

CLEAR-AIR TURBULENCE:  
INCESSANT REGULATION OF DEREGULATION  
IN INTERNATIONAL CIVIL AVIATION

SERKAN SÖNMEZGİL

BOĞAZİÇİ UNIVERSITY

2016

CLEAR-AIR TURBULENCE:  
INCESSANT REGULATION OF DEREGULATION  
IN INTERNATIONAL CIVIL AVIATION

Thesis submitted to the  
Institute for Graduate Studies in Social Sciences  
in a partial fulfillment of the requirements for the degree of

Master of Arts  
in  
Political Science and International Relations

by  
Serkan Sönmezgil

Boğaziçi University

2016

## DECLARATION OF ORIGINALITY

I, Serkan Sönmezgil, certify that

- I am the sole author of this thesis and that I have fully acknowledged and documented in my thesis all sources of ideas and words, including digital resources, which have been produced or published by another person or institution;
- this thesis contains no material that has been submitted or accepted for a degree or diploma in any other educational institution;
- this is a true copy of the thesis approved by my advisor and thesis committee at Boğaziçi University, including final revisions required by them.

Signature.....

Date .....26.05.2016.....

## ABSTRACT

Clear-Air Turbulence:

### Incessant Regulation of Deregulation in International Civil Aviation

International civil aviation consists of an intricate web of private and public parties. The national sovereignty on air space puts constraints on market forces. Particularly between the end of World War II and the late seventies, considerable regulations on international commercial air services were in force. These regulations resided at the core of the multilateral framework that had deliberately left loopholes from which mushrooming bilateral interactions escaped and undermined its main tenets.

International civil aviation remains as an understudied issue for international relations discipline. This study unravels the conflictual coexistence of regulatory and deregulatory currents from a theoretical outlook developed from within international relations theory. Accordingly, focal points of this study, within the time scope of the Chicago Conference of 1944 to the Bermuda II Agreement of 1977 are the U.K-U.S. aviation rivalry, to be traced on the axis of regulation and deregulation and ICAO's role within and engagement with this axis. Merits of an eclecticist insight were evaluated in analyzing these cases via critical theoretical appropriations of variants of realist thinking, regime theory and security studies. The main results of the analyses are that the shifts in level of regulation could be explained with reference to differing public and private power structures of U.K. and U.S. and that ICAO as a regime rests on contrastingly ambiguous genetic roots that paved the way for its lagging behind as concretized in its interference with issues of regulation and deregulation.

## ÖZET

### Açık Hava Türbülansı:

#### Uluslararası Sivil Havacılıkta Deregülasyonun Ardı Arkası Kesilmeyen Regülasyonu

Uluslararası sivil havacılık özel ve kamu taraflarını içeren dolaşık bir ağdan oluşmaktadır. Hava sahası üzerindeki ulusal egemenlik piyasa güçlerini kısıtlamaktadır. Özellikle İkinci Dünya Savaşı'nın sonu ile yetmişli yılların sonu arasında uluslararası ticari hava hizmetleri üzerinde kayda değer regülasyonlar yürürlükteydi. Bu regülasyonlar çok taraflı çerçevenin en ortasında yer almaktaydı ve sayıca çok artan ikili etkileşimler bu çerçevenin bilinçli bırakılmış boşluklarından yararlanarak ana ilkelerinin temelini çürüttüler. Uluslararası sivil havacılık uluslararası ilişkiler disiplini bakımından yeterince çalışılmamış bir konu olarak durmaktadır. Bu çalışma regülasyoncu ve deregülasyoncu akımların çatışkılı biraradalığını uluslararası ilişkiler literatüründen geliştirilen bir teorik bakış açısıyla çözümlemektedir. Bu doğrultuda, bu çalışmanın odak noktaları, 1944 Chicago Konferansı'ndan 1977 Bermuda II Anlaşması'na kadar olan zaman aralığı dahilinde, regülasyon ve deregülasyon ekseninde izi sürülecek olan Birleşik Krallık - Birleşik Devletler havacılık rekabeti ve ICAO'nun bu eksenindeki rolü ve angajmanıdır. Eklektik bir bakış açısının olumlu yönleri bu vakaların analizinde, realist düşüncenin, rejim teorisinin ve güvenlik çalışmalarının varyantlarının eleştirel teorik uyarlamaları aracılığıyla değerlendirilmiştir. Analizlerin başlıca sonuçları, regülasyon düzeyindeki değişimlerin Birleşik Krallık ve Birleşik Devletler özel ve kamu güç yapılarındaki farklılıklara atıfla açıklanabileceği ve ICAO'nun karşıt anlamlar içeren genetik kökenlere dayalı olduğu ve bu kökenlerin regülasyon ve deregülasyon meselelerine dahil oluşunda somutlanan geriden gelmenin önünü açtığıdır.

## ACKNOWLEDGEMENTS

It is worth commencing by expressing gratitude to the Scientific and Technical Research Council of Turkey (TÜBİTAK), who financially supported the progress of this thesis via scholarship funding.

My beloved wife, Cemre Ayhan Sönmezzil, my sun shedding light upon my pathway while englobing me with peaceful stasis at home as I struggled with this study, deserves to be congratulated for her endless support.

I would like to thank my dear professor and friend Shouleh Vatanabadi from New York University for her efforts to provide me with relevant academic material which I could not access otherwise.

Assist. Prof. Umut Türem, with his unequalled sympathy, his devoted final review and his devoted smile, receives my cordial salutations. I am happy that I know him.

I extend my deepest gratitude to my thesis advisor, Assist. Prof. Zuhre Aksoy. She welcomed my inquiry about linking the topic of civil aviation to international relations theory and provided professional support throughout the course of my research.

I am especially grateful to the second reader of this thesis, Prof. Mine Eder, who found a way out from all the dead ends I encountered in the labyrinth-like evolution of the study.

Lastly, I would like to thank my dear friend Murat Yılan, who wholeheartedly sympathized with the writing process. I would also like to thank my colleague at work, Fatih Ülgen, who backed me up without any complaint while I needed to be absent for the writing process.

Güneş hızla duruyor  
Biriyim yolculardan  
Eski bir gökyüzünden başka alana  
İki büyük çantam var  
Kocaman bir ek gibi şaşkınlığıma.

Ve olmakta olmanın sallantılı alanı  
Kuşlar boşluk uçtukça  
Bir şey hızla duruyor  
Bir uçak sanki bin uçak  
Bir gün öğleden sonra her gün öğleden sonra.

Edip Cansever  
Uçak Alanı

Sun is in a peaceful statis  
Me being one of the passengers  
From a bygone sky to other space  
Holding two grand baggages  
Like an immense appendix to my astonishment

And the dangling space of being in presence  
As birds flying emptiness  
Something is in a peaceful statis  
As if a plane is thousand planes  
One day afternoon, every day afternoon.

