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Evaluating Liberalization and Protectionism Approaches in African Aviation Industry: A Tourism Perspective

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Abstract

This study investigated the perceptions of tourism and aviation key stakeholders towards the performance of Malawi flag carrier airline, attitudes towards protectionism, and views on liberalization in the country's aviation industry. Utilising qualitative methods, the data was collected from key stakeholders within the aviation and tourism sectors in Malawi. The findings of the study highlight partial protectionism and liberation in Malawi aviation industry. The findings also reveal a diverse range of opinions towards protectionism and liberation among industry players, reflecting both positive and negative perspectives, with a prevailing inclination towards supporting the liberalization of the aviation sector. The study identified mixed perceptions regarding the performance of Malawi national airline, primarily characterized by negative viewpoints. In light of these findings, it is recommended that the national airline should continue fostering strategic partnerships with reputable international airlines, implement training programmes aimed at enhancing the skills and expertise of airline personnel, striking a balance between protectionism and fair market competition, and promote collaboration between the aviation and tourism sectors. The study also recommends the full implementation of the Yamoussoukro Declaration, which aims to liberalize air transport services across Africa, to foster regional integration and enhance the competitiveness of Malawi aviation industry.

Keywords: flag carrier airline; protectionism; liberalization; Malawi.

INTRODUCTION

Background

The aviation sector in Africa has experienced substantial growth and progression in recent years, as highlighted by scholarly research. Bofinger (2018) underscores the increasing growth of air transport in Africa, while the African Development Bank Group (2012) notes its consistent upward trajectory. Abate (2016) further emphasizes that the African aviation industry has evolved into a crucial driver of economic development and integration for numerous African nations. Various studies corroborate the potential for continued expansion of air travel in Africa, citing factors such as robust economic growth in several African countries, a burgeoning population, escalating urbanization rates, and the emergence of a middle class, coupled with a rising demand for international tourism (Samunderu & Njoroge, 2020). Despite these encouraging prospects, it is important to acknowledge that the African air transport industry still lags behind its global counterparts, as highlighted by Schlumberger and Weisskopf (2014), Meichsner et al, (2018), and Sylva and Amah (2021). Button, et al. (2015), added that aviation is the fastest growing means of transportation but it is often seen as a luxury in lower income countries. Furthermore, the sector has been hindered by a multitude of challenging issues that have impeded its development over several decades (Njoya, 2016) including higher user fees and taxes, undercapitalisation of African airlines, inadequate infrastructure, protectionism as well as regulatory restrictions (Meichsner et al., 2018).

The African air transport market stands out as a distinct entity when compared to other global air transport markets, as elucidated by Meichsner et al. (2018). However, despite individual variations, there are notable common characteristics shared by a significant number of African airlines, which hold paramount importance in comprehending the African air industry as a whole. It is worth noting that while these traits may not universally apply to all airlines, they are nonetheless instrumental in understanding the African air transport landscape. A prominent feature observed in many major African carriers, such as Kenya Airways, South African Airways, Ethiopian Airlines, and Egypt Air, is ownership structure. Most African carriers are either partially or wholly owned and operated by their respective governments (Graham et al., 2010). This ownership structure has proven to be both advantageous and burdensome for the airlines and the countries involved (Guttery, 1998). The historical and political backdrop of the continent plays a pivotal role in the development of commercial aviation in Africa. Specifically, with the end of the colonial era, the interconnections between newly independent countries and their former colonizers led to the emergence of state-owned airlines. These carriers essentially served as political instruments, reflecting the national pride of the newly independent nations (Meichsnera et al., 2018).

The support and encouragement provided by governments to national flag carriers have facilitated their monopolistic operations, owing to protectionist measures (Yarde & Johnson, 2014). However, such practices have had repercussions on the African airlines' ability to access foreign markets (Abate, 2016). Many African governments exhibit reluctance to liberalize their skies, driven by concerns of foreign competition undermining their national carriers. These carriers, although lacking commercial viability in some cases, hold significance as symbols of sovereignty, prestige, and status (African Development Bank Group, 2012). Doganis (2007) contends that state-owned airlines in developing countries across Africa face a multitude of challenges. These include bureaucratic and overly centralized management structures, frequent changes in management personnel, persistent political interference, and unfavourable economic conditions. Despite these challenges, many state-owned airlines are primarily utilized to advance governments' mercantilist interests or promote the country's standing, power, and prestige (Hanlon, 2007). One viable approach to mitigate government interference in the airline industry is through air market liberalization. By reducing government intervention, liberalization empowers market forces to govern the operations of firms (Fu et al., 2010).

