

Strength in diversity

INTERVIEW WITH THE RT HON PERRY CHRISTIE

PRIME MINISTER AND MINISTER OF FINANCE OF THE COMMONWEALTH OF THE BAHAMAS



PERRY CHRISTIE was educated at Eastern Senior School in New Providence, University Tutorial College, London, where he read Law, and Birmingham University, from which he graduated with honours in 1969. A gifted athlete, Mr Christie is also the youngest Bahamian ever appointed to the Senate, in which he served from 1974-77. He was elected MP for the Centreville constituency in 1977 and held positions including Minister of Tourism before becoming the third Prime Minister of the Bahamas in 2002. He was sworn in as the country's fifth Prime Minister in May 2012.

A recurring theme of recent Commonwealth meetings has been the contemporary relevance of the organisation. What does the Commonwealth of Nations mean to the Commonwealth of the Bahamas – and to you personally?

For me, the Commonwealth has always been inextricably linked with Great Britain, with the Queen at its Head, the Secretariat in London and so on – although now, of course, we have an Indian Secretary General, and may soon even have a Caribbean one, if we can reach a consensus on a candidate – and, in years gone by, it was our first port of call whenever we needed consultancies or assistance in areas of governance or the economy. But for a long time now, we have seen Britain's interest – and consequently, influence – waning in our part of the world. Coupled with which, we are in the shadow of America, with whom we have close security relations, and from where the vast majority of our tourist visitors come, so it has become almost second nature for us to look to our 'back yard' when we require assistance, whether it be the Inter-American Development Bank, CARICOM, the Organisation of American States, or the Caribbean Development Bank. So, I have to say that in terms of day-to-day relevance, the Commonwealth is less visible than it used to be, mainly because of the lack of a British presence.

Where the Commonwealth really comes into its own, however, is in the relationships it fosters between leaders of nations – and their peoples – on opposite sides of the world. At the last CHOGM in Sri Lanka, for example, I approached the Prime Minister of New Zealand and indicated to him that we were in the process of introducing a major tax reform – a value-added tax – and that we would welcome some assistance from his country in its implementation, as New Zealand was widely regarded as a model in this regard. He readily agreed, on a bilateral basis, to assist us with consultants, and those consultants came to the Bahamas and made meaningful contributions to our studies, to our programmes, and in many ways they were the defining figures in the initiative, because they reassured the Bahamian people that there was nothing to worry about. And all this came about as a result of a conversation at a Commonwealth function.

The fact of the matter is, as Commonwealth countries we have a lot in common. We have a shared

history and common values to which we all sign up, and we saw this in action at the last CHOGM, when the Canadians, and others, did not attend, in protest at the actions of the then government of Sri Lanka in its conflict with the Tamil Tigers. The British took a different approach: David Cameron attended but made a point of visiting the north of the country, to draw attention to what had occurred there, and in the subsequent election, the people of Sri Lanka voted the government out of office. So, the point is that the Commonwealth brings influence to bear on countries to adhere to democratic traditions, and that means giving people the right to participate in their democracy, the right to vote and the right to express themselves.

Ultimately, blood is thicker than water, and when countries such as Guyana or Belize find themselves in border disputes with their neighbours, it is good to know that they can look to the Commonwealth for support and assistance in representing the position they have taken in fora such as the United Nations.

The Bahamas is in many ways a microcosm of the Caribbean, with its fragmented geography, sensitive ecosystems, low-lying topography and reliance on external sources for many of its day-to-day necessities, such as food, water and energy. What can the countries of the region, and elsewhere in the Commonwealth, learn from the Bahamas' experience?

There are a number of issues which affect us here in the Bahamas and the wider Caribbean which are important for our Commonwealth partners, in particular the larger countries, to understand. The first is that institutions such as the World Bank overestimate our wealth when assessing our eligibility for concessional funding, because they assess us on the criterion of per capita income, which is distorted by the many wealthy foreign individuals who choose to make the Bahamas, and other Caribbean countries, their second home – whereas, in fact, there are parts of our country that are developing very unevenly, due to a lack of resources. I am pleased to note, however, that the Americans have now said that they will not stand in the way of requests for concessional funding in respect of climate change and disaster preparedness in countries such as ours, so I think our views are beginning to be heard.