Edip Cansever  
Plane Space

## TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION .....	1
CHAPTER 2: REVIEWING THE IR LITERATURE: TOWARDS A THEORETICAL APPROPRIATION.....	12
2.1 State-centric approach .....	12
2.2 Layering the complexities: international regime theory.....	27
2.3 The necessary cement: security .....	38
CHAPTER 3: STUDIES ON INTERNATIONAL CIVIL AVIATION.....	44
CHAPTER 4: RIVALRY BETWEEN THE U.S. AND THE U.K.: CLOSURES AND OPENINGS IN THE SKIES .....	59
3.1 A preliminary focus on the role of aviation for the U.S. and the U.K. ....	59
3.2 Dormant rivalry nurtures the Other Air Battle behind the scenes .....	61
3.3 The Other Air Battle unmasked: The years of Chicago-Bermuda .....	65
3.4 Overview of British and American carriers.....	77
3.5 Shadows lurking behind: aircraft production and trade .....	82
3.6. Theoretical implications .....	93
CHAPTER 5: ICAO'S ENGAGEMENT WITH THE CYCLE: LAGGING BEHIND WITH INTRICATE ROAD MAPS .....	99
4.1 Positioning ICAO within the regime .....	100
4.2 Carving out road maps from ICAO documents.....	104
4.3 Theoretical implications .....	121
CHAPTER 6: IN LIEU OF A CONCLUSION: THE HORIZON IS LIMITED, THE SKIES ARE NOT .....	128
REFERENCES.....	138



## LIST OF ABBREVIATIONS

BA	British Airways
BCAL	British Caledonian Airways
BEA	British European Airways
BIATA	British Independent Air Transport Association
BOAC	British Overseas Airways Corporation
BUA	British United Airways
CAB	Civil Aeronautics Board
COCOM	Coordinating Committee for Multilateral Export Controls
ECAC	European Civil Aviation Conference
FRP	Fares and Rates Panel
IA	Imperial Airways
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
PAA	Pan-American Airways
PICAO	Provisional International Civil Aviation Organization
PSR	Power Structured Rationality
SEC	Strategic Economic Policy
SATC	Special Air Transport Conference
STIP	Strategic Trade and Investment Policy
TWA	Trans-World Airlines

# CHAPTER 1

## INTRODUCTION

Clear-air turbulence is a physical phenomenon whose anticipation is difficult due to absence of any sign for the bare eye. In depth, however, air masses having different speeds clash and engenders air turbulence in open skies. This initial definition is meaningful in that it aims to conceive the central component of the title of this study. Not only aircrafts encounter more frequently clear-air turbulence due to aggravation of global warming, but also, international civil aviation as a whole suffers from clear-air turbulence in which movements of regulation and deregulation moving at widely different speeds coincided and clashed. Hence the scientific task at hand is to reveal purportedly absent visual cue, i.e. the underlying process in theoretical terms. What follows is an attempt to understand and explain the logic of such coincidence and clash which could be traced historically.

The initial step is to explain what is meant by regulation and deregulation. In international civil aviation and in the context of this study, regulation implicates control of rates and tariffs offered to air passengers, intervention to supply side through frequency and capacity limitations, designation of air carriers to operate on a particular route, entry and operation barriers for air carriers, imposition of the framework of air traffic rights based on a nation's sovereign air space. In aviation diplomacy, commercial air service operations were diplomatically framed and enumerated originally as "five freedoms" plus additional three freedoms: 1) the right to innocent passage without landing, 2) the right to land for technical necessities, 3) the right to carry passenger and cargo from one's own country to another country, 4) the right to carry passenger and cargo from another country to one's own country, 5)

the right to carry passenger and cargo between two foreign countries in a route originating from one's own country, 6) the right to carry passengers and cargo from one state bring to one's own country and transfer them to flights for a foreign destination 7) The right to carry passengers and cargo between two states, neither of which is the airline's country of origin. 8) The right to carry passengers and cargo between two points within a state, other than the airline's country of origin. (Dobson, 1995, x). Much of the debate on regulation of commercial air traffic revolved around these nodal points, air traffic rights being the most prominent heading.

On the other side of the coin, deregulation is characterized by liberalization of these restrictive measures and championing of free-market ideology in aviation, which could accordingly be labeled as "open skies". As an ultimate point, the deregulated global air market would comprise airlines operating on routes without requiring any consent from civil aviation authorities of respective sovereign air spaces. The history of international civil aviation, often recorded amalgamation of these two extremes in the form of compromises reached in international relations.

After the World War I, protectionist cloak was cast on the U.S. air market in the first decades of twentieth century. Commercial air traffic which was extremely limited in extent and scope, was under the regulation of separate state authorities specialized in regulating the nascent airline industry in the U.S. On the other hand, in Europe, 1919 Paris Convention ensured national sovereignty of every signatory state in terms of air zone and equal treatment in the eyes of national law of each state. This convention was the first in the world history to address the issue of regulation of aerial navigation. 1929 Warsaw Convention followed and set the general legal liability framework for air traffic. The U.S., were independently following a similar

route for regulations, 1928 Havana Convention regulating commercial air traffic in the form of sovereignty of states in air space.

In interwar years, military race predominated aviation industry and broad regulation of commercial traffic in international level, which was limited to a few Trans Atlantic flights, was at time not a prioritized issue in agenda. The most crucial coordinated attempt of international regulation came with the 1944 Chicago Conference in the ending phase of the World War II. International Civil Aviation Organization (ICAO) and International Airlines Trade Association (IATA) emerged as strategic multilateral bodies. ICAO maintained regulation through diplomatic level and orchestrated national sovereignties whereas IATA assumed the role of anti-trust fare control as coordinator of airline companies in form of a cartel. In the Chicago Conference, signatory states only granted the first two freedoms to each other whereas in 1946 Bermuda I Air Service Agreement, the U.K. – though reluctant due to a regulatory prepositioning – and the U.S. granted each other the first five freedoms, fares being still controlled by IATA (Mackenzie, 2010, p. 113). It could hence be deduced that, while there exists an international regime which operates in multilateral terms, the leading countries solved issues regarding regulation in bilateral terms.

In the post-war reconstruction period, the U.S. signed many bilateral air service agreements and dominated the international routes with its supremacy in aviation. By the 1970s, the repaired and empowered economies of Europe wished to imitate the bilateral model with an inversion, i.e. by inducing regulatory schemes against U.S. domination in aerial navigation (Mackenzie, 2010, p. 348). On the other hand, Bermuda Agreement was replaced with Bermuda II in 1977 which produced a more regulated atmosphere, fifth freedom rights exchange being subjected to stricter

limitations for U.S. carriers. Roughly in the same period, The U.S. senate passed the International Air Transport Competition Act in 1979 Airline Deregulation Act in 1980 and which advanced further liberalization to be achieved through deregulation, which coincided with condemnation of IATA's strict fare control by the U.S. authorities (Mackenzie, 2010, pp. 349-352). The IATA fare control machinery lost its significance after these assaults and by the late eighties the multilateral check on competition faded.

Having outlined the historical evolution of international civil aviation regulations, it seems indispensable to demonstrate its relevance to international relations. International relations as a discipline offers strikingly limited number of studies devoted mainly to understand and explain international civil aviation as an object of study. However, by its very nature, phenomenon of international air traffic involves relations between public and private parties which could receive curious attention from international relations perspectives. Scope of these relations is relatively wide: from air service agreements precipitating international air traffic to security liability issues between customers and airlines, states do take part, degree and form of which being subject to variation. Speed and network, both in abstract and concrete terms, reside at the heart of these relations. There exists a potentially omnipresent high demand for mobility and there are constraints on supply that operate on the grounds of security, technology and sovereignty. Compromise between the two is inherently unstable is predestined to generate a conflictual picture. A multilateral framework locked-in in the aftermath of the World War II persisted throughout decades. The idea of multilateral regulation of bilateral liberalizations dominated the international economic structure of the sector.

