use or petty crime were part of wider social trends in the world, and developments could not be ascribed solely to changes in access.

Capacity of Utilities and Social Services

- 2.15 A number of stakeholders have expressed concern about the capacity of the island to cope with growth in population and tourism. Existing infrastructure including roads, water supply and other utilities, as well as the hospital, are perceived to be over-stretched. Local people fear that increased demand will exacerbate the situation. It should be noted that St Helena's population was considerably larger in the past and therefore has dealt with such high demand in the past.

Impacts on Existing Residents

- 2.16 Residents in Rupert's Bay, Deadwood and Longwood have expressed concern about the impacts of construction and traffic during operation. These people live close to the proposed haul and access road alignment and are concerned about issues such as noise, dust and safety.
- 2.17 Better wage levels are identified as the major factor which would cause people to remain on St Helena and the second most frequently cited factor which would encourage Saints to return from overseas.

Individual Morale

- 2.18 Currently Saints describe themselves as disheartened by the lack of decision with regard to access and the development of the island, with a feeling of being 'on hold' awaiting a momentous decision. The announcement of a decision in favour of air access would be a big boost to morale.
- 2.19 Participants in group discussions identified freedom of choice (cost permitting) to take a holiday or short break, to come and go at a time that suits the individual (for whatever reason, be it leisure, family business, work, to seek health care, etc.), to travel without having to plan months in advance, and the resulting feeling of equality with other people in the world, as psychological benefits they would experience from the direct effects of air access.

- 2.20 The disparity between the salaries and benefits packages paid to expatriates (particularly from the UK) and equally qualified Saints doing the same job is a particular source of resentment. Members of the off-island community were also keen to point out that one effect of low wages on the island is low productivity in the public sector. The feeling was strongly expressed that all these issues need to be dealt with quickly.

3. POLICY CONTEXT

INTRODUCTION

- 3.1 This section sets out the key strategic policies and actions of pertinent national development policy documents. An understanding of the priorities for development and of policies that have been put in place to guide development and in particular the effects of the proposed airport is essential to accurately identifying potential effects, their significance and any required mitigation.

ST HELENA STRATEGY AND DRAFT SUSTAINABLE DEVELOPMENT PLAN

- 3.2 The St Helena Strategy was approved by the Governor in December 2005 and sets out a vision for St Helena as follows:

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

- 3.3 The Strategy seeks to stem and reverse aid dependence and population decline, generate long term prosperity, enable the island to become fully integrated in the modern world and build financial independence.
- 3.4 The Sustainable Development Plan for the island was prepared by SHG to identify how the Strategy for St Helena will be delivered in the period 2007/08 – 2009/10. The Plan endeavours to ensure that sustainable economic principles are embedded into all development decisions and strategies for the future.
- 3.5 The realisation of the Vision for the island was underpinned by the delivery of six priority National Strategic Objectives and seven other objectives developed through consultation and analysis as set out below.

Strategic objective one

- Improved Access.

- 3.6 Sub-strategic objectives

- Realise air access.
- Improve access by sea.

Strategic objective two

- Improve the Standard of Education for the People of St Helena.

Sub-strategic objective:

- Develop an education system that prepares the population for living in a more open environment and a globally oriented economy.
- Rationalise primary education to produce a socially and a sustainable primary education system
- Improve quality and coverage of secondary education.
- Introduce adult and vocational education and training.

Strategic objective three

- Development of a Sustainable and Vibrant Economy to the Benefit of St Helena

Sub-strategic objective

- Promoting the development of the local business sector.
- Developing and promoting policies and mechanisms to boost effective demand for goods and services provided by St Helenian businesses.
- Promoting local and foreign investment that is consistent with the vision of the future St Helena.
- Promoting sound fiscal policy to improve productivity and efficiency in the public sector and to reduce dependency on aid.
- Promoting and supporting policies and activities that leads to employment, self employment and expansion of the small and micro business sectors.
- Promoting the development of the skills and capacity base of the labour force.

Strategic objective four

- Develop a Healthy Community in a Well-Managed Environment.

Sub-strategic objectives

- Providing an effective health care system focusing on preventative health care and care for the elderly.
- Promoting security and protection for poor, vulnerable and marginalised groups especially through targeted social welfare provision and community care.
- Facilitating access to housing through appropriate land use and housing development.
- Ensuring the sustainable management and use of natural resources and the environment.
- Protecting St Helena's cultural and natural heritage.
- Protecting, conserving and making sustainable use of bio-diversity, energy and natural resources;
- Informing on environmental issues through training and awareness campaigns to ensure effective participation in environmental decision making and promote best practice by individuals and business.
- Preventing and controlling pollution and managing waste and implementing environmental health strategies.
- Developing emergency services, disaster management and preparing for effective territorial security in anticipation of the airport.

Strategic objective five

- Promote and Develop a Sustainable Workforce.

Sub-strategic objectives

- Improving the skills base of the work force by strengthening adult and vocational education and training

- Promoting a well-functioning labour market providing workers with appropriate protection.
- Promoting the creation of productive employment opportunities in the public and private sectors.

Strategic objective six

- Continue to Develop and Establish the Democratic and Human Rights and Self-Determination of the People of St Helena.

Sub-strategic objectives:

- Engaging in the constructive review of the constitution and recommending appropriate changes to the UK Government
- Reviewing current legislation to ensure that it is appropriate and consistent with principles of good governance.
- Ensuring protection of human rights.
- Improving and strengthening systems, management capacity and human resource development in the public sector to ensure effectiveness, efficiency and sustainability.
- Maintaining a strong democratic process in the administration of St Helena's development and ensure that the rule of law is upheld.
- Ensuring that civil society is fully involved and informed about genuine participatory processes which are introduced and maintained at all levels in the development process.
- Promoting and strengthening participatory processes for policy programmes and project development

LAND DEVELOPMENT CONTROL PLAN

- 3.7 The Land Development Control Plan (LDCP) set out the Government's land use planning policies for St Helena, with particular regard for the provision of air access and the resulting effects. Its purpose is to act as a guide to residents and prospective development as to what type of development will be encouraged or acceptable and where such development can be located. The plan covers the period from 2007 to 2017

3.8 Policies and proposals in the Plan will help the Island and its people to make practical and positive progress towards the vision. In particular these policies and proposals aim to:

- Provide for the current high demand for housing land in a variety of locations on the Island and at varying densities and to allow for further housing following the introduction of Air Access;
- Encourage a wide variety of attractive and well located tourist related facilities to capitalise on the Island's attributes;
- Provide for the location of employment, cultural, recreational and social facilities as close as possible to the residents they serve;
- Accommodate the provision of an Airport;
- Strongly protect the Green Heartland of the Island against inappropriate development to retain the Island's attraction to residents and visitors alike;
- Recognise the scenic and natural value of the Coastal Zone and strongly protect it against sporadic and inappropriate development;
- Strongly protect and manage the Island's natural and historic man-made heritage and encourage its restoration;
- Recognise the link between economic benefits and the natural and built heritage;
- Encourage the efficient and effective provision of service infrastructure to make the most of available resources; and
- Protect agricultural land and natural resources from loss through development.

3.9 Broadly speaking, the island is divided into three zones: the Green Heartland (rural interior, largely protected from development) the Coastal Zone (dramatic coastal areas, largely protected from development); and the Intermediate Zone where development will be focused. There are allocations for housing, employment, tourism and other uses (tourist attractions and facilities may be acceptable in the Green Heartland and Coastal Zone).

3.10 A number of policies are set out in order to accommodate the projected socioeconomic changes over the period to 2017. These include:

- Residential land is designated in the plan to accommodate the expected high demand for housing, with an allowance for a minimum of 360 new houses by 2017;
- A mix of high and low density developments: high density to help accommodate the increase in housing units on limited suitable land; low density to allow the tradition of keeping animals and to protect the landscape and character;
- Ensure that there is adequate development land in the right place for employment purposes and also put in place policies which will facilitate economic development on the one hand and protect the Island's environment on the other;
- The plan seeks to protect and enhance the Island's attributes so that tourists will want to visit and growth will be sustainable. But at the same time seeks to positively encourage the provision of supporting facilities, not only by enabling policies but also by discouraging activities forms of development which would be detrimental;
- Tourist accommodation is principally focussed in the Intermediate Zone. In the Coastal Zone it is subject to certain principles and in the Green Heartland it is allowed only under exceptional circumstances;
- New shopping sites will be concentrated in the Intermediate Zone, principally Jamestown; and
- Policies regarding the increase in capacity of health and social services, community centres, public houses and clubs, restaurants and take-away food premises, schools, prisons, police, fire and ambulance services, burial grounds and recreation and leisure facilities.

ST HELENA INVESTMENT POLICY

3.11 The Investment Policy was published in January 2007 and is founded on four main principles:

- Assisting the St Helenian private sector to compete effectively and efficiently in an open economy;

- Making the economy accessible to international investor by being an attractive destination to do business and encouraging a diversity of investors;
 - Enabling the government to ensure maximum benefit from development for the Island's economy and people; and
 - Setting parameters for development to safeguard what is important for the people of St Helena.
- 3.12 The Investment Policy applies to all approved investors. A number of concessions are available to approved investors with the aim of encouraging the quality and quantity of investment necessary to enable the step-change in economic activity forecast following the opening of the airport.
- 3.13 Approved investor status can be gained if the project benefits the economy in one or more of the following ways:
- Create sustainable employment opportunities for St Helenians;
 - Result in import substitution and/or export promotion of goods or services and/or technology/skills transfer;
 - Expand existing businesses in a way that is consistent with the Tourism Policy; and
 - Facilitate the transfer of businesses and functions from the public to the private sector.
- 3.14 Approved investment status will not be granted in any activities where provision is already suitable, activities are deemed inappropriate or competition may lessen the quality of the services provided.

ST HELENA TOURISM POLICY

- 3.15 The tourism policy seeks to encourage investment in the tourism sector. The policy sets out tourist accommodation requirements by category and the range of tourist-supporting facilities in which investment will be required. Specific policies regarding tourist development include:
- Developers will be expected to contribute to the development of the supply of potable water, electricity, waste management and approach roads;

- Encouragement will be given to working with a St Helenian partner;
- St Helena Development Agency (SHDA) financial assistance will be available to St Helenians to encourage self-catering and bed-and-breakfast development.

4. EXISTING SOCIOECONOMIC CONDITIONS

4.1 This section sets out the existing socioeconomic baseline conditions of St Helena. A robust baseline assessment is necessary in order to facilitate the quantitative and qualitative assessment of potential impacts of the project. The structure of the section is as follows:

- Population characteristics;
- Economic development;
- Education;
- Health;
- Social cohesion, security and crime;
- Housing and land; and
- Utilities.

POPULATION CHARACTERISTICS

Population

4.2 The population of St Helena was 3,927 as at July 2006. The population has been in steady decline since the late 1980s principally as a result of sustained out-migration, with the main reason for emigration being to a lack of economic opportunities on St Helena. The main destinations of migrants from St Helena are the Falkland Islands, Ascension and the UK. Eligibility for Saints to become UK citizens had been withdrawn in 1983 but was reinstated in 2002. The restriction of access to the UK between 1983 and 2002 may have had a limiting effect on the scale of out-migration over this period. The numbers of Saints currently living on Ascension, the Falkland Islands and in the UK are estimated to be 746¹, 600² and 10,000³ respectively. There

¹ Ascension authorities

² Atkins, St Helena Feasibility Study, 2004

³ Atkins, St Helena Feasibility Study, 2004

are also small numbers of Saints living in other overseas communities, most notably in South Africa and the United States, although no population figures are available.

Birth and Death Rates

- 4.3 The declining population is also attributable to a low birth rate. Table 2.1 shows that the birth rate has been steadily declining over the last 30 years. The absolute level of births is limited not only due to low fertility rates but also because migration has resulted in relatively few women of peak child bearing age being present on the island.
- 4.4 Improvements in living conditions and health care on the island over the years have contributed to a decrease in both the infant mortality rate and an increase to life expectancy, whilst death rates have remained broadly unchanged.

