

Air navigation services should be funded as a public good

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About the research

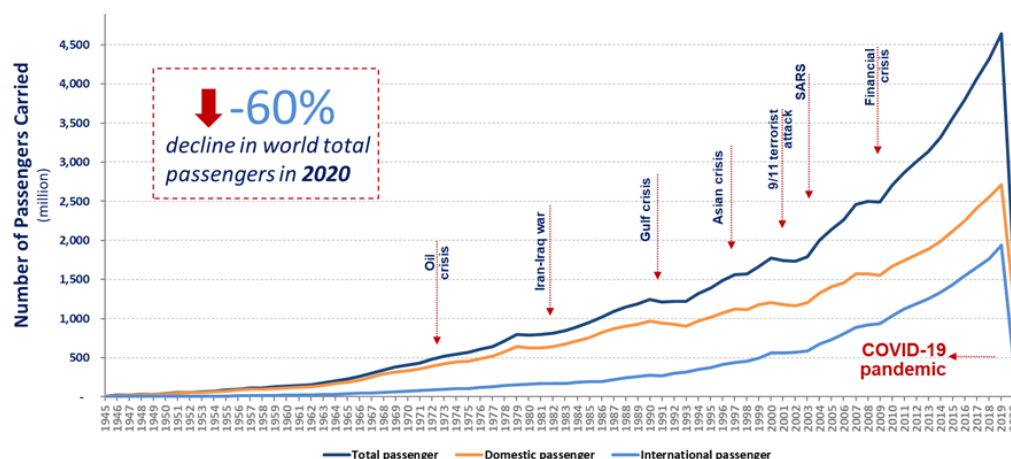
COVID-19 is unlike any previous global crisis to befall the civil aviation industry. While airlines parked aircraft and laid off staff, Air Navigation Service Providers (ANSPs), the organisations who provide air traffic control, kept the skies open for all aircraft permitted to fly, including military, emergency and repatriation flights, domestic travel, general cargo, and medical supplies. As most ANSPs around the world are now funded from 'user charges' levied on airlines, revenues dried up while costs accumulated and key investments in new technology were put on hold.

The devastating impact of the pandemic on airlines, airports and ANSPs has raised fundamental questions about the sustainability of existing business models, most notably the 'user pays' (private good) as opposed to the infrastructure (public good) approach to funding air navigation services (ANS). It is essential to find ways to ensure the resilience of ANSPs to ensure that when the next pandemic, economic crisis, war or any other major disruption inevitably occurs then these organisations will be able to weather the storm.

An international research team led by the University of Bristol spent the past 2 years researching the impact of COVID-19 on ANSPs. We conducted more than fifty interviews with air traffic controllers, trade union officials, representatives of professional associations, ANSP managers, aviation authorities and airlines in more than twenty countries. This briefing summarises the main findings of the research.

Policy implications

- The pandemic has demonstrated the 'public good' nature of ANS. The minimum level of service and staffing should be funded by the state through general taxation.
- Policymakers need to reconsider the business models of ANSPs, who should pay for the use of airspace, and how they pay for what is ultimately an invaluable but invisible service. Any system of user charges should include provision for ANSPs to accumulate a reserve fund to ensure financial resilience when faced with any future crises. Plane tickets should be transparent with all service costs identified so that passengers understand the 'real cost' of flying in terms of safety, environmental impact, and maintaining high social standards.
- [Social dialogue](#) – including all types of negotiation and consultation between relevant parties – is essential to (re)build social support and resilience within ANSPs as well as the capacity to [manage organisational change](#) and future external disruption more effectively.
- To ensure organisational resilience, on-going investment by ANSPs in recruitment and training, based on long-term planning to accommodate pro-cyclical demand, is a necessity.



Key findings

- COVID-19 is unlike any previous global crisis to befall the civil aviation industry, both in terms of depth (collapse of traffic) and duration.
- COVID-19 has highlighted the importance of both personal resilience of staff and organisational resilience. For example, skills can be eroded during prolonged periods of low traffic and ANSPs can struggle to restore capacity when demand eventually picks up.
- ANSPs have only survived the pandemic because of loans from the state and/or financial institutions, combined with significant changes to staffing levels, shift arrangements, recruitment and training, remuneration and other conditions of employment.
- There is clear evidence of different responses to the pandemic from ANSPs based on their model of financing (e.g. different combinations of public/general taxation and private/user pays financing). Commercialised ANSPs have experienced greater conflict with airlines over charges and staff over restructuring.
- Whilst some ANSPs have imposed policies with detrimental effects on air traffic staff (e.g. redundancies, pay cuts and suspension of training) others have relied on constructive, co-operative, and continuous social dialogue.
- The scene is set for on-going conflicts of interest between ANSPs and airlines, with ever greater pressure on ANSPs to cut cost at precisely the time when they need to invest in both human and physical capital to enhance the future flexibility and scalability of air navigation services.



Further information

Read the full report here – [Navigating the COVID-19 Crisis: Air Traffic Charging Models and Financing of Air Navigation Service Providers](#)

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