The gradual process of liberalization and deregulation has been witnessed in numerous air transport markets across the globe over the course of several decades

(Surovitskikh & Lubbe, 2014). This phenomenon has contributed to the growth of air passenger traffic in various regions. However, it is important to note that the establishment of liberalization measures in Africa remains incomplete, presenting a significant challenge for the intra-continental air transport market within the region (Graham et al., 2010). Consequently, the comprehensive analysis and comparison of liberalization and protectionist approaches in Africa's aviation industry have not yet been fully explored, particularly regarding their suitability for developing countries. This research aims to investigate the perceptions of tourism and aviation key stakeholders towards the performance of Malawi flag carrier airline, attitudes towards protectionism, and views on liberalization in the country's aviation industry.

LITERATURE REVIEW

Deregulation of airline industry and its impacts

The aviation industry in the United States of America was subject to extensive regulation by a government agency called the Civil Aeronautics Board (CAB) (Fu et al., 2013). As stated by Doganis (2010), air transport was perceived as a public utility, warranting government oversight to safeguard the benefits of civil aviation. The CAB held the responsibility of allocating routes to airlines, limiting new market entries, and regulating passenger fares. Goetz and Volwels (2009) argued that this regulatory framework provided stability, thereby fostering technological and economic advancements within the industry.

However, despite the general public's satisfaction with the airline system and the significant progress achieved under the regulatory system established in 1938, criticisms emerged, particularly from academic economists (Wensveen, 2015). These criticisms primarily revolved around the comparative advantages of free competition versus the perceived necessity for government control in the industry. Doganis (2010) noted that economists in the United States and elsewhere began to assess the benefits of unrestricted competition in aviation, contrasting them with the advantages of regulations. They contended that relaxing regulations on fares, routes, and capacity restrictions would create a more competitive environment, benefiting consumers through lower fares and increased product diversity (Doganis, 2010). Indeed, airline industry performance improved following deregulation, with notable increases in airline entries, reductions in airfares, and growth in air passenger traffic (Wensveen, 2015; Kim, 2016). Deregulation spurred significant job creation, as the increased demand for air transport necessitated a larger workforce within the industry.

The deregulation brought about the prevalence of hub-and-spoke operations resulting from internal growth, mergers, and vertical integration within the aviation sector (Gillen & Morrison 2005). This operational model enhanced efficiency and cost reduction. Many airlines adopted a "hub and spoke system," where specific airports served as connecting points for passengers originating from and traveling to various locations. Prior to the establishment of this system, airlines primarily operated on a point-to-point routing, which often proved to be cost-inefficient. Cook and Goodwin (2008) defined the point-to-point system as a scenario in which passengers boarded and disembarked at their flight's origin and destination, while the hub-and-spoke operation involved passengers transferring at a hub to reach their final destination, excluding those whose origin or destination was the hub. The continued utilization and development of the hub-and-spoke system enabled airlines to optimize labour and equipment utilization while delivering more convenient services to customers.

Furthermore, deregulation of the airline industry also led to the emergence of a highly intricate fare structure which necessitates highly sophisticated yield management systems. Demand for air travel exhibited fluctuations based on time of day, day of the week or month, and season. Consequently, if sufficient capacity existed to accommodate peak-flight demand, there was a high likelihood of unsold aircraft seats during off-peak flights (Donovan, 2005). Yield management, as described by Donavan (2005), refers to the business strategies employed to allocate a business's limited resources among different customers with the objective of maximizing total revenue within the resource's capacity.

Liberalisation of airline industry and its impacts

The regulation of international air transport originated from the 1919 Paris convention, which established that states possessed sovereign rights over the airspace above their territories. This had a significant impact on air transport as each state began regulating its aviation industry, often aiming to suppress competition (Scharpenseel, 2001). Prior to the liberalization of air transport in Europe, the industry was primarily shaped by bilateral agreements between states. These agreements specified routes, airports, aircraft types, fares, frequencies, and designated carriers. Consequently, fares were unreasonably high, route restrictions were in place, and non-flag carriers faced significant barriers to market entry. In addition to bilateral agreements, European countries granted each other certain freedoms of the air, such as the third, fourth, and fifth freedoms (Sharpenseel, 2001). These commercial freedoms were often extended to other EU member states through bilateral agreements. The third freedom granted scheduled international airlines the right to disembark passengers and cargo in another country, while the fourth freedom allowed airlines from one country to pick up passengers and cargo in another country. The fifth freedom permitted international carriers, not from the country of departure or destination, to transport passengers between the two states.