Table 4.1 – Population Estimates

	Birth rate per 1,000 population	Death rate per 1,000 population	Infant mortality rate per 1,000 live births	Population
1976	22.2	10.2	28.1	-
1986	18.2	9.0	24.3	-
1996	13.1	8.9	17.9	-
1997	12.7	8.5	12.4	-
1998	12.1	7.8	16.5	5157
1999	11.9	7.6	10.1	4961
2000	11.5	8.5	3.6	4663
2001	10.8	8.4	3.9	4490
2002	9.9	9.9	4.3	4357
2003	9.7	10.4	4.5	4241
2004	9.2	10.0	5.0	4257
2005	8.4	9.5	5.6	4197
July 2006	-	-	-	3927

Source: Statistical Yearbook 2005 and Statistical Section, St Helena Development and Economic Planning Department

Migration

- 4.5 The propensity to migrate is commonly highest among young adults and declines in middle age. There is evidence of a low level of return migration in the over-45 age groups. Among Saints living on Ascension Island and the Falkland Islands in 1998 there were significantly more men than women, but the position is reversed among Saints living in the UK. Recent estimates suggest that the numbers of male and female Saints on Ascension Island and the Falkland Islands is now evening out (Atkins 2004).
- 4.6 More recent migration data indicate that the period 1998 to 2003 was characterised by net outward migration of at least 800 people. This is around twice the level between 1987 and 1998 and far higher than the average level of around 50 per year during the 1970s and 1980s.
- 4.7 The nature of the out-migration has resulted in an imbalance in the demographic make-up of the population, with nearly 22% being over the age of 60 years. Analysis carried out as part of the 2004 Feasibility Study into future access options indicates that under continued sea access this percentage is set to rise over time (Atkins, 2004) with the size of the working age population continuing to decrease proportionally. Consultation work carried out by Muir (2005) with school leavers who were under the age of 25 found only ten living on the island.
- 4.8 The lack of economic opportunities and for career progression on St Helena is widely believed to be the principal reason for emigration. Specifically, relatively low wages offered on St Helena when compared to those available on the principal destinations of Ascension, the Falkland Islands and the UK which are considered insufficient to provide families with the income required for their desired standard of living, in particular to build or buy their own house. Notably young Saints consider it 'good to go' for a broader working experience. (Muir, 2005).

Population Projections

- 4.9 The combined result of below-replacement birth rate and the loss of significant number of young adults through migration have created a situation under which the total population is falling and this decline is predicted to continue. Table 1.2 shows the projected size of the population of St Helena under the simple assumption that fertility and mortality remain constant at 2003 levels and there is no migration. It shows that even with zero migration the population will continue to decline.
- 4.10 It should be noted that the projection is taken from the Atkins St Helena Access Feasibility Study, published in 2005. Since this projection was undertaken actual

population data (shown in Table 4.2) has shown an even faster rate of decline than that shown in the projection.

Table 4.2 – Baseline Population Projection

	Projected			Actual Population
	Population	% aged under 15	% aged 60 and over	
2003	4100	21	19	4241
2004	-	-	-	4257
2005	-	-	-	4197
2006	-	-	-	3927
2007	-	-	-	-
2008	4050	17	22	-
2013	4000	14	24	-
2018	3900	14	26	-
2023	3850	15	28	-
2028	3750	15	28	-
2033	3600	15	28	-
2038	3450	15	26	-
2043	3300	14	27	-
2048	3200	13	28	-

Source: Atkins, St Helena Feasibility Study, 2004

ECONOMIC DEVELOPMENT

Public Finances

4.11 The economy of St Helena is heavily dependent on the UK and has become increasing dependent on budgetary aid in recent years. Both the amount of aid received and the proportion of Government revenue that it accounts for have increased rapidly since 2000 when budgetary aid totalled £3.2 million and represented 32.7% of total Government revenue. In 2005/6 budgetary aid to St Helena totalled £6.4 million and accounted for 49.1% of total Government revenue.

4.12 The declining population and level of economic activity, which has been significant in the private sector, has meant that the tax base has been considerably eroded.

Macroeconomic Trends

- 4.13 The economy of St Helena has been in a state of gradual decline since the demise of the flax industry in the 1960s. Data shows that since 1999/00 GDP⁴ has declined by 9.5% and GNP⁵ by 8.7%. However, due to the decline in the population level, per capita GDP and GNP have both grown, by 10.3% and 11.2% respectively.
- 4.14 Remittances in kind and in cash provide an important supplement to personal incomes on St Helena. Remittances have grown rapidly, but reached a peak in 2002/03 at £4.3 million and have since declined. A potential cause of this decline has been the increasing number of migrants leaving St Helena for the UK, many of whom have left with their families and therefore remit less money back to the island.
- 4.15 The public sector is the main source of economic activity on St Helena and accounts for close to half of GDP.⁶
- 4.16 The St Helena economy is highly dependent on imports, and has a significant trade deficit. Imports of goods and services totalled £6.7 million in 2005/6 compared to a total of £0.3 million for exports.

Table 4.3 – GDP and GNP

	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	2005/ 2006	% growth 1999-2000
GDP constant prices (2002) (£1,000)	12,383	10,544	11,571	12,621	11,869	12,466	11,210	-9.5
GNP constant prices (2002) (£1,000)	15,172	14,508	16,120	18,411	16,407	15,744	13,853	-8.7
GDP per capita constant prices (2002) (£)	2,496	2,261	2,577	2,901	2,867	2,979	2,753	10.3
GNP per capita constant prices (2002) (£)	3,058	3,111	3,590	4,232	3,963	3,762	3,402	11.2

Source: Draft Sustainable Development Plan, SHG

⁴ GDP: Gross Domestic Product - the total market value of all final goods and services produced within a country

⁵ GNP: Gross National Product - the total market value of all final goods and services produced by citizens of an economy, including those living overseas

⁶ Estimated as wages, salaries and social benefits paid by government as a percentage of GDP. These estimates include some services which in most countries would be recorded separately in the national accounts, such as utilities.

Labour Force and Employment

- 4.17 The available labour force on St Helena has been in decline mirroring the decline in the island's population as shown in Table 4.4. In 2003/4 the total workforce on St Helena was 2,100, down from 2,292 in 1999/00.
- 4.18 Since 1999/00 there has been an improvement in the unemployment level which has fallen from 273 to 207 people, equal to a rate of 9.7% (of the labour force). The number of people receiving unemployment benefit has fallen from 63 to 43 people, equal to a rate of 2.0% (of the labour force). The reduction in unemployment is mainly considered to be due to out-migration resulting in a shrinking workforce and training of the long-term unemployed. The tightening of the labour market has led to a shortage of skilled workers.
- 4.19 Most of those receiving benefits are long-term unemployed who have not worked for between 8-10 years. While official unemployment is relatively low, it is suspected that there is some degree of disguised underemployment. The unemployment figures do not include spouses of people in employment who are not eligible to receive unemployment benefits. Unemployment has been in steady decline and this is attributed largely to a tougher benefits policy. Unemployment often runs within family groups and over half of the unemployed people on the Community Work Scheme have mental health problems (Muir, 2005).
- 4.20 There is a widespread view that there is a significant 'brain-drain' from St Helena, with a relatively high proportion of the more skilled labour leaves the island for employment overseas (Muir, 2005).
- 4.21 There is an absence of labour legislation affording employees with statutory minimum rights. Pay and conditions are set out for SHG, SHDA, Bank of St Helena and Solomon and Thorpe, however generally contracts are not provided in the private sector. (Muir, 2005)

Table 4.4 – St Helena Labour Force

Category	1999/00	2003/04
Employed		
Government	1,334	1,031
Private sector	604	837
Parastatal	81	25
Total employed	2,019	1,893
Unemployed		

Community Work Scheme	210	162
Receiving unemployment benefit	63	43
Other	0	2
Total	273	207
Total excluding community work scheme unemployed	63	45
Total labour force on St Helena	2,292	2,100

Source: 2005 Statistical Yearbook, Development and Economic Development Department, St Helena Government

4.22 The public sector is the key employer on the island. However its significance has declined since 1999/00 relatively and absolutely. In 2003/4 it employed 54% of the labour force (1,031 people), down from 66% (1,334 people) in 1999/00. The private sector has however increased in significance and employed 44% of the labour force in 2003/4, up from 30% in 1999/00.

4.23 As highlighted by Table 1.5, the private sector is dominated by micro and small businesses. The key exception is Solomon & Company (which is 63% owned by the government) which is the largest private sector enterprise, employing approximately 200 people. The vast majority of private sector enterprises operate in the secondary and tertiary sectors and rely on imported goods. Notably retail is the largest source of employment. With the exception of house building, where remittances support activity, and fishing, which has an export market, private sector revenue is largely dependent on incomes generated in the public sector.

Table 4.5 – Private Sector Employment (2005)

Activity	Number of enterprises	% of enterprises	Number of full time employees	% of full time employees	Number of part time employees	% of part time employees
Accommodation Property Rental	5	3.5	3	0.5	2	0.8
Baking	2	1.2	12	1.9	1	0.4
Banking	1	0.4	10	1.6	2	0.8
Block making	3	1.2	3	0.5	0	0.0
Building	23	9.7	60	9.5	20	7.8
Business consultant	1	0.4	1	0.2	0	0
Business development agency	1	0.4	12	1.9	3	1.2
Butcher	2	1.2	3	0.5	3	1.2

St Helena Airport and Supporting Infrastructure
Socioeconomic Impact Assessment (ES Volume 6)

Activity	Number of enterprises	% of enterprises	Number of full time employees	% of full time employees	Number of part time employees	% of part time employees
Carpentry	6	3.5	16	2.5	5	2.0
Catering	2	1.2	0	0.0	3	1.2
Club/ pub	7	3.1	13	2.1	10	3.9
Coffee production	2	0.8	1	0.2	4	1.7
Coffin making/ hearse service	2	0.8	0	0.0	2	0.8
Crèche	1	0.4	2	0.3	1	0.4
DJ	2	0.8	0	0.0	2	0.8
Electrician	10	3.9	2	0.3	7	2.7
Excavation ¹	1	0.4	0	0.0	2	0.8
Farming	12	4.7	6	1.0	5	2.0
Fish processing	3	1.2	16	2.5	5	2.0
Fishing	16	6.2	17	2.7	10	3.9
Mechanical workshop	7	3.1	15	2.4	4	1.7
Graphic design	1	0.4	0	0.0	1	0.4
Guided tours	1	0.4	2	0.3	1	0.4
Hairdressers	4	1.6	4	0.6	1	0.4
Haulage	3	1.2	1	0.2	3	1.2
Headstone engraving	1	0.4	0	0.0	1	0.4
Heritage	1	0.4	1	0.2	2	0.8
Hotel/ guest house	4	1.6	10	1.6	5	2.0
Metal work	1	0.4	1	0.2	0	0.0
Mobile food vendor	1	0.4	0	0.0	2	0.8
Newspaper	1	0.4	3	0.5	0	0.0
Painter	1	0.4	0	0.0	2	0.8
Photo service	1	1.2	0	0.0	1	0.4
Quarry	2	0.8	5	0.8	4	1.7
Radio station	2	0.8	8	1.3	3	1.2
Refreshment room/ restaurant	3	2.3	5	0.8	11	4.3
Retail	62	31.4	347	55.0	110	43.1
Scuba training	1	0.4	0	0.0	2	0.8
Tailoring	2	0.8	4	0.6	1	0.4
Taxi	7	2.7	4	0.6	6	2.3

Activity	Number of enterprises	% of enterprises	Number of full time employees	% of full time employees	Number of part time employees	% of part time employees
Tele communication	1	0.4	32	5.1	1	0.4
Upholstery	1	0.4	1	0.2	0	0.0
Vehicle hire	6	2.3	4	0.6	0	0.0
Wholesale	1	1.2	9	1.4	4	1.7
Youth centre	1	0.4	1	0.2	3	1.2
Total ¹	218	100.0	631	100	255	100

Source: Atkins, St Helena Feasibility Study, 2004

Tourism

4.24 Tourism is not a significant source of employment. There are three hotels on St Helena: the Consulate (18 rooms with en suite), the Wellington (7 rooms) and Farm Lodge (5 double rooms with en suite). There are in addition 21 self catering houses and cottages and bed and breakfast establishments offering accommodation. Tourism related activities (hotel/guest house and refreshment room/restaurant) only comprise 7 enterprises. This does not however take into account owner/operators (Atkins, 2005).