Furthermore, it should be noted that international civil aviation in terms of its network structure as an international service industry differed in some crucial respects from its counterpart in shipping. Commercial shipping industry comprised private firms linking national economies from seventeenth century onwards. In general, the principle of free flow of commerce and economic efficiency outweighed the regulatory notions of technical barriers and sovereignty. While there was a cartel of private firms regulating schedules and rates of high-tech manufactured goods, shipment of other goods were subject to principles of open competition. States did not impose entry barriers for operating in a specific route. International shipping regime was hence constructed upon damage control and compensation problems. Cartelization that persisted through interfirm conferences started to diminish by the seventies without any considerable crisis (Zacher & Sutton, 1996). International shipping industry and international aviation industry, these two grand sectors stimulated international economic transactions and generated substantial economic growth. However, the high-tech nature of the aircraft industry that blesses first-movers, blurry divide between civilian and military aviation, high demand for fast transport led to a different panorama in international civil aviation. More importantly and linked to these factors, in international political level, abrupt emergence of the multilateral regulatory framework in the aftermath of the World War II marks the specificity of international civil aviation. The nascent multilateral regulatory framework left gaps that could easily be exploited for furtherance of deregulatory motives: fares to be regulated multilaterally, routes to be shared bilaterally. Aerial giants, states and private firms alike, made attempts to breach this inherently conflictual structure and that led to interesting encounters.

International civil aviation merits scholarly attention not only due to its nature as an object of study, but also as an issue-area which bears the potential to lay bare certain gaps that could be identified within generic explanations and conceptualizations provided by two prominent theoretical schools of international relations: realism and regime theory. This is not to say that these theories are fundamentally weak and thus collapse when faced with the task of understanding and explaining complex cases such as international civil aviation. On the contrary, one of the motives behind this study is to salvage these schools, which could relatively easily be labeled as insufficient if the treatment is conducted only on the basis of their conventional readings. Therefore, in this thesis, a search for an unconventional, yet within IR theoretical positioning is involved. Such endeavor necessitates in-depth analysis of the available literature, in the hope of identifying and tracing the theoretical lineage in order to offer a valid and related alternative. This necessity comes to the forefront also in the context of bridging the understudied object to the existing literature. When the purpose and significance of the study is conceived with motivations as such, it follows that the task of reviewing the literature and the task of giving birth to a theoretical alternative from within should be one and the same thing and hence would carry the burden and be the locomotive of this project.

In addition to these, it is crucial to express a personal motivation that drove the author of this thesis towards this subject matter. For a full time white collar worker currently employed in aviation sector, in a revenue management department of an airline company, commercial aviation automatically becomes a topic of interest. Aside from this general inclination, an anecdote deserves to be mentioned. In the course of the everyday routine of work, the term "fifth freedom" is frequently used. Startled from this unquestioned usage, the author tried to extract any valid

information from his colleagues but did not succeed. A thorough research directed attention towards the very point of genesis of international civil aviation. An enumeration, a jargon of diplomatic framing diffused throughout decades and maintained its rightful place in commercial air services routine. The term itself denoted the space of bilateralism embedded in the vast multilateral framework. If civil authorities grant airlines these fifth freedoms and even more, sixth and seventh freedoms, thus overriding the regulatory barriers, commercial potential would be exploited up to its extreme. A tentative reflection on the issue led the author of this study to conceive of this fact as an instantiation of "regulation of deregulation". Although the expression is semantically shiny, theoretically, it was not as robust as it should be. Nonetheless, the author of this thesis thought that this initial attempt of attaining knowledge deserved to be honored and hence it got its rightful place in the title.

After explicating the purpose and significance of this thesis while emphasizing the academic motives as motor force for the research process, it is necessary to delineate the contours of the question to which the research aims to provide answer. The study will be based on two fundamental research questions and the process of construction of the responses will enroot the hitherto stressed theoretical seeds into the fertile grounds of the concrete. The first is as follows: Within the framework of regulation and deregulation, how could the struggle for civil aviation supremacy between Britain and United States in the aftermath of the World War II be seen from the lenses of a critical realist ontology that could trace bilateral and multilateral interactions? The second research question is the following: In the period between the Chicago Convention and the early post-Bermuda II years,



how is the ICAO as a transnational organ within the international civil aviation system to be situated in the cycle of regulation and deregulation?

Below phrases mark the tentative hypothetical positioning in the task of answering the aboveraised questions. The first, which directs our attention to realist theory, could be as follows: Within the struggle for supremacy in which states and market forces could be discerned as separate entities not necessarily pursuing same goals, the growing U.S. airline companies' drive for further profit via exploiting new market opportunities clashed with the United States' regulationist positioning as manifested in instances of rivalry with the British state. Hence, while the British state and aviation industry were in unity in challenging the U.S., the Americans were not. Revealing this clash, the resulting ambiguity of the U.S. positioning on regulation and its concurrent reflections in its relation with the British is crucial in order to understand further the coexistence of regulation and deregulation in the fundamental bilateral air service agreements between Britain and the U.S., Bermuda I and Bermuda II. Accordingly, the argument is that this web of conflicting power structures is distinguishable through loopholes left deliberately in the locked-in multilateral framework. Precisely, the loose, but normatively omnipresent regulatory multilateral framework paved the way for intense bilateral encounters which corresponded to shifts in regulatory and deregulatory characters of the international aviation system.

The second question orientates scholarly curiosity to the role of an institution within the theoretical framework of international regimes theory. The hypothetical approach to the question is that ICAO's initial monitoring role which was limited to technical issues has undergone throughout the evolution of international civil aviation system a transformation towards a more proactive role which takes sides in

matters regarding economic regulation and deregulation, which stands at the epicenter of the issue-area. Crucial instances marked by publicized expression of opinion in the form of resolutions could bear the signs of such transformation. ICAO regime was marked by the regulatory intent at the genesis of the multilateral framework and the regime persisted this sign in its interfering the realm of economics. In line with these remarks, the argument is that ICAO's ambiguous grounds and inability to change the path of the evolving economics of aviation, paved the way for multiplication of loopholes that enabled unilateral or bilateral breaching of the grand vision of multilateral regulation. Its lack of enforcement capabilities and its organizational structure led to persistence of a normative framework that put forth tentative solutions which lagged behind the course of the international aviation system.

It is indispensable to indicate and explicate methodological preferences that are intended to shed light upon the pathway of the research agenda. First and foremost, it should be noted that the author of this thesis does not have any epistemological reservation regarding concomitant and relativist usage of quantitative and qualitative tools. Statistics, mostly as economic indicators are welcomed in the context of this study. Nevertheless, referral to quantitative tools will be limited to statistical historical indicators of generic economic concepts of civil aviation. Necessary data will be extracted from related official documents and from scholarly works on civil aviation. These indicators will serve as supplements to justificatory explanations, they will not be put forth as core elements for justifying an account. Such limited reliance to quantitative methods is necessary, not only due to disciplinary boundaries which separate international relations from managerial and

industrial engineering studies, but also due to the more abstract, theory-application nature of the problematique.

Above phrases does not imply that the quest at hand solely comprises finding the ultimately appropriate way of conceptualization and theorization which would solve the puzzle. On the contrary, the study will anchor its inquiry on the ocean of the empirical level. Therefore, in qualitative terms, the analyses will be conducted with the principle of empirical induction instead of abstract deduction. In this sense, narration and explanation comes to the forefront of analytical agenda. Structuring consistent explanations through identifying and positioning crucial hidden nodes of induced information is hence favored over rigid pathways of assessing correspondence of deduced models. Such preference stems partly from the epistemological mindset of the author of this thesis, but more importantly and decidingly, from the uniqueness of the issue-area of international civil aviation which does not follow the usual route from mercantilist protectionism to free market liberalism as seen in many political economic networks performing through international transactions. To put it more concretely, international civil aviation is an outlier, hence it seems illogical at the first step to approach it with analytic tools of deduction such as postulated models or grand theories. Through this vein, it should be noted that a search for external consistency, i.e. the form of consistency bridging the assumptions to findings becomes irrelevant, instead, internal consistency receives analytic weight in that the way of identifying and positioning empirical data in narrative and conceptualization becomes crucial in explanatory terms.