However, in the 1980s, the highly regulated European aviation market began its transition towards liberalization, driven by the European Union's call for a liberalized air transport system in Europe. This led to the removal of certain restrictions on international aviation markets within the EU (Schlumberger, 2010). Air transport liberalization, as defined by Schlumberger (2010), involved the removal of entry and price restrictions that affected carriers serving specific routes. The liberalization process took place in three stages: the first package in 1987, the second package in 1990, and the third package in 1993 (Burghouwt et al., 2015). Liberalization brought about increased competition in the airline industry. Prior to liberalization, most countries controlled their air service markets to protect the market share of their state-owned carriers. However, liberalization reduced government control over airlines, allowing market forces to dictate their operations and flourishing of low-cost carriers (Yarde & Johnson, 2014; ELFAA, 2004; Smith & Cox, 1992). This resulted in improved operational efficiency and services due to increased competition.

Developments in the air services market, including increased passenger traffic and intensified competition, contribute to the growth of the aviation industry and have spillover effects on the overall economy (Huderek-Glapska, 2010). A vibrant aviation sector not only fosters the development and expansion of the tourism industry but also creates numerous job opportunities in airlines, airports, and other aviation-related businesses. However, profitability in highly competitive markets is a challenge for airlines, as they face significant operating and fixed costs (Smith & Cox, 1992).

Protectionism Approach in airline industry

Within the global economic landscape, nations employ a diversity of strategies designed to safeguard domestic industries against international competition. Fouda (2012) defines protectionism as the application of restrictive trade policies that include, but are not limited to, the imposition of import tariffs, quotas, and other bureaucratic hurdles established by governments with the objective of impeding imports and mitigating foreign competition within local marketplaces. Advocates for this approach assert that such protectionist measures act as a bulwark for fledgling industries, shielding them from international rivalry until they achieve a level of maturity that facilitates resilience in the face of global competition (Fouda, 2012). In the airline industry, protectionism approach would be considered as a form of economic regulation that aims at protecting local airline (mainly, national airlines) from foreign competition by imposing restrictions on foreign or international airlines in terms of routes, number of flights as well as passengers.

A manifestation of protectionism is conspicuously present in the African aviation industry, owing to the absence of comprehensive liberalisation (Graham et al., 2010). It is posited that many African governments exhibit reluctance towards adopting an open-skies policy due to apprehensions of foreign airlines potentially undermining national carriers, many of which primarily serve symbolic roles of sovereignty, prestige, and status rather than being commercially viable entities (ADBG, 2012). Johnson and Yarde (2014) contextualize aviation protectionism as governmental interventions aimed at shielding a specific carrier against competitors, or engaging in practices that disproportionately favour one carrier to the detriment of others, in contrast to liberalisation, which embodies free trade principles. National carriers have historically been the recipients of governmental support, leading to monopolistic market practices fostered by such protectionist measures (Johnson & Yarde, 2014). Wensveen (2015) contests this approach, arguing that national airlines in Africa contribute minimally to the economy due to low propensity to fly and substandard safety protocols.

Protectionism bears significance for nascent domestic companies within the industry as it allows these enterprises a temporal respite to cultivate competitive advantages (Amadeo, 2016). Fouda (2012) posits that the crucial rationale for endorsing a protectionist strategy is the preservation of fledgling industries from global rivalry until they achieve a development level that enables them to stand their ground in the global arena. Most national African carriers find themselves incapable of rivalling European airlines, which boast extensive establishment, cutting-edge fleets, and technological superiority. Full market liberalisation could potentially obliterate the survival chances of these African carriers. Heterogeneity in carrier development within Africa presents a significant challenge to the implementation of liberalisation (Kajange, 2009), thus prompting many governments to adopt a protectionist stance to shield their national airlines from competition.