4.25 In 2005 there were close to 800 overnight visitors to St Helena and 1,500 day trip visitors. Revenue from tourism was estimated at £450,000 in 2004/05, equivalent to 3% of GDP.

Wages and Prices

4.26 Average salaries are low, ranging from an average £58.95 per week for unskilled labour to £78.25 per week for skilled labour. As discussed earlier low salary levels have contributed to out migration, particularly amongst the economically active and higher skilled sections of society, leading to a significant 'brain drain' effect.

4.27 Occasionally higher skilled posts which cannot be filled locally provide a salary which is considerably higher than that which would have been paid to somebody locally recruited. In 2005 there were eight such cases in the public sector. This causes local resentment, although it could be argued that such competitive salaries are necessary in order to attract suitably skilled individuals (Muir, 2005).

- 4.28 Retail price inflation averaged 4.2% in 2006. Due to its import dependency inflation is strongly influenced by rates in South Africa and the UK, which are St Helena's main trading partners.

Existing Economic Activity on Airport and Associated Sites

- 4.29 There are currently no economic activities taking place on the proposed airport site.
- 4.30 There are a number of economic activities that take place in Rupert's Bay, where the wharfs and associated facilities are to be located. These include:
- Fish landing and processing;
 - Warehouses; and
 - Bulk fuel farm.
- 4.31 Construction activities along the route of the new access road will require temporary access to privately owned land at properties in Deadwood. No land take is required; only temporary access to provide the necessary drainage systems for the access road.
- 4.32 There may be additional permanent impacts resulting from the loss of function of land use, including the loss of agricultural land and recreational land.

EDUCATION AND TRAINING

- 4.33 St Helena provides full time education for everyone up to the age of 16 through primary schools located around the island and a single secondary school, Prince Andrew School. Further Education is provided for by supporting students to seek education off the island.
- 4.34 Total enrolment at schools has fallen from 860 in 1999/00 to 686 in 2005/06, inline with the declining population trend. As a result there have been a series of mergers of schools. The retention of quality teachers at all levels is difficult.
- 4.35 There is an Adult Vocational Education Service aimed at upgrading the skills of the adult population and there is a Teacher Education Centre that provides initial two-year training courses followed by two-year in-school experience as a newly qualified teacher before achieving full teacher status.

- 4.36 A reduction in school enrolment numbers and difficulty in retaining trained teachers has meant that it has not been possible to maintain the breadth of the secondary curriculum and cuts have had to be made in history, technology, music and home economics. If the size of the population continues to decline, these difficulties are likely to be exacerbated.
- 4.37 The availability of relatively well-paid but unskilled work in other parts of the world influences students' attitudes to education and the world of work. Raising students' awareness of the value of education, skills and qualifications, and consequently raising standards of educational attainment, is an on-going priority. An area of concern at the moment is that boys are under-achieving at school. More male teachers and men in professional positions to act as role models could help to encourage boys to value qualifications and become more career-oriented.

HEALTH

- 4.38 A public health service is available on an equal basis to all St Helena residents. There is a 52 bed General Hospital, built in 1952, which covers all areas of acute medical and surgical care. There are seven outpatient clinics distributed throughout the Island, an elderly care complex, a centre for the acute and chronic mentally infirm, a centre catering for the needs of people with mental and physical disabilities and a dental care unit.
- 4.39 There are however a number of facilities missing, namely a burns units, intensive care units and isolation units. Some serious cases require treatment abroad. It can take several days by ship to reach the nearest suitable hospital in either Cape Town or the UK and it is very expensive to get specialists to visit the island due to the travel time.
- 4.40 Overall health care indicators have improved markedly in recent years and life expectancy is now similar to that of the UK. Hypertension and diabetes are the most significant medical problems on the island. Approximately 33% of all deaths are associated with either high blood pressure and/or diabetes; resulting in cardiac disease being the immediate cause of death. Kidney disease is also a significant contributing cause of mortality (Atkins, 2004).
- 4.41 Care of the elderly is an increasing concern with an aging population and government policy is to care for people in their own homes wherever possible. Jamestown has an elderly care complex known as 'The Haven'. There are thirty-nine available beds in this unit, thirteen of which are reserved for the more frail/elderly and twenty-six for those considered more independent. The building is considered inadequate for the island's rapidly increasing elderly population, but plans are

advanced for a purpose built elderly care complex on a new site outside of Jamestown.

- 4.42 There is also a facility (Sundale House), dealing with the care of the acute and chronic mentally infirm, and another ("Barnview") which caters for people with learning disabilities and also people with mental and physical disabilities. Sundale House with its attached 'halfway house' is capable of accommodating fifteen persons and Barnview sixteen persons. A new Community Care Complex at Ladder Hill is nearing completion. This facility will take patients and residents from The Haven, Sundale House and Barnview (Atkins, 2004).
- 4.43 Alcohol consumption is a major public health issue on St. Helena. Despite the fact that the cost of alcohol in relation to income is higher than the UK, the average weekly consumption of alcohol per adult is 15.3 units as compared to 11.9 units in the UK (Muir, 2005).
- 4.44 There have been no recorded cases of HIV/AIDS and the introduction of the disease is a major concern throughout the island. The Public Health and Social Services Department is running public health campaigns to inform people on how to prevent the spread of the disease if and when it is introduced. An HIV/AIDS Advisor has recently arrived on island for a two year posting. There is very low incidence of other sexually-transmitted infections (STIs).
- 4.45 There have been no recorded cases of TB or malaria in the local population in recent years (Atkins, 2004).

SOCIAL COHESION, SECURITY AND CRIME

- 4.46 The social structure of the island has changed due to the high level of out-migration. There is an increasingly large number of older residents and it is estimated by the Public Health and Social Services Department that in 2003 there were 150 children in formal and informal foster care (normally with grandparents or other relatives) while their parents are working overseas. Family and social life is further undermined by the difficulty of overseas workers to return to St Helena for holidays. It was considered usual for 11 days out of a 28-day leave to be spent travelling, and the inability to get time off work and the high cost of the journey were the other main reasons for not having visited the island recently (Atkins, 2004).
- 4.47 The crime rate in St Helena is low and most offences involve drunkenness or alcohol-related crime and the infringement of by-laws. There is a main Police Station in Jamestown and four Police Posts in rural areas. These are staffed by 16 full-time officers plus two special Sergeants and two special Constables

HOUSING

- 4.48 St Helena has one of the highest rates of home ownership in the world, with over 80% of families owning their own home. Many people who leave the island to work overseas send remittances to build their houses on the island, most with the intention of returning to live in them at some point in the future. As a result there is a thriving housing construction market which is already placing heavy demands on skilled and unskilled labour on the island.
- 4.49 Much of the land assigned for housing in the previous LDCP (1993), particularly that assigned for the main housing schemes, has not been realised. This is principally because the finance has not been available in order to provide them with adequate infrastructure. A number of changes to housing policies have been included in the new LDCP plan (January 2007). In total the plan seeks to release land suitable for the construction of at least 360 houses by 2017 in a number of locations. For the main housing schemes, termed Comprehensive Development Areas (CDAs), a suitable development brief must accompany any planning application to ensure that suitable services and infrastructure are put in place.
- 4.50 It is estimated that there may be as many as 350 unoccupied houses on the island (Muir, 2005). Owners have traditionally been reluctant to rent out their homes while away from the island, though recently a private sector agency has been set up offering management services for rental properties.
- 4.51 There are no housing units currently located on the proposed airport site or the sites of its supporting infrastructure. However there may be a requirement for temporary access to residential properties at Deadwood, whilst other residential properties are within the vicinity of the construction works, principally at Rupert's Valley, Deadwood, Longwood and Bottom Woods.

UTILITIES

- 4.52 Electricity is generated at the power station in Rupert's Valley using diesel generators, backed up with wind turbines located on Deadwood Plain. Distribution is through four feeder mains and covers the majority of the island. The capacity of the feeder that serves Jamestown and Half Tree Hollow is exceeded regularly necessitating load shedding and resulting in occasional power outages. Capacity constraints within the Energy Division and the limitations of the network make it difficult to obtain new connections. The cost of electricity is high, and tariffs are set to increase as efforts are made to safeguard the assets through full cost recovery. A project to improve the distribution system is currently under implementation.

- 4.53 Water supplies vary throughout the island although most households connected to the public supply, which is split into twelve different supply zones associated with different sources. Treatment, where this is provided, is generally limited to filtration and chlorination. Recent years have seen public water supplies stretched to the limit, particularly in the Longwood area, and there are concerns over whether sufficient capacity can be made available to meet future demands. Some investigation of groundwater has been undertaken during the recent Water Development II Project.
- 4.54 Much of the island relies on septic tanks for treatment of wastewater, although a number of the more densely populated areas are served by sewerage networks. Treatment of the effluent from these systems is through communal septic tanks or wastewater stabilisation ponds, with disposal of treated effluent either to soakaways or to the sea outfalls. A project is currently being implemented to improve wastewater collection, treatment and disposal across the island.
- 4.55 Currently, all passengers and freight are landed at Jamestown, St Helena's only port. There are no berthing facilities; freight is landed with the help of lighters with operations restricted to 20ft containers and by the capacity of the existing crane; passengers are ferried ashore using small vessels. Lack of a sheltered landing place means that both passenger and freight operations can be affected by sea conditions.

5. CONSTRUCTION PERIOD EFFECTS

INTRODUCTION

- 5.1 The construction period is anticipated to require four and a half years and the associated effects are therefore temporary. This section set out the potential effects from the construction period, proposed mitigation and the residual effects once mitigation has been taken into consideration.
- 5.2 An economic model was created as part of the original Feasibility Study for the project and forecasts included in this section are based on the outputs of that model. These forecasts are meant as a guide to show the broad magnitude of potential effects and should not be considered a definitive levels or targets.

POTENTIAL EFFECTS

Population Characteristics

- 5.3 The construction of the airport and its associated infrastructure will directly create a number of jobs, attracting Saints currently living overseas and other immigrants to the island. A significant number of these migrant workers will be living as bachelors and this will skew the make-up of the St Helena population during the construction period and increase the size of the population. At the peak of construction activity around 400 to 500 workers may be required. Therefore, assuming bachelor status and considerable expatriate labour recruitment, at the peak of the construction activity there is potential for up to 500 additional people to be on the island at one time.
- 5.4 The migrant construction workforce is expected to be predominantly male and will therefore temporarily skew the ratio of males to females on the island. There is concern that due to the long-term nature of the project, non-Saint migrant workers may attempt to use the project as a means of gaining permanent residence in St Helena.

Economic Development

Economic Growth and Job Creation

- 5.5 Enhanced economic activity related to the supply chain activities of the Contractor and the income effects of the construction jobs creation will boost the national economic performance. During the construction period there will also be increased economic activity in anticipation of the operational phase of airport. Economic modelling undertaken as part of the Feasibility Study indicates that over the construction phase total GDP is forecast to temporarily expand by approximately 34% (Atkins, 2004).
- 5.6 As explained above, the construction of the airport and its associated infrastructure is likely to require a peak of between 250 and 500 employees. It can be estimated that a minimum of 1,125 man-years and a maximum of 2,250 man-years of work will be required during the construction phase. This can be considered to equate to minimum of 112 Full Time Equivalents (FTEs)⁷ and a maximum of 225 FTEs.
- 5.7 The creation of economic activity and the associated increase in household expenditure as a result of new jobs is subject to the 'multiplier effect'. This can be explained as follows: If there is an increase in final demand for a particular commodity (in this case construction materials and equipment), we can assume that there will be an increase in the output of that commodity, as producers react to meet the increased demand; this is the direct impact. As these producers increase their output, there will also be an increase in demand on their suppliers and so on down the supply chain; this is the indirect impact. As a result of the direct and indirect impacts the level of household income throughout the economy will increase as a result of increased employment, a proportion of this increased income will be re-spent on final goods and services: this is the induced effect. The ability to quantify employment multiplier effects allows an estimate of the number of jobs that the construction activities will indirectly support on the island. Table 5.1 sets out some typical multipliers.
- 5.8 The purchase of construction equipment, materials and services is expected to be largely from outside of St Helena. Therefore the opportunity for supply chain effects is limited. There is greater potential for induced or income effects from construction worker spend. Therefore overall a low band multiplier has been assumed of 1.3 in order to estimate indirect employment generation from construction activities. The 112 to 225 FTEs can be expected to support the creation of an additional 34 to 68 FTEs.

