

Liberalization in Aviation

The last few decades have witnessed substantial liberalization trends in various industries and countries. Starting with the deregulation of the U.S. airline industry in 1978, regulatory restructuring took place in further network industries such as telecommunications, electricity or railways in various countries around the world. Although most of the liberalization movements were initially triggered by the worrying performances of the respective regulatory frameworks, increases in competition and corresponding improvements in allocative and productive efficiency were typically associated with the respective liberalization efforts.

From an academic perspective, the transition from regulated industries to liberalized industries has attracted a substantial amount of research reflected in many books and research articles which can be distilled to three main questions:

1. What are the forces that have given rise to regulatory reform?
2. What is the structure of the regulatory change which has occurred to date and is likely to occur in the immediate future?
3. What have been the effects on industry efficiency, prices and profits of the reforms which have occurred to date?

Liberalization in Aviation brings together renowned academics and practitioners from around the world to address all three questions and draw policy conclusions. The book is divided into five sections, in turn dealing with aspects of competition in various liberalized markets, the emergence and growth of low-cost carriers, horizontal mergers and alliances, infrastructures, and concluding with economic assessments of liberalization steps so far and proposed steps in the future.

This book is an excellent review of the liberalization in aviation that took place in the past three decades. It gives a comprehensive and thorough analysis of the following important questions: what are the forces that led to regulatory liberalization? What are the regulatory changes that occurred to date and what is likely to happen in the future? What effect have the regulatory reforms had on the industry, infrastructure and players?

This is a "must read" book; one for every researcher and graduate student to have in the office or library.

Tae H. Oum, The University of British Columbia, Canada
and Chairman, The Air Transport Research Society

The airline industry has both facilitated and benefited from the globalization resulting from trade liberalization in the past 60 years. Yet aviation itself remains far from being completely liberalized. Despite the economic benefits resulting from the liberalization that has taken place there are many political barriers hindering further progress. The importance of this book is the rigorous insight it gives into a wide range of aviation liberalization issues by gathering together the work of the key scholars in this field. This is a book of policy relevance that should be read by regulators as well as academics.

Brian Pearce, Chief Economist, International Air Transport Association, Geneva
and Visiting Professor Cranfield University Department of Air Transport, UK

Cover image: © Phfw22 / Dreamstime.com.

ASHGATE

Ashgate Publishing Limited
Wey Court East, Union Road,
Farnham, Surrey,
GU9 7PT, England

www.ashgate.com

ISBN 978-1-4094-5090-0



9 781409 450900

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