The literature highlights a number of challenges associated with protectionism. Barret (2006) highlights a consequential drawback of protectionism - political meddling. Governments frequently encroach upon the operations of the aviation industry, particularly through politically motivated appointments to executive roles within national carriers, irrespective of the appointees' aviation industry experience and knowledge. This incursion risks undermining the strategic growth of the carriers due to a lack of necessary expertise (Johnson & Yarde, 2014). Furthermore, protectionism can stagnate the industry as it may result in diminished productivity due to an absence of competition (Amadeo, 2016). Consequently, national airlines overly insulated from competition by their respective governments may not innovate or enhance service delivery, resulting in consumers paying a premium for subpar services relative to international airlines.

Further complications emerge when such protected national carriers attempt to delineate a coherent development strategy within their operations (Johnson & Yarde, 2014), and this is compounded by issues such as overstaffing and the poor quality of services associated with governmental operations being perceived as public utilities rather than business entities (Johnson & Yarde, 2014; Barret, 2006).

Research Context

Malawi, a landlocked country in sub-Saharan Africa, possesses a comparatively modest aviation sector in comparison to some countries in the region. Nevertheless, the Malawian air industry assumes a pivotal role in facilitating both domestic and international travel, tourism, and cargo transportation. The growth of international tourism in Malawi heavily relies on the airline industry, primarily due to the country's geographical position as a landlocked nation (Virtanen, 2013). Malawi has two major airports, namely Kamuzu International Airport and Chileka International Airport, situated in the central and southern regions respectively. Kamuzu International Airport serves as the primary international gateway and is the busiest airport in Malawi when compared to Chileka International Airport. Various airlines, including Malawi Airlines, Ethiopian Airlines, Kenya Airways, and Airlink, cater to the air travel needs of Malawi.

Previously known as Air Malawi, Malawian Airlines underwent a transformation through a strategic partnership with Ethiopian Airlines in 2013. Virtanen (2013) provides a comprehended overview of Air Malawi before the current arrangement with Ethiopian Airlines. Air Malawi commenced its operations in 1964 as a subsidiary of Central African Airways. Its initial flights connected Blantyre in the southern region, Salima in the central region domestically, as well as Beira-Mozambique and Ndola-Zambia. Later that year, the airline expanded its operations to cover the northern part of Malawi, Salisbury-Mauritius, Nampula-Mozambique, and Antananarivo-Madagascar. In 1967, Air Malawi gained independence and was established as a statutory corporation by an Act of Parliament. Its mandate involved providing air transport services to the public, encompassing passenger transportation, freight carriage, and mail delivery. As a commercial entity, Air Malawi joined the International Air Transport Association (IATA) on January 1, 1968. Between 1970 and 1993, Air Malawi acquired and leased modernized aircraft such as HS-748s, BAC One-Eleven, British Caledonian, Boeing 737-300, ATR 42, Islanders, and a Domier 228. This upgraded fleet empowered Air Malawi to expand its operations both domestically and regionally and extend its reach to European destinations. Notably, Air Malawi successfully operated routes to European cities such as Gatwick, UK, and Amsterdam, Netherlands.

The operations of Air Malawi during its peak performance played a significant role in the advancement of tourism in Malawi, both within the country and across key tourist markets in Africa and Europe (Virtanen, 2013). During its tenure, the airline embraced the slogan "Africa's friendly airline," aligning harmoniously with Malawi's tourism slogan, "the warm heart of Africa." This synergy fostered a positive image for Malawi and provided a strategic advantage in international tourism, particularly through direct flights connecting Malawi and major tourist source markets like the Blantyre-Malawi to London-UK route. This facilitated improved accessibility for international tourists, effectively bolstering the growth of tourism in the country. At a domestic level, Air Malawi operated flights from Kamuzu and Chileka international airports to prominent tourist destinations, such as Club Makokola in Mangochi and Liwonde National Park in Machinga. This enhanced connectivity played a vital role in facilitating tourism within and outside of Malawi.

However, Air Malawi encountered financial challenges, which became apparent in 2011. These challenges were compounded by airline losses, escalating fuel costs, and foreign exchange shortages. Financial losses hindered the airline's ability to meet crucial obligations, such as lease reviews for aircraft, including the ATR 42-320. The airline grappled with substantial debts, inconsistent company policies, a deficient business culture, demotivated staff with a laissez-faire attitude, a lack of ownership mentality among employees, inadequate equipment for specific routes, subpar customer care, and an absence of a comprehensive marketing plan, among other issues (Virtanen, 2013). Consequently, in March 2013, Air Malawi ceased all the operations.