⁷ Full Time Equivalents (FTEs) – 10 man years of employment is considered equivalent to 1 full time job.

Table 5.1 – Employment Multipliers

Band	Description	Regional/National Multiplier
Low	Limited local supply linkages and induced or income effects	1.3
Medium	Average linkages	1.5
High	Strong local supply linkages and income or induced effects	1.7

Source: Additionality Guide, English Partnerships (September 2004)

Disruption to Existing Economic Activities

- 5.9 Construction activities are likely to cause some disruption to businesses in Rupert's Bay. Effects may include restricted access, the need to change working practices, temporary closure or the temporary use of land for storing construction materials and equipment and the impact of dust on food processing. Business activities in Rupert's Bay that may be affected during construction include fish landing/ processing, warehouses and the operations of bulk fuel farm at Rupert's Bay. The effects will depend on the Contractor's preferred construction method which will be finalised in consultation with SHG/DFID and the affected businesses. In addition some arable land may be temporarily required during the construction phase in order to provide access.

Equitable Access to Job Opportunities and Economic Benefits

- 5.10 There is the potential for a limited take-up of construction jobs by Saints due to the fact that not enough possess the appropriate skills, oversight by the Contractor in favour of expatriates or lack of awareness of opportunities, particularly for Saints living overseas.

Unemployment

- 5.11 The tightness of the labour market on St Helena indicates that there will be a high demand for immigrant labour during the construction phase. Immigrant labour is likely to consist of both returning Saints and immigrants of other nationalities. Notably, Saints working on Ascension and the Falkland Islands currently work in the construction sector and may have applicable skills. Conversely, there may not be enough Saints resident on St Helena with appropriate skills and they may be unable to compete with immigrants for many of the construction phase jobs.
- 5.12 During construction, the demand for labour is likely to lead to a further tightening of the labour market and a reduction in unemployment. When the construction phase ends the jobs will no longer be required and there is therefore the potential for a

sharp increase in unemployment. This is expected to be largely offset however by demand from other local developments related to the development of the tourism sector.

Competition for Labour

- 5.13 Given the tightness of the labour market and the low wages available on St Helena, there is the potential for current St Helena workers to be tempted to leave their current posts to work on the construction of the airport if wages are higher than average local rates. Evidence suggests that wages will be significantly higher than prevailing average local rates. Current construction projects being undertaken by overseas contracts have seen wages rates of around £200 per week, which compares to a prevailing average local wage of £70 per week⁸. There is therefore the potential for a significant shift of labour from existing positions to the project.
- 5.14 The impact of this shift is anticipated to be felt via two main channels. Firstly, there may be an outflow of workers from the public sector, reducing the public sector manpower resulting in a deterioration of the quantity and/or quality of some public sector services. Secondly, there may be an outflow of private sector workers from their existing jobs, thereby reducing the ability of the private sector to provide goods and services. Notably this may be felt most acutely in the construction sector, due to the suitability of the skilled labour to the requirements of the construction project.
- 5.15 This may result in a deterioration of the quantity and/or quality of public sector services. However if wages are markedly lower than average wage rates on St Helena, then Saints may not be willing to take construction jobs at all, meaning that expatriate labour will be needed to fill all of the jobs.

Prices and Inequality

- 5.16 The high demand for labour, goods and services of the construction phase of the airport and its associated infrastructure is likely to lead to upward pressure on prices and wages. This upward pressure is likely to lead to a rise in general inflation. For people in employment the effects of inflation are likely to be negligible in terms of real income and purchasing power as economy-wide wages rise, although public sector wages may be slow to respond. Those most significantly affected by inflation are expected to be the unwaged, particularly the elderly, and people dependent on benefits.

⁸ SHG, 2008

Education

- 5.17 The construction labour force is expected to be comprised of current residents on St Helena, returning Saints and expatriates. The employment of existing residents will not place any additional demand on education facilities. The employed returning Saints and expatriates are expected to be largely economic migrants travelling without families and will therefore create only limited additional demand on education facilities. The predominant bachelor status of migrant construction workers which is expected will mean that there will be a low level of demand for education facilities from the families of migrant workers.
- 5.18 There is a risk that competition for labour (see paragraph 5.14) may further reduce the number of teachers within the education system. This would negatively impact upon the quality of education on the island.

Health

- 5.19 Despite the fact that the Contractor is obliged to provide a range of health care facilities for site workers (see paragraph 5.37), the influx of immigrant labour during the construction phase could have a significant impact on the demand for health facilities on St Helena.
- 5.20 The influx of a large number of migrant workers increases the potential for transmission of infectious diseases which may not be currently present on St Helena. In particular concerns have been raised about the increased risk of HIV/AIDS infection. Although the Contractor will be obliged to work with SHG to prevent such circumstances arising, there is the potential for wider sexual health consequences in terms of other STIs and a potential increase in teenage pregnancy or unplanned pregnancy.
- 5.21 There is a risk that competition for labour (see paragraph 5.14) may reduce the number of health workers within the sector. This would negatively impact upon the quality of health care provided on the island

Social Cohesion, Security and Crime

- 5.22 Tensions may occur between newcomers and those currently living on the island if it is felt that the majority of the new jobs are being taken by non-Saints, particularly if they are the higher-paid jobs. Rising inequalities due to increases in the cost of living may lead to social unrest. Equally, tensions and social divisions could be experienced if much of the money being generated by the construction works is taken off-island.

- 5.23 The influx of immigrant workers, particularly given the likely male dominance of immigrant workers, may lead to an increase in alcohol-related anti-social behaviour. An increase in immigrant workers from different communities and cultures may lead to increases in the crime rate, particularly if wages for contract workers are low.
- 5.24 It is worth noting that the Police and Fire Service also suffer considerable staff attrition currently, and are particularly at risk of losing staff during both construction and operation because of the gender and skills of most staff members.
- 5.25 Even without any tangible social, security and crime impacts, the presence of a large number of new people on the island is likely to lead to an increased fear of crime amongst existing residents. This could result in small scale behavioural changes by those living on the island with regard to personal security practices.

Housing and Land

- 5.26 Current residents already have accommodation and it is assumed that many returning Saints will live in their own homes or with their families, thereby significantly reducing the number of immigrant workers requiring accommodation.
- 5.27 There is a requirement for a purpose built construction worker accommodation facility. There should still be opportunities for Saints to rent out unused accommodation or guest house rooms to tenants of their choice.
- 5.28 During the construction of the airport, workers from the local construction industry are likely to be attracted by higher wages to work for the Contractor. This will have a significant adverse impact on the local construction industry and other forms of infrastructure development. Substantial local private and public sector wage adjustment in the industry is likely and this will inflate building costs.
- 5.29 None of the land designated for the proposed airport or its associated infrastructure is currently occupied by resident housing. However residents living close to the construction activity and the main road networks used for transportation of construction materials may experience a degree of disruption to their lives. The project design has sought to minimise the potential impact of the construction work on people's homes, in particular through careful selection of the haul road, which has been routed away from centres of population wherever possible.
- 5.30 The vast majority of the land assigned for the development of the airport and its supporting operations is currently designated Crown Waste land, although a small parcel of land in private ownership at Woody Ridge will be required for the upgrading of an access track.

Utilities

- 5.31 Electricity, water supply and wastewater for the construction works and the construction workers accommodation facility will be provided independently of the island's supply by the Contractor and there will therefore be no impact.

MITIGATION

- 5.32 This section sets out mitigation measures which will be put in place to reduce potential adverse impacts and/or increase potential beneficial impacts under each of the key impact headings.

- 5.33 There are two principal sources of mitigation measures. These are:

- Conditions of DBO Contract; and
- Measures by St Helena Government

Population Characteristics

- 5.34 Mitigation measures to be undertaken by St Helena Government include:

- Legislation has been enacted to exclude time spent on the island under employment of the airport Contractor from the qualifying time for residential status.

Economic Development

- 5.35 Mitigation measures to be undertaken as part of the Conditions of Contract include:

- The Contractor is encouraged to the extent practicable and reasonable to employ staff and labour with appropriate qualifications and experience from within St Helena and St Helena nationals currently residing overseas;
- The Contractor is required to pay locally employed staff in accordance with the prevailing labour market as a minimum, even if this is higher than that paid to staff coming from elsewhere.
- The Contractor is required to address skill gaps through training to enable local people to undertake work which is more skilled, including supervisory work. Training will include formal courses and on-the-job knowledge transfer;

- Local staff employed by the Contractor are required to pay personal income tax in accordance with the laws of St Helena;
- All possible measures will be taken to ensure that disruption to existing economic activities is minimised. The EMP will set out controls over working practices, methods for monitoring effects and procedures for regular communications with the public; and
- Land used for temporary construction works will be fully reinstated on completion of works, or earlier if appropriate.

5.36 Mitigation measures to be undertaken by St Helena Government include:

- The Adult Vocation Education Service (AVES) will provide support to skills updating and provide training specifically geared towards employment opportunities arising from air access;
- The Bank of St Helena is a potential source of loans and advice for those wanting to start up and expand businesses;
- SHG has agreed a 2% pay increase for civil servants to help off-set the potential loss of key posts to the private sector, although salaries remain uncompetitive;
- Measures to ensure that Saints both on St Helena and overseas are aware of the potential job opportunities;
- Update the directory of local businesses and assist Saint businesses to market their services to the Contractor through the preparation of materials and fostering of contracts;
- The evaluation of Contractor's bids will consider their proposals for using local businesses;
- In 2007 income related benefits have been reviewed and increased. A single person's benefits have increased from £23.60/ week to £30.00/ week; a couple's benefits have increased from £35.64/ week to £45/ week;
- There are plans to develop an employment policy in 2008. This will include investigating the feasibility of setting a national minimum wage;

- There are plans for a comprehensive review of the welfare benefits system in early 2008, which will include a review of the 2004 £50/ week income threshold which is the current guide for state benefits;
- SHG is committed to increasing outsourcing and improving efficiency within the public sector and aims to reduce the number of civil servants employed from 1,037 to 800 by 2010⁹; and
- SHG will seek to mitigate against any reduction in the capacity of the private sector to provide appropriate goods and services by publicising vacated private sector jobs to expatriates. SHG shall use its existing overseas offices, such as that in South Africa, and their existing employment publicity mechanisms.

Education

5.37 Mitigation measures to be undertaken by St Helena Government include

- SHG will seek to mitigate against any reduction in the capacity of the private sector to provide appropriate goods and services by publicising vacated private sector jobs to expatriates. SHG shall use its existing overseas offices, such as that in South Africa, and their existing employment publicity mechanisms.

Health

5.38 Mitigation measures to be undertaken as part of the Conditions of Contract include:

- The Contractor is to be responsible for the health care for all non-Saint contract workers engaged on the contract, through the provision of independent medical services. This includes pre-hospital care, qualified medical staff, first aid facilities, a sickbay and an ambulance service. The Contractor will provide these in consultation with the Public Health and Social Services Department and they will not affect the quality of existing services;
- Provision of an HIV awareness programme via an approved service provider. This will include provision of voluntary confidential testing if requested by employees and an alleviation programme for site staff, labour and accompanying families in respect of HIV/AIDS and other sexually transmitted

⁹ SHG is currently considered to be overstaffed after years of being the main source of employment on the island.

infections. These resources will be shared with the Public Health and Social Services Department;

- Pay the cost of hospitalisation of contract workers where required; and

5.39 Mitigation measures to be undertaken by St Helena Government include:

- Reviewing arrangements to deal with major trauma e.g. review requirement for a monitored high dependency bed;
- Recruitment of a dedicated HIV/AIDS health educator who has taken up the post in 2007. The adviser is working across St Helena Government, the private sector and in schools to raise awareness and support the development of a St Helena HIV strategy;
- Reviewing skill mix of health professionals e.g. consideration being given to recruitment/training of Nurse Practitioners to deal with minor injuries;
- Strengthening of port health, infection control and health and safety arrangements; and
- SHG will seek to mitigate against any reduction in the capacity of the private sector to provide appropriate goods and services by publicising vacated private sector jobs to expatriates. SHG shall use its existing overseas offices, such as that in South Africa, and their existing employment publicity mechanisms.

