

## Book Review:

# Burghouwt, G. (ed.) Airline Network Development in Europe and its Implications for Airport Planning

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This book is a remarkable achievement. Dr. Burghouwt deserves our congratulations and thanks for producing this text, especially so early in his career. The standard he has set promises well for future contributions the profession may expect from him.

The text is clearly the current benchmark for analysis and description of air transport networks. Every researcher in the area ought to be familiar with it. Whether you agree with his approach and interpretations or not, it constitutes a 'must-read' reference. The text is full of interesting analyses that others may want to emulate. It offers a most interesting discussion of the recent historic evolution (from 1990 to 2003) of airline networks in Europe as they worked their way through the first decade of airline deregulation and intra-European "open skies".

The text should also be read by thoughtful planners. It offers possibly the most extensive description to date of the efforts to develop a flexible, strategic planning process. As increasingly recognized among leaders in the profession, the traditional master planning process is obsolete, and airport planners need a better process, one more grounded in market realities. Indeed, master planning is conventionally described as the process of finding the optimal situation to the gap in capacity identified by a single forecast. Now that it is becoming recognized that "the forecast is 'always' wrong", the idea of basing development on a single forecast loses sense. The profession has to recognize the need to examine multiple scenarios, to develop real options that will enable the airport management to adapt to the possible circumstances, and to adopt a flexible approach to design and implementation. Burghouwt's final two chapters make a case for this new planning paradigm and, as an illustration, describe how one airport (Amsterdam Airport Schiphol) did something in this vein.

The book is a slightly edited and updated version of Dr. Burghouwt's doctoral dissertation – and correspondingly suffers from the defects of that genre of writing. Its wealth of detail will be a bar to its ready acceptance by practitioners and transportation professionals generally. Students and researchers will however appreciate the extensive citations. (Here I need to provide a disclaimer: although the author refers to my work extensively, and often echoes my own views, I had nothing to do with his dissertation or his book, and only came to know him as it was being

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completed.) In short, the detail is a plus for researchers, but an obstacle for practitioners looking for guidance.

The fact that the book is an extension of a dissertation defines its limitations as a guide to policy or future practice. The material concentrates on a special situation with particular features, and this anecdotal quality limits the possibility of extrapolating its results globally across space or into the future. The research focused on the evolution of European airline networks from 1990 to 2003, an interesting phase as national airlines and charter companies groped their way toward their future in a deregulated, "open skies" environment. From a research perspective, this focus represents an admirable choice because Dr. Burghouwt could complement his data analyses with discussions with the participants. From the perspective for understanding policy however, this focus offers significant limitations. For one, the period was a transitional phase before the full force of deregulation and open skies sunk into the European airline industry. Neither the bankruptcies of inefficient organizations, nor the mergers to create market-wide EU airlines to replace the national carriers, nor the rise of the low-cost carriers as driving forces had fully taken force. Therefore, this study cannot be expected to provide guidance for the more mature conditions of the European airline industry in the years ahead. Further, the applicability of this analysis to other large-scale markets -- such as the North American Free Trade Agreement (NAFTA), China, and India -- is speculative. And the extrapolation to the Intercontinental "open skies" developments -- such as between the United States and the EU (as of March 2008) and the US and India -- is even more uncertain. The profession would certainly benefit if Dr. Burghouwt could apply his demonstrated talents to a global perspective across time.

A somewhat curious feature of the work is that it really has two separate parts. The first and the major part, as clearly advertised in the title of the book, is the study of the European airline network (or more precisely, of 1990-2003 development within the smaller EU before its expansion). The second part is not obvious from the title, and might be considered a welcome extra. Indeed, the concluding two chapters present of a view on desirable planning process -- largely independent of the work on networks.

The chapters on Flexible Strategic Planning are a welcome addition to the literature by themselves. The point of departure for this approach is that, especially in the rough-and-tumble of a deregulated market, the "forecast is 'always' wrong" [sometimes it may be correct, but in general forecasts are not accurate]. This reality means that realistic planning should anticipate various scenarios, and thus invest in the capability to respond to these scenarios effectively [in short, to acquire real options], and overall to adopt a flexible approach to implementation. These chapters are a good start on what could eventually be a larger, more complete presentation that I would hope Dr. Burghouwt would develop. Meanwhile, they are worth reading for themselves alone, independently of the chapters on airline networks.

Bottom line: A welcome text well worth time spent on it.