Course title: Aviation Policy and Economy in a Global Era

Code: 2-229191-0

**Instructor:** Dr. Uzi Freund-Feinstein

**Credit hours:** 2

**Year:** 2; **Semester:** B

**Academic year**: 2021-22

**Course objectives:**

The air transportation industry is highly regulated as well as capital and employment intensive, with global operations and major effect on the tourism industry. This course will provide the students with knowledge regarding policy, regulatory and economic issues of the air transportation industry from a global perspective outlining the complexity of this industry.

**Intended learning outcomes:**

By the end of the course students will have the following abilities:

1. Understand the complexity of the airline industry and its global nature
2. Acquire knowledge of the regulatory regime of the air transportation industry
3. Acquire knowledge of the economic aspects of the air transportation industry
4. Analyze competition, regulations, consumers and actors in specific markets
5. Acquire knowledge on business models in the airline industry, and the ability to apply these models in markets

**Schedule of lessons:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Lesson #** | **Topic** | **Details** | **Relevant reading assignments** |
| **1** | Basics of the air transportation industry | Players of the industry (airlines, airports, providers/suppliers, regulators); effect on the economy; effect on tourism industry. | Halpern, N. and Graham A. (2018), Ch. 1 |
| **2** | Airlines’ business models | Full-service carriers (FSC); Low-cost carriers (LCS); Ultra low-cost carriers (ULCC); Charters | Halpern, N. and Graham A. (2018), Ch. 8 |
| **3** | Evolution of airline business models | Going hybrid; Dual models; Franchising. | Halpern, N. and Graham A. (2018), Ch. 8 |
| **4** | Economic aspects of the industry | Basic economic indicators; economies of scale and scope; costs (operations, equipment, maintenance). | Halpern, N. and Graham A. (2018), Ch. 11-12  Wensveen, J.G. (2011), Ch. 7 |
| **5** | Economic aspects of the industry (continued) | Airlines' indicators | Halpern, N. and Graham A. (2018), Ch. 11-12  Wensveen, J.G. (2011), Ch. 7 |
| **6** | Regulatory bodies | International, regional and local bodies; Freedoms of the air; Safety and security | Halpern, N. and Graham A. (2018), Ch. 6-7  Wensveen, J.G. (2011), Ch. 4 |
| **7** | Agreements and conventions | Chicago Conventions 1944; Bilateral agreements. | Halpern, N. and Graham A. (2018), Ch. 6-7  Wensveen, J.G. (2011), Ch. 18 |
| **8** | Regulatory changes | ADA 1978 and European liberalization; “Open skies” agreements; Changes in anti-trust regime | Peoples, J. (2014), Ch. 7  Halpern, N. and Graham A. (2018), Ch. 6-7 |
| **9** | Operational and marketing agreements | Code share agreements; Interline agreements; Maintenance and AOG agreements | Halpern, N. and Graham A. (2018), Ch. 13 |
| **10** | Alliances | Rational and types of alliances; Global and regional alliances; Effect of being out of alliances | Peoples, J. (2014), Ch. 7  Halpern, N. and Graham A. (2018), Ch. 13 |
| **11** | Revenues and government assistance | Revenue management; Ancillary revenues; Government assistance | Wensveen, J.G. (2011), Ch. 12 |
| **12** | Airports | Airports’ ownership models; Charges and revenues; Implications on the environment. | Halpern, N. and Graham A. (2018), Ch. 3 |
| **13** | Airports (continued) | Hub-and-spoke vs. point-to-point; Catchment area and accessibility; Challenges and constraints | Halpern, N. and Graham A. (2018), Ch. 14 |

**Grading scale:**

(According to instructor’s decision; The following table is an example):

|  |  |
| --- | --- |
| **Assignment** | **Percentage of final grade** |
| Presentation | 15% |
| Final assignment | 55% |
| Oral exam | 30% |
| **Total** | **100%** |

**Bibliography:**

Halpern, N. and Graham A. (Eds.) (2018). *The Routledge Companion to Air Transport Management*. Milton (U.K.) and New York (NY): Routledge.

O'Connor, W.E. (2001). An introduction to airline economics. 6th ed. Westport (CT): Praeger Publishers.

Peoples, J. (2014). The economics of international airline transport. Bingley, England: Emerald.

Rhoades, D.L. (2003). *Evolution of International Aviation: Phoenix Rising*. 2nd ed. Surrey (U.K.) and Burlington (VT): Ashgate

Shaw, S. (2004). *Airline Marketing and Management*. 5th ed. Hants (U.K.) and Burlington (VT): Ashgate Publishing Limited

Wensveen, J.G. (2015). *Air Transportation: A Management Perspective*. 8th ed. Surrey (U.K.) and Burlington (VT): Ashgate Publishing Company

**Other materials**

Students are required to make use of newspaper articles, reports, data from websites, and any other materials required by the course' instructor.