

Effects of aviation liberalization and level of democracy on air connectivity and related economic consequences: Evidence from Africa

Tassew Dufera Tolcha
Molde University College
Faculty of Logistics
Molde, Norway
Tassew.d.tolcha@himolde.no

Tchouamou Njoya Eric
University of Huddersfield
Department of Logistics, Marketing, Hospitality
and Analytics
Huddersfield, United Kingdom
E.Njoya@hud.ac.uk

Abstract— The link between air connectivity and democracy has received some attention recently, with a study by the International Air Transport Association showing that there is a clear correlation between air connectivity and democracy in various regions of the world. This paper investigates the triangular relationships between air connectivity, democracy and aviation liberalization and economic consequences of their interactions. It adds value to literature by demonstrating the direct effects of democracy on liberalization and quality of air connectivity in Africa. The PLS-SEM result shows that democracy has a weak positive correlation with both aviation liberalization and air connectivity. However, the level of democracy has no significant direct effects on quality of air connectivity and aviation liberalization in Africa. At the country level, South Africa, Morocco, Egypt and Ethiopia are the top four countries possessed better air connectivity in the region but have been experiencing different cultures of democracy. This could imply that either the infant democracy in the region is unable to influence air connectivity or the direct effect of democracy on the aviation market is minimal. Moreover, liberalization significantly affects the quality of air connectivity and has reasonable indirect effects on the economic development of the continent. Furthermore, the positive impact of connectivity on economic development, on average, is more noticeable in the countries of former French colonies than British counterparts. In general, the study suggests that in the assessment of liberalization efforts and air connectivity in Africa, perhaps, the level of democracy may not be considered as a foremost component.