Social Cohesion, Security and Crime

5.40 Mitigation measures to be undertaken as part of the Conditions of Contract include:

- The Contractor is required to employ Saints wherever possible and provide training where appropriate (see Economic Activity and Employment mitigation measures);
- The Contractor is responsible for the behaviour of their employees, and is required to put in place measures to (a) reduce incidences of and (b) deal with, anti-social behaviour and is responsible for the cost of worker repatriation is deemed to be required following criminal or anti-social behaviour;
- The majority of the workforce will be housed in a construction facility at some distance from currently populated areas;

- The Contractor and inward investors are required to provide a criminal record vetting certificate for each of their employees;
- The Contractor is obliged to pay migrant workers at a level to prevent them from being likely to commit offences such as theft, burglary etc;
- The Contractor will employ security personnel; and

5.41 Mitigation measures to be undertaken by St Helena Government include:

- The Adult Vocational Education Service (AVES) (see Economic Activity and Employment mitigation measures);
- The existing Alcohol Strategy Working Group will advise the Contractor on social and cultural issues related to alcohol; and
- The Laws of St Helena will apply to all construction personnel.

Housing

5.42 Mitigation measures to be undertaken as part of the Conditions of Contract include:

- An accommodation facility will be constructed to house the construction workers as required.

5.43 Mitigation measures to be undertaken by St Helena Government include:

- At the outset of the airport construction an assessment will be made of those living on and using land near areas that the contractors will be using. This includes access roads, storage areas as well as the construction site itself. There are two location options for the contractor's camp: a) east of Bradley's Garage and b) west of the airport site on Prosperous Bay Plain. In the event of the contractor's camp being located near Bradley's Garage, SHG will seek to temporarily re-house those residents living close to the camp activities if the disruption to their lives is considered to be significant and if they chose to move; and
- SHG will seek to mitigate against any reduction in the capacity of the local construction industry by publicising vacated jobs to expatriates. SHG shall use its existing overseas offices, such as that in South Africa, and their existing employment publicity mechanisms.

Utilities

- 5.44 No mitigation is required.

RESIDUAL IMPACTS

- 5.45 This section details the potential residual impacts of the construction phase once proposed mitigation has been taken into consideration. Potential impacts where the residual impact is classed as negligible are not included.

Population Characteristics

- 5.46 There will be a temporary increase in the size and change in the make-up of the population due to the influx of predominantly bachelor immigrant and returning Saint workers.

Economic Development

- 5.47 Economic growth shall be temporarily boosted through supply chain activities, induced and income multiplier effects. Mitigation will allow for a higher order of multiplier to be achieved and therefore a medium multiplier of 1.50 has been assumed. Therefore the 112 to 225 FTEs can be expected to support the creation of an additional 56 to 113 FTEs.
- 5.48 It is anticipated that despite measures to minimise disruption to economic activity, particularly in Rupert's Bay, including controls over working practices, methods for monitoring effects and procedures for regular communications with the public set out in the EMP, there will be disruption to businesses during the construction period. As the plans for the construction related activities in Rupert's Bay have not yet been devised, the degree of disruption and the effect on businesses cannot yet be quantified. However, it is anticipated that such disturbance will only have a minor impact on the existing business activities.
- 5.49 Effort will be made to ensure equitable access to job opportunities by resident and non-resident Saints. As such a significant take-up of construction jobs is expected by Saints.
- 5.50 Unemployment is expected to be reduced during the construction phase. The use of immigrant labour which will leave the island once the construction work is complete and the provision of ongoing job opportunities through the economic impact of the operational phase of the airport should mean that there would be no significant increase in unemployment once the construction phase is complete.

- 5.51 Despite mitigation measures regarding public sector pay and the modernisation of the public sector there remains a risk of short term residual impact on the quantity and quality of public sector services due to a reduction in the number of public sector workers. Similarly, there remains a risk of short term residual impact on the capacity of the private sector to delivery an appropriate level of goods and services, particularly in the construction sector.

Education

- 5.52 Despite mitigation measures there is expected to be a temporary deterioration in the provision of education facilities during the construction period due to a reduction in the number of workers in the sector.

Health

- 5.53 The Contractor will provide a range of medical services for workers, however secondary medical facilities will not be provided and as such serious accidents and emergencies relating to construction workers will be dealt with by existing island facilities, impacting their capacity to deal with the requirements of residents during the construction phase.
- 5.54 Despite a number of mitigation measures, there is expected to be an increase in the risk of HIV/AIDS, STIs and communicable diseases as a result of the immigrant construction workers.
- 5.55 Despite mitigation measures there is expected to be a temporary deterioration in the provision of health facilities during the construction period due to a reduction in the number of health workers

Social Cohesion, Security and Crime

- 5.56 Despite a number of mitigation measures there remains the potential for instances relating to anti-social behaviour and crime and particularly an increased fear of crime.

Housing

- 5.57 A residual moderate impact on the local construction industry is predicted due to local workers shifting to the airport construction project.
- 5.58 Private residents located close to construction activities may be temporarily re-located and social housing residents located close to construction activities will be

permanently re-located if the disruption to their lives is considered to be significant and they choose to move.

Table 5.2 – Summary of Construction Phase Impacts

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
Population Characteristics				
Population size and make-up	<p>Change in the size and make-up of population due to influx of bachelor immigrant and returning Saint labour</p> <p>There is concern that due to the long-term nature of the project, non-Saint migrant workers may attempt to use the project as a means of gaining permanent residence in St Helena.</p>	<p>Immigrant labour will leave the island once construction has finished if no ongoing employment opportunities are available thereby returning the population make-up and size to its current status</p> <p>Legislation has been enacted to exclude time spent on the island under employment of the airport Contractor from the qualifying time for residential status.</p>	Short-term change in population size and make-up	Minor adverse
Economic Development				
Economic growth and job creation	<p>Temporary boost to GDP</p> <p>Direct creation of between 112 and 225 construction FTE jobs</p> <p>Supply chain impacts through local sourcing of construction materials are expected to be minor due to a lack of suitable resources on the island. Income effect of construction jobs is expected to have an impact on local businesses. Multiplier effect of creation of between 34 and 68 FTE jobs</p>	<p>The Bank of St Helena will provide loans and advice for those wanting to start up and expand businesses.</p> <p>SHG will update the directory of local businesses and assist Saint businesses to market their services</p> <p>The evaluation of Contractor's bids will consider their proposals for using local businesses</p>	<p>Temporary boost to GDP</p> <p>Possible creation of 100 FTE jobs</p> <p>Improved multiplier effect leading to creation of between 56 and 113 FTE jobs</p>	Moderate beneficial
Disruption to existing	Business activities, particularly in	EMP will set out controls over working	Plans for the construction	Minor adverse

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
economic activities	Rupert's Bay, that may be affected during construction include fish landing/ processing, warehouses and the operations of bulk fuel farm at Rupert's Bay	practices, methods for monitoring effects and procedures for regular communications with the public	phase are not finalised and therefore the exact impact is not possible to qualify. However it is likely that there will be some temporary disruption to existing economic activities in Rupert's Bay	
Equitable access to job opportunities	Limited take-up of construction jobs by Saints due to lack of appropriate skills or oversight by the Contractor in favour of expatriates. Limited take-up of construction jobs by Saints due to lack of awareness of available job opportunities	The Conditions of Contract place obligations on the Contractor that mitigate this. The Adult Vocation Education Service (AVES) will provide support to skills updating and training. SHG to ensure that Saints both on St Helena and overseas are aware of the potential job opportunities	Significant take-up of construction jobs by Saints	Negligible
Unemployment	Unemployment is likely to be reduced during the construction phase but may increase sharply once construction is finished	Immigrant labour will leave the island once construction has finished if no ongoing employment opportunities are available. Operational phase will provide job opportunities	Reduction in unemployment or maintenance of existing low level of unemployment	Minor beneficial
Competition for labour	Domestic labour shift from public and private sectors to airport construction project resulting in a deterioration of some public sector services and private sector goods and services	SHG have agreed a 2% pay increase for civil servants in order to offset potential wage gains. SHG aims to reduce the size of the civil service from 1,037 posts to 800 posts by 2010 SHG will undertake recruitment promotion	Labour shift leading to an adverse effect on the quantity/quality of public service provision and on the ability of the private sector to provide goods and services	Moderate adverse

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
		abroad to fill public and private sector roles where necessary		
Prices and inequality	Upward pressure on prices and wages are likely to have a negative impact on the unwaged and those dependent on benefits	A comprehensive review of the welfare benefits system, including the level of state benefits	Changes in the real cost of living for some sectors of the population	Minor adverse
Education				
Education facilities (schools)	It is not envisaged that there will be any significant demand for education facilities generated by the construction phase labour force A reduction in the staff due to a shift of labour to the construction project may reduce the quality of education provision during the construction phase	SHG will undertake recruitment promotion abroad to fill roles where necessary	Temporary reduction in the quality of education provision	Moderate adverse
Health				
Provision of health facilities for construction workers	Increased demand on health facilities by immigrant labour working on the construction phase	Independent medical facilities provided by the Contractor for primary care needs, triage and first aid. Contractor to pay full cost where hospitalisation or workers if required SHG to review arrangements to deal with major trauma	Secondary medical facilities will not be provided by the Contractor and as such serious accidents and emergencies will be dealt with by existing island facilities impacting on the public health services' capacity to deal with the requirements of residents	Minor adverse
Provision of health care	A reduction in the number of health workers due to a shift of labour to	SHG will undertake recruitment promotion	Temporary reduction in the quality of health service	Moderate adverse

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
facilities for Saints	the construction project may reduce the quality of health provision during the construction phase	abroad to fill roles where necessary	due to reduced number of staff	
HIV/AIDS, STIs and communicable diseases	Influx of migrant workers will lead to an increased risk of HIV/AIDS, STIs and communicable diseases	Contractor to provide an HIV/AIDS awareness programme and testing for HIV/AIDS and STIs where requested SHG has recruited an HIV/AIDS advisor Strengthening of Port Health, Infection Control and Health and Safety Arrangements	Increased risk of HIV/AIDS, STIs and communicable diseases	Minor adverse
Social Cohesion, Security and Crime				
Social conflict	Tensions may occur between newcomers and current residents if job opportunities are not perceived to be equitably distributed Rising inequalities due to increases in the cost of living may lead to social unrest amongst the unwaged and those dependent on benefits	The Contractor is required to employ Saints wherever possible and provide training where appropriate The Adult Vocational Education Service (AVES) A comprehensive review of the welfare benefits system, including the level of state benefits	Job opportunities are expected to be equitably distributed Changes in the real cost of living for some sectors of the population should be offset through a review to the welfare benefit system	Minor adverse
Anti-social behaviour and crime	Increase in alcohol-related anti-social behaviour due to male-dominated immigrant workforce and crime, particularly if wages for contract workers are low Increased fear of crime amongst existing residents resulting in small scale behaviour changes with	The Contractor is responsible to put in place measures to (a) reduce incidences of and (b) deal with, anti-social behaviour and is responsible for the cost of worker repatriation if deemed to be required following criminal or anti-social behaviour The Contractor is obliged to pay migrant workers at a level to prevent them from being	Potential for instances relating to anti-social behaviour and crime and particularly an increased fear of crime	Minor adverse

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
	regard to personal security practices	<p>likely to commit offences such as theft, burglary etc</p> <p>The majority of the workforce will be housed in a construction facility at some distance from currently populated areas.</p> <p>The contractor and inward investors are required to provide a criminal record vetting certificate for each of their employees. Serious unspent convictions prevent the issue of a work permit to the individual concerned</p> <p>The existing Alcohol Strategy Working Group will advise the Contractor on social and cultural issues related to alcohol</p> <p>The Contractor will employ security personnel</p> <p>The Laws of St Helena will apply to all construction personnel</p>		
Housing				
Migrant worker accommodation	<p>A significant number of immigrant workers will require accommodation.</p> <p>The requirement for immigrant worker accommodation will provide opportunities for Saints to rent out unused accommodation and may increase demand for guest houses and house rents</p>	An accommodation facility will be constructed to house the construction workers as required	<p>There will be no impact on the local housing market from immigrant workers due to the construction worker accommodation facility.</p> <p>Demand for local accommodation may be experienced and this is for</p>	Negligible