It is fruitful to make brief mention of the specific studies that nurtured the theoretical outlook of this research. The study opted for a critical realist ontology and a cognitivist epistemology while forming its theoretical inventory in realism, regime

theory and security studies. Under the rubric of realism, Krasner's method of inductive analysis performed in historical cases was appropriated. Harrod's take on global realism that depicts a wide array of multiple power holders were incorporated into the analytical picture. Some insight was also borrowed from global market governance literature, namely Hart & Prakash and McGinnis. Regarding regime theory, a revised version of Krasner's conception of autonomy and his concept of lags, Hopkins & Puchala's method of induction through cognitive frameworks, Young's holistic dialectical conception of regimes and systems were incorporated into the theoretical basis. As of security studies, an amalgamation of Copenhagen School and Welsch School were tried to be operationalized.

The structure of the thesis is as follows: this brief introductory chapter precedes the combined literature review and theory chapter. Such combination is necessary because of the abovementioned fewness of studies taking international civil aviation as an object of study from an international relations perspective. In addition to this, the evident emphasis on existing theories in the very formulation of research questions could also account for such structure. Hence this chapter aims to carve out a theoretical pathway via dialoguing with the literature pertaining to the discipline of international relations. Once theoretical backbone is provided, the thesis will continue with two analysis sections which corresponds to attempts of answering the two main research questions. Concluding chapter will summarize findings of these analyses and conduct a final assessment of the bridge between initial aim and resulting academic product of the study.

## CHAPTER 2

### REVIEWING THE IR LITERATURE: TOWARDS A THEORETICAL APPROPRIATION

As the introduction part suggests, the main theme of this study, i.e. the cycle of regulation and deregulation in international civil aviation stands relatively alien to the existing international relations literature. On the most concrete level, the issue of international civil aviation indeed remains understudied. Therefore, the aim of this chapter is to carve out theoretical nodes on the level of abstraction. Theoretical approaches and conceptual frameworks of the existing international relations literature might prove to be interestingly useful in explanatory and analytical terms, if meticulously exploited.

To put it more precisely, three main focal points could be discerned as the following: realism and market governance literature that bear the potential of shedding light upon constellation of actors and layers in international civil aviation system, international regimes literature which crystallizes normative framework of international organizations with respect to the political economic basis and non-mainstream security studies that investigate the archeology of states' concerns for security through cognitive lenses.

#### 2.1 State-centric approach

To begin with, it is crucial to explore Stephen D. Krasner's state-centric outlook in his famous study *Defending the National Interest: Raw Materials Investments and U.S. Foreign Policy*. The primary motive for the book is to demonstrate that there exists an analytically distinguishable, ordered set of goals pursued by the state as an

ontologically separate, qualitatively distinct, autonomous, robust entity (Krasner, 1978, p. 33). These goals are to be set in a transitive order and moreover be deliberately pursued in a historical continuum, as surfaced expressions of preferences made by central decision-makers. These preferences should not be results of pressure from certain interest groups, but derive from the main concern for the general interests of the society as a whole. If a transitively ordered set of goals expressed by central decision-makers comply with the abovementioned criteria, this could be properly labeled as "national interest" (Krasner, 1978, p. 53). The concept provides the foundational pillar of the theoretical framework of his study.

The way in which this core concept is constructed could have two insightful implications. First, it serves as the primary weapon in Krasner's opposition to interest-group liberalism and Marxism on the conception of the relation between state and market forces. Krasner's mindset grants the state and central decision-makers an autonomous ground which is in historical and political terms not bound to the pressure of certain groups holding power. This stance apparently differs from the interest-group liberalism which sees in total the preferences made by the state as a balanced output of pressures exercised by prominent interest groups in society and also from Marxism whose instrumental variant reduces the state interests directly to class interests and whose structural variant only grants "relative" autonomy to interests of the state which is conceived as ultimately bound to long-term class interests. Second, it genealogically necessitates a certain methodological approach: it is imperative to investigate and identify the transitive order of goals that comprise national interest. The "transitively ordered"ness of set of goals is not an occasional or complimentary characteristic of the concept, instead it constitutes its very backbone.

This backbone deserves additional focus with regard to formulation of the concept. It imbues the very concept with empirical dynamism, it reverts the claim of logical correspondence of positivist epistemology which works through assumptions, the one-directional movement from theoretical model to empirical reality. It replaces deduction with induction, from which the core conceptuality of national interest derives. Hence the concept itself necessitates historical exploration of preferences of central decision-makers. This quest should involve the empirical search for the abovementioned transition and also for the crucial nodes that allow the researcher to delineate the distinctness of the national interest, differentiated from interests of certain market forces. It is however imperative to pay due respect to the reciprocal limits and interactions of the abstract/theoretical and the concrete/empirical, in order not to fall into the pit of theory-void empiricism.

Krasner himself elaborates the methodologic distinction between logical-deduction and empirical-induction. The philosophical remarks made above are not explicit in his employment and operationalization of the concept. On the contrary, he maintains that national interest could be also be studied with logical-deductive method also from a state-centric angle. The logical-deductive approach puts forth a foundational characteristic of national interest in line with pursuit of power, which is "power to protect the core objectives of the state, its territorial and political integrity" (Krasner, 1978, p. 41). The author, loyal to his realist origins, hastens to add that "[w]hen these goals are threatened, the theory does give fairly precise explanations and predictions about state behavior" (Krasner, 1978, p. 41). The core assumption of the concept is easy to be validated when cases are selected appropriately. Nevertheless, in atypical conditions, the theory loses its explanatory potential. Krasner advances two of them: first, the negative notion of protection might become

void if a state reaches the position of hegemon and the theory does not provide any prediction or explanation for the positive notion of power, in more concrete terms, what to and how to do with power when these core objectives are ultimately reached; second, there exist policy issues that are not directly linked to preservation of political and territorial integrity of the state (Krasner, 1978).

It follows from above that the logical-deductive approach which is the foundational block of classical realist tradition suffers from drawbacks due to its self-referential nature and teleological construction. The formulation originates from an assumption and hence the concept is bound to refer to it in each and every moment of inquiry, when this artificially articulated linkage could not be formed, the concept is doomed to fail in explanatory terms. If the policy issue lies out of the scope of protection of political and territorial integrity or this telos had already been reached, the conception fails. Therefore, it is crucial to search for explications for and from within hidden irregularities, atypical conditions. Epistemically speaking, it is in these that potential for new knowledge condenses and theoretical focus sharpens.

After these conceptual and methodological notes which are intended to provide fertile grounds for the outlook of subsequent sections, it seems appropriate to return to Krasner's transitively ordered set of goals in his study of national interest in the issue of raw materials foreign investment. After evaluating general themes, the author suggests that the first goal is to maintain a relative level of well-being in the economy as a whole by minimizing prices, the second is to preserve effective functioning of the economy by insuring security of supply both for military and industrial purposes, aiming generally to optimize inputs, and the third is to advancing broader foreign policy objectives (Krasner, 1978, p. 52). It could be interpreted that the hierarchical ordering of the first two corresponds to the autonomy ascribed to the



state with respect to relations with market forces which come into the scene only in the second, outweighed by the first. The linkage between the security of supply as a general notion and national security that the author carved out from official reports merit further attention. It is through this linkage that one could construct the bridge from Krasnerian thinking to Welshian security studies or Copenhagen School securitization theory. This chapter will try to accomplish this task in a subsequent section.