One of our biggest challenges, for example, is the necessary duplication of infrastructure, which we have to do on at least 28 islands. Since the mainstay of our country is the tourism economy, we have to meet ICAO [International Civil Aviation Organisation] standards at our airports, so all of a sudden we had to spend US\$150 million on airport remediation because we have 28 airports. On some islands we have two airports and on one or two islands even three, so we are going to have to rationalise our infrastructure in a very real way as we move forward, and we believe that Commonwealth countries such as Singapore or New Zealand can act as a useful source of expertise and investment in this regard.

Another key challenge for us and our neighbours is migration; I don't think the world has appreciated the extent to which the Bahamas has been impacted by illegal migration, from Haiti in particular. When you have 100,000 square miles of water, as we do, and you are the stepping stone to the US, as we are, you have an unenviable task in trying to police that kind of area against the illegal trafficking of persons – and narcotics. Fortunately, we have treaties with the US and Britain – on behalf of the Turks and Caicos, which is a British Overseas Territory – in respect of reconnaissance, search and rescue, and intercepting people traffickers and drug smugglers, but we still have to bear the brunt of the cost of detaining these migrants, integrating them into our own society where possible, and repatriating them where necessary – which runs into tens of millions of dollars a year.

The Bahamas' tourism industry has rebounded strongly, buoyed by the resurgent US economy, yet many social and economic indicators, such as crime and unemployment, paint a less optimistic picture. What is the Government's strategy for improving security in the country?

The most significant challenge we face is youth unemployment, and if we are not careful in dealing with this issue unemployment can easily stray into criminality, as has been the case recently as we have emerged from recession and struggled to reduce our debt burden. We have instituted fiscal measures to manage that debt more effectively, as I mentioned earlier, whilst at the same time seeking to enact policies that will engender growth, thereby providing employment for our young people – and the tourism industry is fundamentally important in this respect.

I am the son of a taxi driver, and therefore I know first-hand what it means to make a living from tourism, and the positive impacts it can have on our economy and our way of life, which is second to none. So, we need to do everything we can to facilitate the growth of our tourism industry, and I think the Commonwealth has a valuable part to play in this as well.

The countries of the Caribbean compete for investment, particularly in the tourism sector. How successful has the Bahamas been in attracting FDI since the global financial crisis vis-à-vis its Commonwealth neighbours?

The fact that we are the closest off-shore country to the United States of America gives us an edge, I think, in attracting FDI, relative to other Commonwealth Caribbean countries.

As things stand, we have a significant pipeline of projects, with several hundred million dollars' worth of investments, at different stages of development, including a new port and Six Senses resort in Grand Bahama, Four Seasons and Noble House coming to South Eleuthera, a major development in Exuma which is scheduled to begin construction in January, an extraordinary one on the island of Bimini, where they have already invested US\$600 million and are still looking to invest more, and two major developments in Abaco, where we have seen a massive expansion of second homes at the very top end of the market, at Baker's Bay, Winding Bay and Matt Lowe's Cay.

When such large-scale investments run into difficulties, however, the economic consequences can have serious knock-on effects on the wider economy. What lessons have been learned from the experience of the stalled Baha Mar project, and how will it affect the government's attitude to future 'mega-projects'?

Baha Mar is a US\$3.5 billion development on New Providence Island that was 97 per cent finished when the developer ran into difficulty and filed for Chapter 11 bankruptcy protection. That application has since been thrown out by the court in Delaware, and the liquidators, together with the Export-Import Bank of China and the China State Construction Engineering Corporation, who built the resort, are in the process of looking for a buyer to complete the project. The government of the Bahamas is doing everything it can to ensure that this process is completed in the shortest possible time, with a view to having Baha Mar opened in the first half of next year.

As a result, the ratings agency Standard & Poor's downgraded the Bahamas' sovereign credit rating because they felt there was no easy fix to Baha Mar's problems and believed that it would take a long time for the issue to be resolved. We have a different view, given our understanding of the various parties' intentions, and I am pleased to say that other ratings agencies, such as Moody's, agree with us, as do banks such as CIBC.

Whilst the ratings agencies' own reputations were somewhat downgraded in the aftermath of the financial crisis of 2008, they do still influence investor sentiment, but I believe that the pipeline of projects I mentioned just now tells its own story. E

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