In July 2013, the Malawian government forged a strategic partnership with Ethiopian Airlines, with the latter acquiring a 49% stake in Air Malawi, while the Government of Malawi retained a 51% shareholding. It is worth noting that prior to this agreement; the government had initiated the dissolution of Air Malawi. The newly formed airline was named Malawian Airlines, marking a fresh chapter while bidding farewell to the old identity of Air Malawi. Commencing operations in January 2014, Malawian Airlines embarked on its journey in the aviation industry. Despite the partial acquisition by Ethiopian Airlines, Malawi Airlines maintains its status as the national carrier of Malawi. As a country with limited domestic air connectivity, Malawian Airlines assumes a crucial role in providing air travel services within Malawi. The airline operates scheduled domestic flights between Lilongwe (KIA) and Blantyre (CIA), the two primary commercial hubs of the nation. Furthermore, Malawian Airlines extends its services to international destinations such as Dar es Salaam, Lusaka, Johannesburg, and Nairobi. It is worth noting that Malawi is also served by other renowned international airlines, including Ethiopian Airlines, Kenya Airways, and Airlink, which connect the country with various destinations worldwide.

METHODS

The research under scrutiny adopted a phenomenological theoretical framework, employing qualitative methodologies for data collection and subsequent analysis. The qualitative approach, grounded in the pursuit of knowledge creation through an intimate understanding of personal experience (Creswell, 2013) provided a robust basis for this study. Data was collected from a variety of sources, primarily encompassing officials from government departments and airlines. These included the Department of Civil Aviation (DCA) housed within the Ministry of Transport and Public Works (MoTPW), and the Department of Tourism (DOT), a constituent of the Ministry of Tourism, Culture and Wildlife (MoTCW) (see Table 1). Also contributing to the data pool were representatives from airlines active within Malawi, namely Malawian Airlines and Kenyan Airlines. Furthermore, key insights were derived from two principal international airports in Malawi, Kamuzu International Airport (KIA) and Chileka International Airport. It is crucial to note the inclusion of the Department of Tourism in the research process, not least because of its vital stakeholder position within the aviation industry. The link between these two sectors is particularly apparent in Malawi’s international tourism, where the aviation industry plays an indispensable role.

Table 1. Distribution of participants

Participant	Male	Female	Total
DCA	3	0	**3**
MoTPW	1	0	**1**
DoT	4	2	**6**
Airlines	1	2	**3**
Airports	1	1	**2**
Total	**10**	**5**	**15**

This study utilized semi-structured interviews as a principal method for data collection. The semi-structured interview format, characterized by a pre-prepared list of questions allowing for contextual flexibility and adaptive ordering, engenders a fruitful environment for further queries based on participant feedback (Gibson and Brown, 2009). This approach provided the potential to delve deeper into the subject matter, thereby facilitating a more comprehensive understanding of the topic under investigation. Interviews were conducted from March 2022 through to February 2023. In the interest of accommodating participant availability and schedules, interviews were conducted face-to-face and through telephone. The necessity for this adaptability emerged as a response to the logistical challenges encountered in coordinating face-to-face interactions with certain participants due to their stringent schedules. The semi-structured interviews were conducted with an average duration of 40 minutes, ensuring an optimal timeframe for rich, meaningful dialogue, while remaining mindful of the participants' time constraints.

The study employed content analysis as an analytical tool to interpret the qualitative data obtained from the interviews. Content analysis, as defined by Kumar (2014), encompasses the systematic evaluation of interview contents or observational notes, seeking to identify predominant themes within interviewee responses or researcher notes. The analytical process was executed in multiple stages, adhering to the guidelines posited by Kumar (2014). Firstly, the procedure necessitated the identification of primary themes. During this stage, researchers conducted a thorough examination of participant statements, language use, and wording, the objective being to accurately represent the essence of responses categorized under each theme. Subsequently, the second stage involved the allocation of codes to the identified themes, an exercise undertaken to quantify the recurrence of these themes. This was followed by a comprehensive review of the interview transcripts and the categorization of responses within the appropriate thematic domains. The final stage consisted of integrating the established themes into the body of the report, thereby facilitating a nuanced understanding of the data. This rigorous approach ensured a comprehensive and precise portrayal of the qualitative data, reflecting the authentic perspectives and experiences of the participants in the study.