In line with the premises of the formulation of the concept of national interest, Krasner analyzes foreign investment cases in which industrial firms and central decision makers interact. It is imperative here to note that conception of such relation becomes analytically fruitful in countries in which state does resist private pressure but cannot alter it, nor the social structure from which the framework that enables such pressure emerges. The author's definition for such states is "weak state". In another study, he analyzes the U.S. commercial and monetary policy through the same conceptual lenses (Krasner, 1977). He maintains that the voluntary attempt of the state to create a liberal international economic regime faced with tremendous limitations due to the weak domestic political structure that left the central decision-makers powerless against potential pressure from private parties' interest-based oppositions. For instance, Marshall Plan's liberalization impact paved its way in difficulty in commercial policy due to the overarching influence of private firms that acquire considerable profit from import competition, and on the other hand by the end of the 1960s, after the liberalizing Trade Expansion Act of 1962, the state had to cast its protectionist grip on certain sectors in order for private firms to survive in foreign competition, and by the mid-seventies, the same private firms institutionalized their demands in the Trade Act of 1974 by acquiring flexible

definition of "injury" which led to facilitated referral to "escape clauses" (Krasner, 2009, pp. 58-63).

The analytic emphasis on the "weak state" nature has other reflections in Krasner's writings. The notion of possessing the power to resist but not to alter private pressure is reinterpreted with the following words: "State decisions taken because of state interests reinforce private societal groups that the state is unable to resist in later periods". The author does not hesitate to add that "[t]he existence of various transnational, multinational, transgovernmental, and other nonstate actors . . . can only be understood within the context of a broader structure that ultimately rests upon the power and interests of state, *shackled though they may be by the societal consequences of their own past decisions* [emphasis added]" (Krasner, 2009, p. 150). The ontological primacy lend to the state as a historically determinative political entity echoes loudly in these quotations. In the context of our study, what counts more is the italicized expression, namely the historical shackles that bind market governance structures in international aviation. These shackles are best to be perceived within a framework that negates the ontological primacy of the state and deploys the multiple ontology of power holding bodies.

It seems fruitful to dwell on the notion of "societal consequences of states' past decisions". In the context of the quoted work, Krasner refers to stable domestic structures that undermine state's ability to implement drastic changes in the future, such as the separation of foreign and domestic operations in British banking organization in the 19th century which gave way to domination of international bankers and the fact that the authority to reduce tariffs was delegated to Congressional committees in the early 20th century U.S. which led to high interest-group pressure. In a nutshell, "[i]nstitutions created during periods of rising

ascendancy remained in operation when they were no longer appropriate" (Krasner, 2009, p. 149). This stress upon inappropriateness of an institutionalized stable structure in domestic level in an economic issue of international nature could be valuable for our analysis of the U.S. - U.K. rivalry. National regulatory institutions in the U.S. had tremendous impact on the formation and growth of the domestic market structure. Thanks to entry barriers imposed by civil authorities, an oligopolistic structure prevailed. In addition to this, the multilateral framework of route entitlement led to singling out of a specific airline, Pan American Airways as a de facto monopoly. Therefore, from airline regulation of 1930s to airline deregulation of late 1970s, the air market governance recorded shifts and tensions that transcended the domestic level, partly due to this institutional setting. It could also be maintained that, Krasner's insight on appropriateness of institutions was also translated into his views on regime change, which will require further elaboration on the subsequent section of this chapter.

For the moment, it seems indispensable to ruminate on the operationalization of the concept of "national interest". Two cases merit mention: rubber foreign investment efforts in Liberia and the attempt of fostering of oil companies in the Middle East in the 1920s. The United States was completely dependent on imports, the biggest share being shipped from territories under British rule. In 1922, the British imposed production control and export quotas which increased prices. To ensure security of supply in general terms and to minimize prices for the country's growing automobile industry, the U.S. planned to lead private firms to produce crude rubber in plantations in Liberia. However, powerful private companies that possessed the potential to do so had already plantations operating in British territories and eventually were profiting much from the British price increasing export restrictions.

Among the top five rubber importing and processing companies, only the fourth biggest, Firestone heeded the call of the state and engaged in direct investment in Liberia, who welcomed such foreign capital entry along with foreign loan aid from the U.S. With Firestone's investment, the potential for cartelization diminished but it only amounted for a tiny share in the world crude rubber production, in spite of considerable financial assistance from the state treasury. The inference from this case is that the interests of the state and one of the private firms converged while those firms who are prominent in the overall market pursued their own goals and hence did respond negatively to public appeal and the state did not exercise any impositions or sanctions (Krasner, 1978, pp. 98-106).

On the other hand, Krasner's evaluation of the second case suggests that "in ordering preferences American leaders were willing to sacrifice goals associated with competitiveness and lower prices for those that enhanced security of supply" (Krasner, 1978, p. 107). The fear of oil shortage motivated the central decision makers to lead oil companies to begin operations in middle eastern territories which were in turmoil and largely under European domination at that time. Oil companies could not gain access to these territories due to British entry-level restrictions. Through diplomatic pressure, the access had been granted and oil companies received considerable promotion and protection from the U.S., which in turn resulted in genesis of cartelization of the world oil market. The fear of oil shortage was hence alleviated, in exchange for loss of competitiveness and fair pricing. Supply of petroleum, essential for industrial production and military needs was secured. On the part of the private parties, it could be maintained that the state's such interest in security coincided with their demand for higher profits in cartelization, and thus the interests converged.

The above insight bears the potential of shedding light upon the tensions generated in the U.S. domestic and international air market structure and the U.K. aircraft manufacturing industry. On the U.S. part of the story, there were three distinguishable power holders: the state that regulates entry barriers and route operation entitlements, growing domestic air market aiming to transcend the domestic barriers and jump into the international competitive market, the international carrier Pan American Airways which aimed to transcend the multilateral fare setting regime and to preserve its monopoly status. Every bilateral air service agreement that designated carriers to operate on a specific route intensified these tensions. The U.S. policy was, similar to evaluation of Krasner in various cases, to ensure security of supply in these instances. Further inquiry on this line of argument follows in Chapter 4.

With regard to competitive interaction between market forces and the state, some theoretical nodes that could be found in global governance literature has the potential of offering valuable insight for this study<sup>1</sup>. Michael D. McGinnis (2004) conceives of globalization as an enhancement of governance rather than its total transformation: "... globalization does not threaten to transform the very nature of governance at the global level, since a complex array of governance organizations have already co-existed for a very long time. Instead, globalization directs our attention to the changing patterns of interactions among different forms of collective action organizations that provide a variety of governance services to diverse groups" (p. 54). An implication of this quotation is that patterns of interactions in collective action mechanisms is to be prioritized theoretically. The historical continuum of

---

<sup>1</sup> One outright criticism deserves to be assessed in this respect, that the proper era of globalization does not coincide with the historical period of the cases analyzed by Krasner. Although this criticism might be valid, the crux of the analogy lies in the issue of foreign investment, which is a form of deregulation of protectionist national barriers in a sense, and moreover the very form of intervention which precipitated globalization.

governance could well be identified in the time scope of this study. Furthermore, if one considers the multi-layered nature which encompasses complex interactions in aviation, way before the advent of globalization, this theoretical insight could prove itself to be fruitful in explanatory terms.

Moreover, market governance is performed through a structural framework that minimizes transaction costs (Williamson, 1996). This is a framework that is reached after political competition and struggle in which private and public parties are involved (Lake, 2004). McGinnis' main concern is to understand the mechanisms of consent and coercion that are present within such frameworks which necessarily have parties that receive injuries from operation of governance structures and whose grievances are seen as legitimate by other parties within the collective action organization concerned. These grievances have to be redressed in some manner in order to ensure effective persistence of governance structures that help social order to prevail. Although in McGinnis too we might find a dosage of social constructivist take which lays emphasis on shared beliefs, values and norms as epitomized in the conceptualization of "grievances of injured parties that are seen as legitimate", he lends foremost analytic priority to the notion of expansion of capacity of governance.