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
Local construction industry	A reduction in the number of local construction industry workers due to a shift of labour to the construction project leading to a reduction in local building activity and supply of housing	SHG will undertake recruitment promotion abroad to fill roles where necessary	discussion with the Contractor Temporary contraction of the local construction industry	Moderate adverse
Residents housing	No residents live on any of the construction areas and therefore there is not expected to be any compulsory purchases There may be a degree of disruption to the lives of residents near to construction activities	At the outset of the airport construction an assessment will be made of those living on and using land near areas that the contractors will be using and this may result in housing being offered to private residents who would like to move temporarily	Temporary re-housing of private residents and permanent re-housing of social housing residents close to construction activities if the disruption to their lives is considered to be significant and they choose to move.	Minor adverse
Utilities				
Water supply	No impact	None required	No impact	Negligible
Power supply	No impact	None required	No impact	Negligible
Wastewater treatment	No impact	None required	No impact	Negligible

6. OPERATIONAL EFFECTS

INTRODUCTION

- 6.1 The airport is anticipated to become operational in 2012/2013 and the associated effects are predominantly considered to be permanent or long-term. This section sets out the potential operational effects, proposed mitigation and the residual effects once mitigation has been taken into consideration.
- 6.2 An economic model was created as part of the original Feasibility Study for the project and forecasts included in this section are based on the outputs of that model. These forecasts are meant as a guide to show the broad magnitude of potential effects and should not be considered a definitive levels or targets.

POTENTIAL EFFECTS

Population Characteristics

- 6.3 Projections prepared as part of the Feasibility Study (Atkins, 2004) suggest that the introduction of air access will reverse the current population decline, stemming the flow of out-migration, creating net in-migration and increasing growth within the resident population. The resident population is forecast to increase to over 8,000 after 25 years of airport operation, equivalent to close to a 100% increase, and to close to 9,000 after 40 years of operation. Migrants are anticipated to make up over 3,000 of the additional population.
- 6.4 The number of tourists visiting St Helena annually is projected to increase significantly from a current level of approximately 800 to 1,500 in Year 1 of airport operation, 26,000 in Year 15 and reach a peak of 58,000 in year 25 (it is proposed that annual tourism numbers are capped at 58,000). Tourists are not considered to be residents on the island and are therefore not included within the population figures. They will however place demands on the islands services and these are discussed in subsequent sections (Atkins, 2004).
- 6.5 The majority of those attracted back to the island and those migrating to the island to take up employment opportunities will be economically active, and the influx is likely

to go somewhat towards redressing the current demographic imbalance characterised by an increasingly older and dependent population. The proportion of the population over 60 years of age is forecast to fall from a current level of approximately 22% to 16% after 25 years of airport operation and 15% after 40 years.

- 6.6 However, St Helena could also experience in-migration in the longer-term of those of retirement age who are attracted to the island by its relative calm and remoteness. Setting policies to cope with such newcomers will be important in the long-term to ensure the social welfare system is appropriate to the changing (and part expatriate) population base should this occur.
- 6.7 Approximately 75% of the increase in the population is expected to be due to in-migration. The exact mix of returning Saints and immigrants from other countries is uncertain.

Economic Development

- 6.8 It is anticipated that air access will have a substantial effect on the economy of St Helena. Principally air access is expected to allow significant development of the tourism sector. Economic modelling undertaken as part of the Feasibility Study (Atkins, 2004) forecasts that the GDP of St Helena will increase by over 330% over the first 25 years of airport operation, equivalent to an average rate of 6.3% per annum. This compares to a without-project baseline where economic decline is expected. Once the cap in tourist numbers is reached the rate of GDP growth is anticipated to slow but remain positive. In year 40 of airport operations GDP is forecast to grow by 0.2%.
- 6.9 As a result of increased economic activity and tax revenues it is forecast that HMG financial support to SHG will fall to zero 15 to 25 years after the commencement of airport operation (Atkins, 2004). This will reduce SHG's dependence on the UK and bring greater autonomy to decision-making.
- 6.10 The creation of economic activity and the associated increase in household expenditure as a result of new jobs is subject to the multiplier effect. This can be explained as follows: If there is an increase in final demand for a particular commodity (in this case construction materials and equipment), we can assume that there will be an increase in the output of that commodity, as producers react to meet the increased demand; this is the direct impact. As these producers increase their output, there will also be an increase in demand on their suppliers and so on down the supply chain; this is the indirect impact. As a result of the direct and indirect impacts the level of household income throughout the economy will increase as a result of increased employment, a proportion of this increased income will be re-

spent on final goods and services: this is the induced effect. The ability to quantify employment multiplier effects allows an estimate of the number of jobs that the construction activities will indirectly support on the island. Table 5.1 sets out some typical multipliers

- 6.11 The direct operation of the airport facilities is estimated to generate 40 new jobs. Many of the goods and services required by the airport will need to be sourced from overseas, and whilst supply chain linkages will increase over time they are expected to remain low. Income induced linkages will be higher, however overall a low multiplier effect of 1.3 is assumed. The number of jobs associated with the operation of the airport is for discussion with the Contractor; the Contractor is anticipated to require up to 40 staff, whether full time or part time or some mix, and within this number there will be opportunity for employment of Saints.

Table 6.1 – Employment Multipliers

Band	Description	Regional/National Multiplier
Low	Limited local supply linkages and induced or income effects	1.3
Medium	Average linkages	1.5
High	Strong local supply linkages and income or induced effects	1.7

Source: English Partnerships

- 6.12 Air access is expected to lead to a rapid increase in the number of tourists visiting the island. The number of tourists visiting St Helena annually is projected to increase from a current level of approximately 800 to 1,500 in Year 1 of airport operation, 26,000 in Year 15 and reach a peak of 58,000 in year 25 at which level it is proposed that annual tourism numbers are capped (this is based on environmental sustainability arguments). The growth in tourist numbers is forecast to be greatest between years 6 and 17, averaging 15% per annum.
- 6.13 The tourism sector is expected to play a key role in the development of the private sector on St Helena, and will be the principal source of new business and employment opportunities across a range of activities, most notably in hospitality. As the economic activity within the tourism sector grows there is expected to be a knock-on effect across other sectors of the economy.
- 6.14 After 25 years of airport operation, the total required workforce is forecast to be approximately 4,000. Over half of these jobs are anticipated to be in the hospitality sector¹⁰. After 25 years there is anticipated to be a slowdown in the rate of

¹⁰ Hotels, guest houses, B&Bs and self-catering apartments.

employment generation due the proposed cap on the annual number of tourists to St Helena. Again, this compares to a baseline where the number of jobs on the island would be expected to decline.

- 6.15 Private investment is expected to contribute significantly to the development of the St Helena economy.
- 6.16 There is the potential that fishing businesses operating out of Rupert's Bay may benefit from the improved wharf facilities. However there may be a small loss of productive activity due to land take around access roads.
- 6.17 It is a widely-held view that the nature of St Helenian life encourages multi-skilling and adaptability. Unfortunately many people have developed their skills in informal circumstances or without the benefit of qualifications to demonstrate their competence and this may act as a barrier to their employment prospects in future. There is therefore the potential for Saints to miss out on higher skilled and/or better paid jobs.
- 6.18 There is particular concern that as a result of the air access scheme and the associated economic activities there may be an escalation of the practice of paying wages considerably higher than that which would have been paid to somebody locally recruit to entice suitably qualified individuals from overseas. There is concern that this may lead to a two-tier salary system, increasing social inequalities and therefore social tension. Similarly the potential for rapid and considerable economic gain by members of the community through private sector enterprise may lead to an increase in the gap between the rich and the poor.
- 6.19 There is concern that there may be a significant degree of leakage from the economy. That is, that many of the potential economic benefits associated with the project may be captured by non-Saints. Two forms of leakage are most likely. Firstly, that business opportunities are taken by overseas companies at the expense of local businesses. Secondly that new jobs are taken by non-Saints.
- 6.20 Unemployment is expected to remain low, with just 5% of the economically active population forecast to be unemployed after 25 years of airport operation. It is forecast that unemployment may increase to 7.5% once the upper limit of annual tourism numbers is reached after approximately 25 years of airport operation due to the natural momentum of the economy (Atkins, 2004).
- 6.21 There is currently an absence of labour legislation and increased private sector activity will potentially lead to an increase in poor labour practices and abuse of

labour. There is a particular concern that new private sector entrepreneurs may seek to pay rate below the market rate.

- 6.22 The rapid increase in private sector activities and the potential for above-average wage increases may entice a proportion of the existing public sector workforce from their current employment. However, a similar and considerably larger effect is expected during the construction phase and such a shift in labour force during the operational phase should be countered by freed up labour from the construction phase. At the operation phase, therefore, the effect is anticipated to be of no more minor adverse significance.
- 6.23 The capability of the public sector to cope effectively with implementing the existing policies and the planned mitigation and socioeconomic development measures necessary to successfully fulfil the objectives of the air access project is a major concern. This concern is exacerbated by the potential labour force shift from public to private sector as outlined above. Consultation shows that there is concern both amongst residents and members of SHG about their ability to successfully deliver the step-change in activity (Muir, 2005).
- 6.24 The high demand for labour, goods and services caused by the rapid economic growth of is likely to lead to upward pressure on prices and wages. This upward pressure will lead to a rise in general inflation. For people in employment the effects of inflation are likely to be negligible in terms of real income and purchasing power as economy-wide wages rise, although public sector wages may be slow to respond. Those most significantly affected by inflation are expected to be the unwaged, particularly the elderly, and people dependent on benefits. Increased economic activity and in particular private sector opportunities will provide increased potential earning of many resident Saints. However this increase in earning potential is likely to be unevenly felt, concentrated amongst those who are most highly skilled and/or entrepreneurial. As such there is the potential for an increase in the level of inequality between the rich and the poor increasing social polarisation.

Education

- 6.25 The increase in the size of the population will result in an increase in the demand for school places. The number of children under the age of 15 that are resident on the island is forecast to increase to approximately 1,900 after 25 years of airport operation, compared to a currently number of approximately 800. The school system will therefore need to expand to meet the forecast demand. This compares to a baseline position of falling demand and consolidation of education facilities. This will require additional public sector investment in the education system which will be possible due to increased tax revenues resulting from an enlarged private sector and

population. There may be a lag between the actual and required increase in supply of education facilities, creating short term problems.

- 6.26 An expansion of the education system should allow an improvement in the breadth of the curriculum but would also require an increase in the number of teachers.
- 6.27 Air access would present the opportunity for school trips and children to take holidays abroad, helping them towards a wider range of experience. Encountering more people from around the world, both abroad and among visiting tourists, is likely to be beneficial by broadening young people's horizons and encouraging them to become more aware of the range of careers and opportunities available to them, and value of qualifications.
- 6.28 Air access and associated tourism development would increase the demand for adult learning in order to allow Saints to benefit from the economic opportunities that will be created. This will include
- targeted vocational training, particularly for the tourism and hospitality sector;
 - international accreditation of skills;
 - small business workshops to assist entrepreneurs in setting up enterprises

Health

- 6.29 The forecast increase in population, through both natural growth and migration and the influx of tourists, will place additional demands on health services and the island will need to ensure that there is an appropriate skill-mix and number of health professionals (e.g. Nurse Practitioners who can deal with walk-in primary care needs and minor injuries) and facilities. This will require additional public sector investment in the public health service.
- 6.30 The influx of migrants and tourists increases the potential for transmission of infectious diseases which may not be currently present on St Helena. As mentioned above, concerns have been raised about the increased risk of HIV/AIDS infection. There may be wider sexual health consequences in terms of other STIs, a potential increase in teenage pregnancy or unplanned pregnancy.
- 6.31 However, an increasing population is likely to be of benefit in the provision of cost effective health services, as the costs of specialist services that are under-utilised at present are spread over a greater number of people. With a higher proportion of the population economically active the tax base should increase enabling investment in

health and social services. There may be a lag between the actual and required increase in supply of health facilities, creating short term problems.