RESULTS AND DISCUSSION

Perceptions towards performance of flag carrier in Malawi

The study elicited insights from key industry stakeholders regarding the performance of Malawi's flag carrier airline. Participants were requested to share their perspectives on the efficiency, pricing, routes, and services offered by Malawi's flag carrier in comparison to other international carriers. The responses exhibited a range of opinions, with some expressing satisfaction with the performance of the flag carrier, while others held differing views. Those who expressed satisfaction predominantly attributed the success to the strategic partnership between Malawian Airlines and Ethiopian Airlines. According to their viewpoint, this partnership resulted in competitive pricing, enhanced international connectivity to Malawi, and an improved service offering by the country's flag carrier. Prior to this collaboration, Malawi's flag carrier faced fierce competition from rivals due to high and non-competitive fares, as well as subpar services, leading to consistent customer complaints and weak customer loyalty.

> *Since the partnership with Ethiopian Airlines, Malawian Airlines has experienced significant improvements in its pricing and services. Before to the collaboration, the services offered by Malawian Airlines were both expensive and of poor quality. However, after joining forces with Ethiopian*

Airlines, there has been a notable transformation. The airline has successfully enhanced its services, making them more affordable while significantly enhancing the overall customer experience. (Participant 1)

Conversely, some participants expressed dissatisfaction with the national carrier's performance, despite the partnership with Ethiopian Airlines. It was noted that Malawian Airlines still lacks suitable equipment to fully maximize capacity both domestically and internationally, thus falling far short of the standards set during the Air Malawi era. Those holding this perspective argued that Malawi's flag carrier is not yet positioned to compete with international competitors within the region, regardless of the improvements facilitated by the partnership. Participants pondered over this disparity, particularly given the competitive and overseas operations of other national carriers in the region, such as South African Airlines, Kenya Airways, and Ethiopian Airlines. They also remarked that the performance of Malawi Airlines, formerly known as Air Malawi, has declined compared to the era under Kamuzu Banda (pre – 1994). During Banda's regime, Air Malawi operated long-haul routes between Malawi and Europe, raising questions about the reasons behind this regression.

Participants who held negative views regarding the performance of Malawian airlines identified several factors contributing to their underperformance. They attributed the poor performance to uncompetitive fares, high tax rates, inadequately trained staff resulting from the high costs of relevant training, and the unstable economy of Malawi. Furthermore, participants highlighted that the underdevelopment of the country, among other primary factors, hindered the ability of the airline to thrive due to the growing pressures of other critical social and economic priorities of the government, such as healthcare, education, and food security. Compounding the challenge is the heavy reliance of the airline on government support, operating outside the realm of market forces and competition-driven performance regulation.

Perceptions towards protectionism in Malawi

The central focus of this study has revolved around the examination of liberalization and protectionism in the context of Malawi. Participants were invited to elucidate their perspectives on whether the Malawian government safeguards its national flag carrier from external competition. The consensus among participants was that the government indeed shields the national carrier from such competition. When probed about the rationale behind this protection, participants expressed the belief that national flag carrier serves as a representation of national pride. Furthermore, they suggested that the failure to sustain the operations of the carrier would reflect poorly on the government, a circumstance that ruling parties are keen to avoid. This inclination of governments to safeguard national carrier based on their symbolic significance and numerous scholars, including Barret (2006), have underscored representation of national pride.

Participants were then further engaged to solicit their opinions on the merits or drawbacks of protecting Malawian Airlines from competition as a strategy for managing national flag carrier. The majority of participants expressed support for the notion of safeguarding Malawian Airlines. Proponents of this viewpoint argued that protecting national carrier is instrumental in nurturing the aviation industry, generating employment opportunities for Malawians, and facilitating the development of a multiplier effect through aviation. They also contended that supporting Malawi Airlines is crucial as *it contributes to the improvement of other sectors of the economy and helps address inefficiencies stemming from the dominance of foreign carriers in the industry* (Participant 1), *potentially resulting in elevated airfares*

(Participant 4). Participants maintained that since Malawian Airlines is a young and relatively less-established entity, providing protection allows it the necessary time to gradually evolve into a well-established airline, despite the presence of highly competitive international carriers in the market.