McGinnis (2004) moreover postulates that rent-seeking behavior is ubiquitous in global market governance structure. However, legitimate grievances could be compensated by allocation of different forms of resources via redistribution. Prolonged grievances propel the injured parties to call for reform of existing structures and changes of patterns of interaction in legal, economic and normative grounds occur accordingly. National governments of states still hold important role in such structures, both in terms of reallocation of resources in favor of social order and of stabilization of moral hazard of addressing or redressing the grievances. In

sum, the cycle of rent-seeking and redistribution leads to gradual reform which ensures social order and constantly generates solutions for collective action dilemmas. In the absence of such cycle, each and every organization is doomed to end up with structurally definitive failure without support of its “injured” parties. It seems crucial to quote the author’s conclusive words:

Transaction cost minimization is one important influence on the ways by which different sectors of the world economy organize themselves for the provision of governance services. But these institutional arrangements in turn have important consequences for the forms of rent-seeking, redistribution, and reform that ultimately shape that sector’s ability to weather the uncertainties wrought by market globalization. (McGinnis, 2004, p. 74)

These remarks on governance mechanisms are valuable in order to understand and explain the forced mergers and consolidations that prevailed in the U.S. and U.K. aircraft manufacturing industries. In the U.S., the grievances of the manufacturers in the long run were absorbed to the governance structure via mergers. In the U.K., on the other hand, a similar strategy was pursued with the additional motive of attaining the high-tech aircraft manufacturing goals which would make the British aviation a first-mover in global market. As regards to U.K. airline industry, grievance of the growing private air carriers with respect to the public air carriers which enjoyed various prerogatives were tried to be redressed in the form of mergers which acquired the entitlement to operate on certain international routes. In this sense, rent-seeking of the private parties were tried to be suppressed via redistributive mechanisms that absorb such impetus into the existing framework.

The relation between market forces and the state in international networks deserve further elaboration. To that end, drawing on the contribution made by Hart & Prakash is worth our while. The authors start out by pointing out the fact that multinational enterprises do never become fully globalized in the sense of definitive decoupling from nation-states (Hart & Prakash, 2004, p. 243). As demonstration,

they refer to strategic economic policies that pave the way for multinational companies' exploitation of opportunities. More specifically, they investigate the strategic trade and investment policies (STIPs). The structural linkage they stress is the negative connectedness of foreign direct investments and trade barriers, giving birth to a synergistic contradiction. Such synergy gained impetus with globalization and strategic trade and investment policies have become crucial modes of state intervention which ensure a structural framework of incentive for firms to become actors engaged in global markets. Though originating from clearly distinct ontological and epistemological backgrounds and floating over different historical periods, in a sense, Hart & Prakash reconfirm the crux of Krasner's standpoint with regard to relation between state and market forces. The state do not dissolve or lose analytical importance in international economics over time, its political potency holds validity, though the complexity of its relations with private parties has increased.

Hart & Prakash (2004) underline an important challenge posed by trade and investment policies, the challenge to embedded liberalism, the term à la Ruggie connoting the coincidence of rise of welfare states and open global trading system pioneered by major industrialized national economies. Through weakening of embedded liberalism and its domestic level compensatory benefits, trade and investment policies have become instances in which contradictions of international economy are concentrated and crystallized. Furthermore, it is crucial to add that, strategic trade and investments policies are important in an economic environment in which research and development costs are very high with the advent of high technology industrial goods. The authors note that;

Developing new technologies has always been difficult and expensive and often a given industry based on new technologies can sustain only a few



players (see Kobrin's piece in this volume). This is occurring in the context of: (1) increased "technologization" of economic activity (increased salience of technology-related expenditures in value-addition processes); (2) a fast pace of technological obsolescence and the constant need for new and improved products; and (3) the ability of "first-movers" in the market to capture substantial rents. Consequently, states have strong incentives to ensure that domestic firms are lead players in key industries. To achieve this objective, they may be tempted to undertake strategic economic policies (SEPs): strategic interventions in trade and investment arenas and/or to establish new rules for international economic activities. (Hart & Prakash, 2004, 244)

This depiction of strategic intervention in high-tech industries fits well to aviation market structure in which both in manufacturing and in passenger service, there were relatively few prominent firms coordinated by the state. Furthermore, aircraft technology was subject to scientific race and states were conducting strategic considerations on the issue. In addition to that, in aviation, there was the military-civilian divide which cut the core of strategic trade and investment policies. The authors refer to the label of *dual-use technologies* in describing such technologies. Critics of STIPs involving dual-use technologies argue that "such policies should be avoided because it is impossible to accurately assess the degree of technological interdependence of civilian and military technologies and because such interventions may simply encourage domestic rent-seeking behavior" (Hart & Prakash, 2004, p. 256). Aircraft technology is precisely the ultimate form of dual-use technology. Such critical reservation may indeed be valid for the case of British aviation policy. The British policy of aviation supremacy through quality rather than quantity encouraged such rent-seeking behavior. In the absence of further domestic demand, aircraft industry searched for demand elsewhere. Heavy reliance on domestic aircraft manufacturers which enjoyed government subsidies aimed to strike import deals with socialist states without informing the government. Furthermore, the authors' stressing of impossibility of accurate assessment regarding the line dividing military and

civilian use is noteworthy. This blurry divide is to be further investigated in relation to aircraft export crisis that occurred between the U.K. and the U.S. This line of inquiry would be further supported with the incorporation of the axis of security studies.

The above contributions on the issue of the relation between market forces and state on the axis of foreign investment could be appropriated to the subject matter of this study, with some adjustments. First and foremost, industrial goods and raw materials should be replaced with service of aviation. This crucial replacement might enhance the explanatory potential of these theories. In terms of regulation and deregulation, it involves much more intricately complex structures as compared to foreign investment and trade, which are generally faced with mere protectionist measures such as quotas and entry barriers, which remain relatively stable after the commencement of production. Exchange of air traffic rights and aircraft exports could well be put into this theoretical picture as an appropriation of strategic trade and investment policies. In this sense, the Brabazon Plan of the U.K. that aimed in the ultimate point complete supremacy in international commercial aviation deserves to be analyzed through these theoretical lenses.

It seems now appropriate to conclude this dialoguing review of the state-centric approach pioneered by Krasner by referring to a robust and path-breaking critique on IR realism as a whole. The Welsh critical theorist Jeffrey Harrod (2001) calls for an unmasking of power in international political economy. He genealogically stresses realist philosophy's capability of unmasking power relations and concomitantly he points out the limitations of IR realist theory in articulating the merits of realist philosophy in analyzing power relations between societies:

In societal realism the objective of power analysis was to reveal the sources and mechanisms of power. Analysis would be needed to determine if the

dominant power might be a single elite or group; a coalition of elites; a cadre located within a party, an institution, or organization; or a wide constellation of different entities. Mechanisms of power at the society level could be *psychological, physical, or material or subtle and not-so-subtle combinations of all three* [emphases added]. The analysis of power by societal realism was therefore a complex process. However, when applied to international relations, already defined as interstate relations, there was no need to search for the true source of power, for almost by definition the nation state could be the only source of power. (Harrod, 2001, p. 117)

On these grounds, Harrod maintains that the state has become a personified, aggregated common construct in IR realism. In the end, analysis is entrapped in a tautological vicious cycle: the capability of unmasking the source of power is limited because of such aggregation that performs through historicization and ontological stabilization. As a way-out from this dilemma, realist solutions were to perceive power as an objective in itself or to postulate the pursuit of national interest. The critical scholar offers another way: to employ the concept of power-structured rationalities in order to fulfill the task of unmasking. Rationalities are constructed by groups and individuals possessing power, disguises use of power and intends pervasive internalization (Harrod, 2001, pp. 119-122). The theoretical path leads to this claim of necessity: "What is needed, then, is a global realism that recognizes and analyzes the multiplicity of power sources and mechanisms at the global level and that approaches constructed rationalities critically" (Harrod, 2001, p. 125). And the sources of power are to be investigated within "consortium of corporations, state agencies, individuals in command of financial power, organized crime and interest groups, and professional groups increasingly operating globally" (Harrod, 2001, p. 125). This outlook of global realism that would operationalize the concept of power-structured rationality could shed light upon the overall framework of international civil aviation. It stems from a critical realist ontology and conducts theoretical analysis on the basis of a cognitivist epistemology. This outlook could direct

attention to political economic structure and intersubjective cognitive realm that link multiple actors in multiple layers. Strength of power structures and degree of internalization of power-structured rationalities in bilateral encounters could be the focal point in the historical analytical process of this study.