- 6.32 The introduction of air access will improve access to international expertise, making it easier and less costly (as it will not involve two week's of their time travelling) to arrange for visiting specialists and provide more frequent and faster access to overseas medical services and facilities in the event that specialist treatment unavailable on the island is required, and reduce the need to stockpile drugs. There is a risk however that this will place greater pressure on medical professionals to refer patients to off-island facilities. This will need to be carefully managed using an agreed protocol/panel decision for objective decision making based on cost-effectiveness and ability to benefit.
- 6.33 While capacity and the breadth of services will need to be enhanced to cater for the needs of tourists and newcomers to the island, the costs of this should be borne through ensuring that charges for services reflect the full cost of providing that service, and requiring visitors to carry adequate health and travel insurance. This may be an opportunity for revenue generation from fees charged to visitors using health services.
- 6.34 There should be a positive impact on social care services. It is forecast that out-migration will decrease and that some Saints living overseas will return, increasing the proportion of younger residents on the island. This may lead to a strengthening of family ties and an increase in non-medical care of older people within their own homes.

Social Cohesion, Security and Crime

- 6.35 Reduced journey times to and from St Helena will allow for quicker and easier access to friends and families of those working abroad. The ability for couples and families to be reunited more frequently will benefit family life.
- 6.36 Improved economic opportunity on St Helena will reduce the flow of out-migration of Saints from the island and is expected to attract back a number of Saints currently living overseas. This will allow a strengthening of family ties and reduce the incidence of children being informally fostered by extended family members.

- 6.37 An increase in the level of economic activity and a reduction in the dependency ratio¹¹ as the age structure of the population changes will reduce pressure on the social welfare system.
- 6.38 Approximately 75% of the increase in the population is expected to be due to immigration. The exact mix of returning Saints and immigrants from other countries is uncertain. There is therefore likely to be a degree of cultural change. The rate at which this change may occur, due to the scale and speed at which migrant will arrive at St Helena may leave to cultural clashes and a degree of social unrest.
- 6.39 The island could see an increase in the incidence of crime as the number and diversity of the St Helena population increases. This could be compounded if existing residents feel that they are missing out from economic benefits of the project to newcomers and if economic inequalities increase.
- 6.40 It is not anticipated that the level of tourism proposed will have any significant impact on the occurrence of crime. However it may lead to an increase in alcohol-related anti-social behaviour, although due to the market segments to be targeted this is anticipated to be minor.
- 6.41 Discussions are currently being undertaken to provide a replacement for the RMS St Helena for the link between Ascension Island and St Helena. The possibility of providing air access via Wideawake military Airfield on Ascension is being explored. Failure to deliver this replacement link would make travel between Ascension Island and St Helena considerably more expensive and inconvenient than is currently the case, and the securing of a replacement link by SHG will be an important part of the overall air access project.

Housing and Land

- 6.42 There is not anticipated to be any direct impact on existing housing or need for resettlement due to the operation of the airport, although temporary access will be required to some properties at Deadwood to provide underground drainage for the airport access road.
- 6.43 There is expected to be considerable demand for housing due to the rapid population growth that is forecast as a result of the project and due to the expected increase in the ownership of second homes on the island by non-Saints to use for holidays. Land is limited in supply on St Helena and the increase in demand is anticipated to

¹¹ The number of children (those of 0 – 14 years old) and old people (those of 64 years old or over) per 100 persons of the 15 to 64 year old age group. The ratio is used to measure the demographic dependency burden

put considerable strain on available land and lead to price inflation. There is already evidence of strain on the market and increased inflation in some parts of the island.

- 6.44 The need for more houses will also place additional demands on limited house construction capacity, particularly on skilled tradesmen, and this is likely to drive up the cost of building and house maintenance.
- 6.45 There are concerns that these effects may disadvantage Saints who are unable to afford the increased costs. High costs associated with home ownership could continue to drive out-migration on the island despite inward investment. Historically, overseas remittances have driven the housing market. If house prices are not commensurable with local salaries (or *vice versa*) then out-migration may not be addressed.

Utilities

- 6.46 The increase in the resident population and visiting population will significantly increase the demand for utilities including water, power and wastewater. Significant new investment will be required to ensure that the expanding demands can be met.

MITIGATION

Population Characteristics

- 6.47 Mitigation measures to be undertaken by St Helena Government include:
- A forthcoming revision of Immigration Laws, to be enacted before the first workers arrive, will manage the level and nature of immigration; and
 - Social change will be monitored through a social monitoring framework. Data collection is due to begin for this in the first quarter of 2008 and will be analysed annually. This will inform social planning which will in turn aim to mitigate emerging negative social impacts of air access, whilst promoting positive impacts.

Economic Development

- 6.48 Mitigation measures to be undertaken by St Helena Government include:
- Adhere to the standards and policies set out in the Sustainable Development Plan (2007), the Tourism Policy (2006) and the Investment Policy (2006);

- Social development planning and policy formulation;
- Proactive support by the newly formed St Helena Development Agency (SHDA) to assist the development of the private sector and inward investment;
- The Bank of St Helena is a potential source of loans and advice for those wanting to start up and expand businesses;
- SHG has agreed a 2% pay increase for civil servants to help off-set the potential loss of key posts to the private sector, although salaries remain uncompetitive;
- In 2007 the New Life Account was granted pensions status under Taxation ordinance 146. This means that payments into pension funds are now exempt from the normal income taxation, therefore increasing the individuals pension savings;
- Measures to ensure that Saints both on St Helena and overseas are aware of the potential job opportunities;
- Adult Vocational Education Service aimed at upgrading the skills of the adult population;
- In 2007 income related benefits have been reviewed and increased. A single person's benefits have increased from £23.60/ week to £30.00/ week; a couple's benefits have increased from £35.64/ week to £45/ week;
- Plans to develop an Employment Policy in 2008. This is to include an investigation into the feasibility of setting a national minimum wage;
- Introduction of labour legislation, which will establish both employee and employer rights and protect against unfair employment terms.
- Investment Policy (2006) measures including encouraging both local and inward investment, and identification of opportunities open only to Saints. Changes to company tax law in order to create an enabling environment for local businesses;
- Adoption of the Tourism Policy (2006), based on low volume high value tourism;

- Appointment of a Tourism Commissioner in 2008 to coordinate further development and implementation of the Tourism Policy promoting appropriate management of increased tourist numbers;
- There are also plans for a comprehensive review of the welfare benefits system in early 2008, which will include a review of the 2004 £50/ week income threshold which is the current guide for state benefits;
- SHG is committed to increasing outsourcing and modernisation of the public sector with an aim to improving efficiency. They anticipate that the number of civil servants employed will fall from 1,037 to 800 by 2010;
- DFID will consider requests for additional staff made by SHG on a case by case basis; and
- Regular review of SHG wages, salaries and benefits.

Education

6.49 Mitigation measures to be undertaken by St Helena Government include:

- Social change will be monitored through a social monitoring framework. Data collection is due to begin for this in the first quarter of 2008 and will be analysed annually. This will inform social planning which will in turn aim to mitigate emerging negative social impacts of air access, whilst promoting positive impacts;
- SHG has been considering an enhanced teachers salary/career package prepared by the Education Department to help attract and retain quality teachers. Further work is required to progress this;
- Recent-restructuring and falling enrolment in schools means that there is spare capacity in the system to accommodate some of the increase in demand. In some instances sites and equipment have been retained;
- The St Helena Government is reviewing the employment after retirement policy of SHG with a view to encouraging the re-employment of retired staff members in addition to encouraging retention of existing personnel;
- The Teacher Education Centre that provides initial two-year training courses followed by two-year in-school experience as a newly qualified teacher before achieving full teacher status;

- The Adult Vocation Education Service (AVES) will provide support to skills updating and training; and
- The Sustainable Development Plan sets out a number of initiatives which are relevant to the potential impacts associated with the introduction of air access to St Helena.

Health

6.50 Mitigation measures to be undertaken by St Helena Government include:

- Social change will be monitored through a social monitoring framework. Data collection is due to begin for this in the first quarter of 2008 and will be analysed annually. This will inform social planning which will in turn aim to mitigate emerging negative social impacts of air access, whilst promoting positive impacts;
- Recruitment of a dedicated HIV/AIDS adviser who has taken up the post in 2007. The adviser is working across St Helena Government, the private sector and in schools to raise awareness and support the development of a St Helena HIV strategy;
- The existing Healthlink arrangement is being reviewed. This includes a review of the skill-mix of health professionals;
- Strengthening of Port Health, Infection Control and Health and Safety arrangements;
- Review of charges for services to non-residents to ensure that these cover the full costs of service provision and establish requirements for visitors to carry adequate health and travel insurance; and
- Increased tax revenues will allow for increase investment.

Social Cohesion, Crime and Security

6.51 Mitigation measures to be undertaken by St Helena Government include:

- Social change will be monitored through a social monitoring framework. Data collection is due to begin for this in the first quarter of 2008 and will be analysed annually. This will inform social planning which will in turn aim to mitigate emerging negative social impacts of air access, whilst promoting positive impacts;

- Production of a Social Development Plan;
- Review of immigration policy;
- SHG plans to undertake a comprehensive review of the benefit system in the beginning of 2008;
- SHG is currently exploring cost recovery within public utilities with an aim to ensure that any subsidies are better targeted to those most in need;
- There are plan to develop specific policies to ensure that as the population grows and more visitors arrive, the police and other authorities have the necessary resources to prevent crime;
- St Helena is positioning itself for high-end low volume tourism. This should help to limit the amount of tourist related crime on the island; and
- Negotiations are to be undertaken by SHG to broker the use of the Wideawake military airfield on Ascension Island to provide a direct link between Ascension and St Helena.

Housing and Land

6.52 Mitigation measures to be undertaken by St Helena Government include:

- The Land Development Control Plan is forwarding looking and sets out plans for a significant increase in the number of residential units on St Helena, including the release of SHG-owned land. The plan is to be continually reviewed with regard to the level of migration and the resulting demand for housing;
- Sustainable Development Plan sets out a requirement to introduce clear and transparent procedures for the acquiring of land by foreigners in order to protect the local population from potential house price inflation;
- The LDCP sets out policies for achieving projected housing demand; and
- On-going monitoring of migration trends and reasons for it will be included in the island's social impact monitoring framework. Strategies to address home ownership being a driver for continued out-migration will be explored if required.

Utilities

- Investors in the island will be expected to contribute to the cost of improving infrastructure, either through direct funding of service provision, or through recurrent charges set to recoup the cost of connection; and
- Work is currently being undertaken by SHG to develop a separate island wide infrastructure plan to ensure that infrastructure development meets the needs of a growing resident population and tourism development.

RESIDUAL IMPACTS

Population Characteristics

- 6.53 The rate of change of the population, including the tourist population, is set to be managed through mitigation measures in order to limit any significant adverse impacts associated with the changes to the size and structure of the population. Mitigation measures are not anticipated to have any significant effect on the impacts set out under the Initial Impacts section. The benefits associated with the change in the size and structure of the population are discussed under their relevant headings.