However, there were apprehensions among some proponents who feared that if mismanaged, protectionist policies could undermine competition, ultimately leading to diminished service quality and higher prices. Similar concerns were echoed by a few participants who maintained a negative stance towards protectionism, irrespective of the competence of management. The apprehensions echoed are in tandem with Amadeo (2016) and Fu et al. (2010) observations, highlighting the deleterious ramifications of protectionism on the aviation sector, whereby airlines endure diminished productivity owing to the absence of competitive forces. National carriers, shielded by their respective governments from rival contenders, find themselves devoid of the impetus to innovate and enhance their service provisions, leading to a scenario where consumers bear the costs for inferior quality services or products in comparison to what they could have obtained from foreign adversaries. Protectionists approach proponents argue that regulation is often viewed as necessary to prevent the anti-competitive behaviours that could emerge from the oligopolistic and in some cases the monopolistic nature of the aviation industry. This is also in line with Hanlon (2007) who recognizes that the challenge with airlines as oligopolies is that actions on price taken by one airline could have significant implications for competitors and it may result in collusion between them.

Perceptions towards liberalisation in Malawi

In the pursuit of ascertaining the perceptions of participants regarding liberalization in the context of Malawi, this study embarked upon an exploration of viewpoints concerning the degree of liberalization within the country's aviation industry. Pertinent inquiries were posed to the participants, yielding noteworthy findings. The majority of respondents expressed a notion of partial liberalization in the Malawian skies, drawing support from the principles espoused in the Yamoussoukro Declaration (YD). In response to adverse outcomes stemming from stringent regulatory protection aimed at sustaining national flag carrier, such as compromised air safety, inflated airfares, and subdued air traffic growth; African ministers responsible for civil aviation from member states of the African Union embraced the Yamoussoukro Decision in 1999 (Samunderu, 2023). An impressive 44 nations endorsed an agreement to deregulate air services and foster regional air markets open to transnational competition.

The study participants opined that while the Malawian aviation market is not fully liberated, it enjoys a degree of liberalization owing to a number of bilateral agreements with other African countries as well as Malawi's status as one of the African signatories to the Yamoussoukro Declaration. Moreover, they contended that despite the market's liberalized nature, the unfavourable economic conditions prevailing in Malawi dissuade numerous airlines from establishing operations within the country. The participants observed that the unattractiveness of the aviation market in Malawi stems not from protectionist practices but rather from the limited demand, which fails to provide a viable business proposition for many airline operators.

> *There is a case of liberalisation in Malawi through Yamoussoukro Declaration and that the Malawian aviation sector is somehow already liberalised only that the economy is not attractive enough for many operators to flourish. (Participant 4)*

Prior research conducted by esteemed scholars, including Steyn and

Mhlanga (2016) and Surovitskikh and Lubbe (2014), has brought to light the incomplete implementation of the Yamoussoukro Declaration across African nations, despite their participation in the agreement. Notably, the majority of African governments have not yet fully realized the objectives outlined in the Yamoussoukro Declaration, although a few likeminded countries have embraced its principles. Consequently, the present findings suggest that Malawi may fall into the category of African countries that have partially implemented the Yamoussoukro Decision. However, given the concurrent identification of protectionist tendencies within Malawi, the extent of actual implementation remains questionable.

The participants unanimously shared the perspective that effective management of liberalization has the potential to enhance airline efficiency, foster competition, lower airfares, stimulate tourism and trade, deliver superior services to customers, and contribute to overall economic growth. They perceived liberalization as a catalyst for cultivating a competitive aviation environment, noting a strong correlation between heightened competition and improved air service quality. The consensus among the study participants aligns with the scholarly works of Tolcha et al. (2021), ELFAA (2004), Huderek-Glapska (2010), and Doganis (2010), substantiating the robustness of the findings. In particular, Huderek-Glapska (2010) and Doganis (2010) emphasize the salient benefits derived from intensified competition resulting from the influx of new market entrants. These advantages manifest in enhanced service quality, expanded customer options, increased operational efficiency, fostering of innovative practices within the airline industry, and ultimately, the reduction of airfares.

From a tourism standpoint, participants emphasized that liberalization translates into increased airline connectivity to and within Malawi, thereby bolstering international tourism and its accompanying foreign exchange benefits. Additionally, the influx of airlines resulting from liberalization can enhance domestic travel options, diversify transportation modes, and facilitate greater comfort and accessibility to destinations within Malawi. The air transport liberalization, as extensively examined by Tolcha et al. (2021) and Doganis (2010), has ushered in a remarkable era of enhanced air connectivity, characterized by the establishment of novel flight routes, the accessibility to previously unexplored destinations, and a notable increase in flight frequencies. Such advancements have imparted a substantial impetus to tourism, enabling individuals with travel objectives to conveniently reach their desired tourist destinations, as cogently argued by Tolcha et al. (2021). This augmented accessibility could assume particular significance for the nation of Malawi, given the challenges posed by limited air connectivity, both domestically and internationally, which detrimentally impact the growth of tourism within the region, as highlighted by the work of Lambulira and Bello (2022). Their meticulous analysis underscores the long- standing obstacles faced by travellers venturing to and within Malawi, primarily attributable to the insufficient airline linkages connecting Malawi with its key tourist source markets, as well as the inadequate internal connectivity infrastructure within the country itself.