In sum, the theoretical tools that could be appropriated into the context of this study could be briefly listed as follows. Firstly, the empirical-inductive method of Krasner and his historical search for traceable lines of prioritized goals is noteworthy in understanding and explaining broader strategic engagements in aviation diplomacy. Furthermore, Harrod's global realism opens up ways of exploiting explanatory potential of a critical realist ontology that rests upon multiplicity of power sources and rationalizations that aim to get internalized. In this sense, the concept of power-structured rationalities would constitute the backbone of the theoretical body. In addition to this, an insight from market governance merits to be borrowed. Within the framework of national and international market governance structure of civil aviation, rent-seeking behavior and redistribution as theorized by Mc Ginnis could be crystallized as analytical pathways. In understanding change and confrontations within the international aviation system, absorptive mechanisms that operate upon grievances of injured parties are noteworthy. These mechanisms exist in Strategic Economic Policies (SEPs) and Strategic Trade and Investment Policies (STIPs) as theorized by Hart & Prakash whose insight could be put forth in order to explain the British aviation policy in crucial turning points.

## 2.2 Layering the complexities: international regime theory

International regimes theory comprises a vast literature from different ontological and epistemological stances such as cognitivism, neoliberalism and realism, which

renders the task of identifying a starting point difficult. Divergences flourish from the first step of defining scope and content of the very concept and then ramify when it comes to theorization and operationalization. The fruitful contrasts and bridges between Robert Keohane and Stephen Krasner might once again shed light upon our path as they did in the commencement of the literature review. The intention is that dialoguing will make further progress with linking references through various lineages in regime theory.

Robert O. Keohane (2003) critically examines the view that survival of an international regime depends on the level of unequal distribution of resources which leads to a concentration of power in the hands of the hegemon in terms of enforcement and side payment capabilities. The argument is that the power of the hegemon enables stability in international economic regimes, which would otherwise erode due to emerging strong economic rival states' and remaining subordinate states' interest maximizing efforts. On the level of abstraction, it is evident that the analytically determinative entities are nation states and what accounts for international regime change is a shift in the level of power of the hegemon whose decisive characteristic is the enforcement of rules and side payments.

Keohane conducts three empirical tests for validity of the theory. He evaluates the change in international trade regime, monetary regime and oil regime by taking two snapshots: 1967 and 1977. He quantitatively underpins the notion of hegemonic power, by referring to mainstream statistical indicators such as gross domestic product, oil import dependence, international monetary reserves, share of world trade (Keohane, 2003, p. 114). This methodological preference is indeed in line with the conceptual anchoring on tangible and hence measurable resources. The author finds strong evidential support for the theory on the issue of drastic change

that has occurred in the oil regime (Keohane, 2003, pp. 107, 111, 114). On the other hand, he points out the fact that, though some liberalization moves have occurred, the regulatory character of the trade regime did remain, contrary to the theory's expectation and calls for incorporation of the domestic axis into account.

The crux of the issue in this respect might lie within the difference of the very issue-area. Trade is not only international but also intersectoral, much more network-based than oil per se, can be much more specific and diffuse in the same time as opposed to generic diffuseness of money. It involves various actors from distinct national, international, transnational levels. Such entangled essentiality of multiplicity and complexity necessitated regulations for the safe and sound operation of trade transactions. These remarks could orientate our thoughts towards international aviation which holds more or less the same characteristics and hence the inapplicability of hegemonic stability theory to the international aviation regime. Furthermore, blurry boundaries of military and civil in terms of aviation and the resultant importance of security which transcend any statistical indicator of any tangible resource.

After evaluating results of these three operationalizations, Keohane contends that the most crucial drawback of the theory is its ignoring of non-tangible resources in analyzing power. This reservation thus anchors our inquiry to a conceptual balancing with the notions of principles, norms, rules and procedure which Stephen D. Krasner implement as core conceptual tokens in his definition of an international regime: "sets of implicit or explicit principles, norms, rules and decision making procedures around which actor expectations converge in a given area of international relations" (Krasner, 1983a, p. 2). He provides outright definitions in a nutshell:

Principles are beliefs of fact, causation and rectitude. Norms are standards of behavior defined in terms of rights and obligations. Rules are specific

prescriptions or proscriptions for action. Decision-making procedures are prevailing practices for making and implementing collective choice. (Krasner, 1983a, p.2)

Though seemingly at odds with realist premises at first glance in terms of their ideational natures, these notions are constructed as performative pillars within the anarchic world structure: *obligation*, *action* and *collective choice* conform with the game-theoretical ontology. The mere exception is the way principles are defined, which could lead to ideational realm. Nevertheless, what stands as theoretically innovative within realism is the ontological primacy lend to principles and norms in defining regimes (Krasner, 1983a, p. 4). Such primacy and the quadruple pillar formation are absent in Keohane's more straightforward definition: "institutions with explicit rules, agreed upon by governments, that pertain to particular sets of issues in international relations" (as cited in Hasenclever et al., 1996, 180). The controversial contrast between Krasner's and Keohane's definitions deserve mention. First, Krasnerian definition involves interrelated abstractions which rise far above the concrete realm of power whereas Keohane's definition intends concretization in the form of issue-specific institutions upon which an inter-state agreement has been reached. The second follows logically from the first, Keohane puts much more emphasis on the determinative characteristic of the nation state as it is expressed in definitional position of agreement of governments. This line of discussion could be pursued in an attempt to analyze ICAO. Cohabitation of regulatory and deregulatory currents within the textual point of genesis of ICAO is noteworthy. In this sense, it is unclear on which "explicit rules" that governments had "agreed upon". The advisory nature of ICAO which rests on an institutional level enjoying normative autonomy should rather be analyzed with a cognitive-structural insight similar to one constructed by Krasner.

Furthermore, Krasner takes issue with the theoretical construction of international regimes as intervening variables and hence emerges the conceptualization of regime as an autonomous variable: ". . . regimes are seen as autonomous variables independently affecting not only related behavior and outcomes, but also the basic causal variables" (Krasner, 1983a, p. 21). The author admits that there exists considerable theoretical effort on the part of structural realists who aim to cope with one directional determination relation from basic causal variables such as power and interests, to behaviors and outcomes. The conception of a regime intervening in the flow of causality from the basic causal variables and related behavior and outcomes is culmination of this effort. Nevertheless, the foundational framework is that which is provided by game-theoretical approach's market failure analogy and Pareto sub-optimality and this in turn generates tentative solutions of coordination and aversion of nation states acting on pursuit of self-interest. Regimes might serve as a mediatory, intermediary ground between power and interests on the journey of the causal flow. Direct causality from power and interests to behaviors and outcomes is rarely seen, as it necessitates purity as opposed to complexity of real-world.