Economic Development

- 6.54 The mitigation measures proposed are set to ensure that the wider macroeconomic benefits are achieved, most significantly adhering to the measures set out in the Sustainable Development Plan (2007), the Tourism Policy (2006) and the inward investment policy (2006). The principal macroeconomic impacts to be felt over the first 25 years of airport operation include:
- average GDP growth of 6.3% per annum over the first 30 years of airport operation, equivalent to an overall increase of over 330%;
 - increase in the number of employed persons on the island of over 2,000 after 25 years of airport operation;
 - increase in the number of tourists to over 58,000 per annum after 25 years of airport operation;
 - development of the private sector to become the engine of the economy led by activity in the tourism sector. Annual private sector investment is forecast to reach approximately to £17 million after 25 years of operation; and

- financial independence, with the aid received from HMT reduced to zero within 15 to 25 years of airport operation.
- 6.55 There remains the potential for private sector entrepreneurial activity to lead to an increase in the gap between the rich and poor and social inequalities.
- 6.56 There remains the potential for a continuation of the practice of paying wages higher than that which would have been paid to somebody recruited locally in order to entice suitably qualified individuals from overseas. However, it is anticipated that the most significant potential is relatively short term and will not lead to a two-tier salary system.
- 6.57 Despite mitigation measures competition for labour is expected to lead to a flow of workers from the public sector to the private sector. Restructuring and review of terms and conditions may help to alleviate this, but there may be some residual impact. The shift in the economy from public sector led to private sector led will allow for a reduction in the dependence on SHG to provide employment opportunities. In turn this will allow mitigation measures through modernisation and increased efficiency of the public sector, thereby protecting public service provision. It is also considered that some departments are currently over-staffed (Muir, 2005).
- 6.58 The ability of public sector to deliver the policies and measures required to successfully achieve the benefits of the air access project and minimise the adverse effects is crucial to the overall success of the project. The mitigation measures in place are considered to sufficiently reduce the risk of any level of institutional failure.

Education

- 6.59 The education system is expected to benefit considerably from an increase in scale and investment. There are not anticipated to be any residual adverse impacts.

Health

- 6.60 The health care system is expected to benefit from an increase in scale and investment. There are not anticipated to be any residual adverse impacts. Most notably the airport will improve access to international medical expertise and improve the ability for emergency evacuation.
- 6.61 Strengthened family ties are anticipated to reduce the pressure on the social care system.

- 6.62 Despite a number of mitigation measures, there is expected to be a slight increase in the risk of HIV/AIDS, STIs and communicable diseases as a result of the immigrant construction workers.

Social Cohesion, Security and Crime

- 6.63 A number of residual impacts are anticipated however adverse impacts are anticipated to be of only minor significance. A principal benefit will be improvement to family life and cohesion within the family unit.

Housing

- 6.64 Mitigation measures are set to manage the rapid increase in demand for housing that is anticipated. Despite the mitigation there remains the potential for short-term adverse impacts if housing construction does not keep pace with demand due to labour and skills shortages. This impact will be most severely felt by Saints who are unable to afford the increased costs, and could continue to drive out-migration from the island despite inward investment.

Table 6.2 – Summary of Permanent Operation Phase Impacts

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
Population Characteristics				
Population size and structure	Reversal of current trend of declining population. The resident population is forecast to increase by approximately 8,900 by 2048 representing an increase of over 100% on current levels	Review of immigration policy Social monitoring framework	Increase in the resident population to approximately 8,900 by 2048 representing an increase of over 100% on current levels	Major beneficial
Population structure	Population imbalance will be redressed increasing the proportion who are of working age (reducing the dependency ratio) leading to a sustainable age structure	None required	Population imbalance will be redressed leading to a sustainable age structure	Major beneficial
Economic Development				
Economic growth and job creation	GDP to increase by approximately 330% over the first 30 years of airport operation Employment to increase by over 2,000 during the first 25 years of airport operation	Adhere to the standards and policies set out in the Sustainable Development Plan (2007) A combination of nearly all other mitigation measures	GDP to increase by approximately 330% over the first 30 years of airport operation Employment to increase by over 2,000 jobs during the first 25 years of airport operation A substantial upward adjustment in wage levels	Major beneficial
Tourists	Number of tourists to increase from approximately 800 per annum currently to 58,000 after 25 years of	Adoption of the Tourism Policy (2006) Appointment of a Tourism Commissioner in	Number of tourists to increase from approximately 800 per	Major beneficial

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
	airport operation	2008	annum currently to 58,000 after 25 years of airport operation	
Private sector development	Private investment of close to £20m after 25 years of airport operation Private sector to become principal source of economic activity	Proactive support by the newly formed St Helena Development Agency (SHDA) to assist the development of the private sector and inward investment The Bank of St Helena are providing loans and advice for those wanting to start up and expand businesses	Private investment of close to £20m after 25 years of airport operation Private sector to become principal source of economic activity	Major beneficial
Financial independence	Required HMG financial support to SHG will fall to zero between 15 to 25 years of the commencement of airport operation	No mitigation required	Required HMG financial support to SHG will fall to zero after 15 to 25 years of the commencement of airport operation	Major beneficial
Existing economic opportunities	Fishing businesses operating out of Rupert's Bay may benefit from the improved wharf facilities There may be a small loss of activity due to land take around access roads	Land take will be minimised	Fishing businesses operating out of Rupert's Bay may benefit from the improved wharf facilities There may be a small loss of activity due to land take around access roads	Negligible
Equitable access to jobs and economic opportunities	Lack of formal qualifications in the existing population may reduce access to future job opportunities for Saints. Private sector entrepreneurial activity may increase gap between rich and poor, increasing social	Investment Policy (2006) including encouragement for both local and inward investment, opportunities open only to Saints and changes to company tax law in order to create an enabling environment for local businesses Measures to ensure that Saints both on St	Equitable access to jobs and economic opportunities	Negligible

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
	inequalities Leakage: Economic opportunities may be taken-up by companies/individuals from overseas who are better equipped for international competition	Helena and overseas are aware of the potential job opportunities Adult Vocational Education Service SHG has adopted an investment policy that encourages both local and inward investment, and includes opportunities open only to Saints Comprehensive review of the welfare system		
Equitable distribution of economic benefits	Private sector entrepreneurial activity may increase gap between rich and poor, increasing social inequalities	Social development planning Equitable access to jobs and economic opportunities Plans to develop an Employment Policy in 2008	Private sector entrepreneurial activity may increase gap between rich and poor, increasing social inequalities	Moderate adverse
Unemployment	Unemployment is forecast to remain negligible and largely structural	No mitigation required	Unemployment is forecast to remain negligible and largely structural	Moderate beneficial
Labour law	Absence of labour legislation and increased private sector activity will potentially lead to an increase in poor labour practices and abuse of labour	Introduction of labour legislation, which will establish both employee and employer rights and protect against unfair employment terms	No impact	Negligible
Competition for labour	Domestic labour shift from public sector to private sector resulting in a deterioration of public sector services	SHG plans to increase outsourcing, modernise the public sector with an aim to increasing efficiency. SHG plans to reduce the size of the civil service from 1,037 posts to 800 posts by 2010 DFID will consider requests for additional	Small labour shift combined with increased efficiency	Minor adverse

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
		staff made by SHG on a case by case basis		
		Workers who left the public sector to work on the construction project may seek to re-enter the sector		
Prices and inequality	Upward pressure on prices and wages are likely to have a negative impact on the unwaged and those dependent on benefits	A comprehensive review of the welfare benefits system, including the level of state benefits Inflation linked SHG wages, salaries and benefits	Changes in the real cost of living for some sectors of the population	Moderate adverse
Education				
Schools provision	Increased demand for school places Shortage of suitably qualified teachers Greater breadth of subjects viable given expansion of school system Overseas school trips	SHG has been considering an enhanced teachers salary/career package Recent-restructuring and falling enrolment in schools means that there is spare capacity in the system The St Helena Government is reviewing the employment after retirement policy of SHG with a view to encouraging the re-employment of retired staff The Teacher Education Centre that provides initial two-year training courses followed by two-year in-school experience as a newly qualified teacher before achieving full teacher status Social monitoring framework	Improved education system	Moderate beneficial
Adult training and skills	Increased demand for vocational courses, particularly in tourism and	Adult Vocational Education Service	Improvement to the skills	Moderate beneficial

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
development	hospitality Increased demand for business workshops and advice	Social monitoring framework	of the existing workforce	
Health				
Provision of health facilities	Increase in population and tourists will place additional demands on health services	The existing Healthlink arrangement is being reviewed. This includes a review of the skill-mix of health professionals Increased tax revenues from an increase in economic activity and population will allow for the necessary investment to increase capacity in the system Social monitoring framework	In the long run there will be an increase in the quality of the health system. There may be short term adverse effects if the required improvements to the system lag behind demand	Moderate beneficial
International medical expertise	Introduction of air access will improve access to international expertise, making it easier and less costly, and enable emergency medical evacuation	No mitigation required	Introduction of air access will improve access to international expertise, making it easier and less costly, and enable emergency medical evacuation	Major beneficial
HIV/AIDS, STIs and communicable diseases	Influx of migrants and tourists will lead to an increased risk of HIV/AIDS, STIs and communicable diseases	Recruitment of a dedicated HIV/AIDS adviser who has taken up the post in 2007 Strengthening of Port Health, Infection Control and Health and Safety arrangements Review of charges for services to non-residents Social monitoring framework	The increased risk of HIV/AIDS, STIs and communicable diseases is expected to be negligible	Negligible

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
Social care	Strengthened family ties and expected to reduce pressure on the social care system	No mitigation	Strengthened family ties and expected to reduce pressure on the social care system	Moderate beneficial
Social Cohesion, Security and Crime				
Family life	Reduced journey times to and from St Helena will allow for quicker and easier access to friends and families of those working abroad Strengthening of family ties and reduced incidence of children being informally fostered by extended family members as a result of reduced out-migration and returning Saints	Social monitoring framework Social Development Plan	Social cohesion within the family unit is expected to be enhanced	Major beneficial
Cultural change	75% of the increase in population is anticipated to be made up of immigrants. This may lead to rapid cultural change and cultural clashes.	Review of immigration policy Social Development Plan	Potential for cultural clashes	Minor adverse
Welfare system	Reduction in the dependency ratio will reduce pressure on the social welfare system	SHG plans to undertake a comprehensive review of the benefit system in the beginning of 2008 SHG is currently exploring cost recovery within public utilities with an aim to ensure that any subsidies are better targeted to those most in need Social Development Plan	Improved welfare system and increased resources for other public sector activities	Major beneficial

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
Anti-social behaviour and crime	<p>Potential for increased incidence of crime as the number and diversity of the population increases</p> <p>Potential for increased incidence of crime and anti-social behaviour due to increased number of tourists</p>	<p>There are plans to develop specific policies to ensure that as the population grows and more visitors arrive, the police and other authorities have the necessary resources to prevent crime</p> <p>St Helena is positioning itself for high-end low volume tourism. This should help to limit the amount of tourist related crime on the island</p> <p>Social Development Plan</p>	<p>Absolute increase in anti-social behaviour and crime will be negligible. However, the fear of anti-social behaviour and crime will be negligible is expected to increase</p>	Minor adverse
Travel between St Helena and Ascension Island	An alternative to the RMS St Helena for trips between St Helena and Ascension Island has not yet been confirmed.	SHG to negotiate use of Wideawake military airfield on Ascension to provide an air link to St Helena	No impact	Negligible
Housing and Land				
Resettlement	No resettlement will be required	No mitigation required	No impact	Negligible
Demand for housing, house prices and affordability	<p>Increased demand from returning Saints and non-residents purchasing second homes for holidays is likely to lead to inflation in the housing and land market. This may disadvantage low wage workers and may contribute to continued out-migration of Saints</p>	<p>The Sustainable Development Plan sets out a requirement to introduce clear and transparent procedures for the acquiring of land by foreigners in order to protect the local population from potential house price inflation</p> <p>The LDGP sets out policies for achieving projected housing demand</p> <p>On-going monitoring of migration trends and reasons for it will be included in the island's social impact monitoring framework</p>	Potential for housing construction to lag housing demand	Moderate adverse
Utilities				

St Helena Airport and Supporting Infrastructure
Socioeconomic Impact Assessment (ES Volume 6)

Issue	Initial impact	Mitigation	Residual Impact	Residual Impact Significance
Water supply	Increase population, tourist population and economic activity will lead to an increase in demand for water	Investors in the island will be expected to contribute to the cost of improving infrastructure Work currently being undertaken by SHG to develop infrastructure plan for St Helena	No impact	Negligible
Power supply	Increase population, tourist population and economic activity will lead to an increase in demand for power	Investors in the island will be expected to contribute to the cost of improving infrastructure Work currently being undertaken by SHG to develop infrastructure plan for St Helena	No impact	Negligible
Wastewater treatment	Increase population, tourist population will lead to an increase in demand for wastewater treatment	Investors in the island will be expected to contribute to the cost of improving infrastructure Work currently being undertaken by SHG to develop infrastructure plan for St Helena	No impact	Negligible