Despite acknowledging the advantages of liberalization, participants also recognized certain drawbacks associated with this approach. Primarily, participants underscored the potential threat posed to the survival of small and nascent airlines, as well as the issue of economic leakages, as the primary downsides of liberalization. They observed that liberalization often favours already dominant and well-established carriers, thereby forcing smaller airlines out of business and leading to a monopolistic market structure. The substantial financial resources of established carriers enable them to adopt and implement strategies that are beyond the financial capabilities of smaller players, including engaging in predatory pricing practices that stifle competition. Such arguments align with the insights presented by Smith and Cox (1992), who emphasized the challenges faced by airlines in maintaining profitability within highly competitive markets. Consequently, airlines may operate with narrow profit margins in an industry characterized by substantial operating and fixed costs. In such a scenario, the chances of survival for small airlines operating in high fixed cost industries and competing against larger carriers employing predatory pricing tactics are greatly diminished.

CONCLUSION

The findings of this study shed light on the perceptions towards the performance of the flag carrier airline in Malawi, the attitudes towards protectionism, and the views on liberalization in the country's aviation industry. The study uncovered a range of opinions among industry stakeholders, reflecting both positive and negative perspectives. Regarding the performance of Malawi's flag carrier, participants expressed satisfaction, attributing it to the strategic partnership with Ethiopian Airlines, which resulted in competitive pricing, improved international connectivity, and enhanced service quality. However, some participants expressed dissatisfaction, citing the lack of suitable equipment and the inability to compete with other regional carriers. Factors such as uncompetitive fares, high tax rates, inadequately trained staff, and the unstable economy of Malawi were identified as contributing to the underperformance of the national carrier.

The study also examined perceptions towards protectionism in Malawi, with findings establishing the government's inclination to protect the national carrier as a representation of national pride. The majority of participants expressed support for protecting Malawian Airlines, citing its role in nurturing the aviation industry, generating employment opportunities, and contributing to the improvement of other sectors of the economy. However, concerns were raised about potential negative consequences, including diminished competition, reduced service quality, and higher prices. The apprehensions expressed aligned with previous research highlighting the adverse effects of protectionism on the aviation sector.

In terms of liberalization, the study established partial liberalization in the Malawian aviation market, driven by bilateral agreements and the country's participation in the Yamoussoukro Declaration. Participants perceived effective management of liberalization as beneficial, leading to enhanced airline efficiency, competition, lower airfares, stimulated tourism and trade, and superior services to customers. They emphasized the importance of liberalization in cultivating a competitive aviation environment. However, participants also recognized potential drawbacks, such as the threat to smaller airlines and economic leakages. However, participants noted that the unfavourable economic conditions in Malawi deterred many airlines from establishing operations in the country, despite the liberalized nature of the market. The study also highlighted the incomplete implementation of the Yamoussoukro Declaration across African nations, raising questions about the extent of actual implementation in Malawi.

Several practical recommendations emerge to enhance the performance of the flag carrier in Malawi and strengthen the impact of liberalization efforts in the country's aviation industry. Firstly, fostering strategic partnerships with reputable international airlines, as demonstrated by the successful collaboration between Malawian Airlines and Ethiopian Airlines, should be encouraged. Such alliances can lead to competitive pricing, improved service quality, and enhanced connectivity. Secondly, investments in training programmes are essential to enhance the skills and expertise of airline personnel, ensuring they deliver high-quality services. Balancing protectionism with fair market competition is vital, requiring the implementation of regulations that prevent monopolistic practices and encourage new entrants. Furthermore, collaborative efforts between the aviation and tourism sectors should be undertaken to promote destination marketing, improve tourist infrastructure, and develop attractive travel packages. Finally, the implementation of the Yamoussoukro Declaration should be strengthened, eliminating barriers to entry and streamlining regulatory processes to facilitate increased airline operations.

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