Mediatory nature of ICAO is essential in that it enjoys a degree of autonomy through its advisory role. Without any economic pillars, the framework on which it is constructed could stand detached from immediate changes in the economic structure. As a part of the whole of the international aviation system, ICAO regime could well be ascribed an autonomy and be treated accordingly. However, the schematic notions of "variables" should be abandoned in order to enrich the outlook by flexibilizing categorical imperatives.



Krasner's proposed solution in this respect is to conceive of regimes as autonomous variables whose exogeneity is theorized under the rubrics of *lags* and *feedbacks*. The former emerges when, in general terms, a change in power and interests is not immediately translated into regime change and both concomitantly and independently impact behavior and outcomes. More specific reasons for lags are, habituated inclination towards regimes, uncertainty concerning economic and political prospects and cognitive failure in the form of lack of knowledge (Krasner, 1983b, pp. 359-60). On the other hand, the latter, in which regimes and basic causal variables influence one another reciprocally and then regimes impact upon behaviors and outcomes, may exist in four ways: 1) regimes affect negatively the calculation of interests in forming a new regime because of the sunk costs due to already made investments in the existing regime, 2) regimes alter and create interests "by increasing transaction flows, facilitating knowledge and understanding, and creating property rights", 3) regimes may equip states possessing a low level of power in national terms with the ability to influence behavior in international terms, hence its feedback as a source of power, 4) Regimes, by introducing a novel framework for patterned behavior, may affect negatively or positively the very power capabilities that gave birth to them (Krasner, 1983b, pp. 361-364).

ICAO Assemblies' final resolutions and internal discussions within its commissions could provide empirical data for an outlook nurtured by the conception of lags and feedbacks. The principle of majority vote in the Assembly, in some instances, paved the way for some resolutions that are not in line with the growing aerial giants of the world. However, without enforcement capabilities, these weighed only on the level of normativity, hence could have limited impact on outcomes and

behaviors. In this sense, a conception of lags and feedbacks may not arise from the four points listed by Krasner.

The advisory normative nature of the ICAO regime directs our attention to cognitive variants of regime theory. Puchala and Hopkins which lay much more stress on the ideational and perceptual nature of regimes as condensed in their following words: "*regimes themselves are subjective*: they exist primarily as participants' understandings, expectations or convictions about legitimate, appropriate or moral behavior" (Puchala & Hopkins, 1983, p. 62). The authors' methodological stance conforms with their stress on the subjective character, they prefer induction through written and verbally expressed official material instead of deduction via postulations of theoretical nature. This is also in line with another definitional pillar of their conception: regimes have elites as government officials who take active part in its practical side (Puchala & Hopkins, 1983, pp. 63-64). It logically follows that induction is to be implemented via their statements in institutional settings provided by regimes.

Conceptual construction of regime is a difficult task. Ernst B. Haas points to one side of this difficulty by referring to blurred boundaries between order, system and regime. His pathfinder signals are the following: "Regimes are part of a system; the system is the "whole," the regimes a few of many parts" (Haas, 1983, p. 27) and "Order, then, refers to the benefits a regime is to provide; system refers to the whole in which collaboration toward an order takes place" (Haas, 1983, p. 27). This necessity of delineating the definitional boundaries only represent a part of the problem of concept formation. The Krasnerian generic conceptualization that rests heavily upon the quadruplet analyzed above also received criticism in that it is empirically nearly impossible to neatly differentiate among the four components

(Young, 1986, p. 106). Rejecting to this extent the quadruplet conceptual construction, as per definition, Oran Young does not prioritize norms per se, instead, he stresses the general normative character of social conventions in an institutional framework (Young, 1982, p. 279). The same critique, through the same vein, argues that incoherence resulting from inconsistent internal elements of regime might occur frequently and hence that exaggerated separation of analytic constructs should leave the scene to analysis of intrinsic contradictions of a regime in empirical level (Young, 1980, pp. 343-44). This crucial reserve leads the author to maintain that guided reform of international institutions is extremely difficult mostly in issue-areas that characteristically bear attributes of decentralized power and thus multiple participants (Young, 1980, pp. 352-53). Therefore, as regards to international civil aviation, an eclectic attention could lead to elevation of notions of *conflict of interests* and *tensions between internal elements* to the forefront of the concept of regime. While concentrating on the holistic structure of international civil aviation it seems appropriate to deploy the tripartite leveling of Haas in the form of system, order and regime. Within this whole consisting of subsumed parts, it seems more feasible to search for a general normative character instead of trying to delineate the boundaries of the Krasnerian quadruplet.

Elsewhere, Oran Young analyzes change in regimes from similar lenses. The author pinpoints three factors for regime change: a shift in the underlying structure of power, contradiction of internal elements and exogenous factors. The first pattern shares similar characteristics with the theory of hegemonic stability. The second does not only consist of contradiction between definitional components as analytic constructs, it stems from holistic, dialectical approach. The third might involve a wide array of societal developments, but "the most dramatic examples of this process

occur in conjunction with changes in the nature and distribution of technology" (Young, 1982, p. 295). This quotation provides fertile grounds in terms of the aim of this chapter, which is theoretical appropriation. The invention of jet engine had been a ground breaking revolution in aircraft technology, it corresponded to a dramatic change in the *nature* of technology. Usage of jet engine in civil aviation had been a crucial issue, the technology used for military purposes did not translate itself to the civil transport due to various reasons. Apart from this military versus civil divide, one another essential divide existed which was the possession of jet engine technology. These correspond to *distribution* of technology. Nature and distribution of technology is of paramount importance and shifts in the ICAO regime could be approached from such lenses that stress exogenous factors.

It seems now appropriate to return to the German school's examination of weak cognitivism. The authors maintain that this type of cognitivism originates from three interlinked core assumptions. First, interpretation and comprehension are of utmost value in defining and acting upon interests. Thanks to this first assumption, the superficial givenness is peeled away from the notion of interests, hence they themselves became an object of inquiry. Second, collective action is only possible when a minimum of substantial shared understanding is present. Third, ways of supplying knowledge in a valid and reliable manner is important in an international environment of complex interdependence. The notion of uncertainty, which implies an outward concern in power and interest based theories of regime maintenance, applies also to the self-assessment of possible outcomes of actors in lack of sufficient knowledge. Taking these three fundamental assumptions as point of departure, weak cognitivists developed their conception of influence of ideas on regimes. Ideas may take the form of *road maps*, or *focal points* and their final embodiment in

international institutional framework have a constraining impact on actors.

Furthermore, patterns of adaptation and learning might influence the way in which actors perceive their own interests in an international structure (Hasenclever et al., 1996, pp. 206-210) This leads to a widening of scope and hence to the notion of consensual knowledge and epistemic communities that have crucial impacts on the international structure from the standpoint of weak cognitivism. Through this vein, network of professionals whose performance are of paramount importance for the role and impact of epistemic communities receive theoretical attention.

In the context of the problematique of this thesis, it could be suggested that the weak cognitivists' ontological dislocation - instead of total upending - bear the potential of shedding light upon the disputes that echoed in the meeting halls of ICAO. As a valuable addendum to the behaviorial and structural analysis of prominent actors of the international civil aviation regime, in line with the eclecticist insight, statements of the members of the epistemic community in critical turning points on the issue of regulation and deregulation could be analyzed through these weak cognitivist lenses. These could help us reveal the ideational road map that paved the way for gradual and conflictual changes in the regime.

Before setting sail for the island of civil aviation in the ocean of regimes in which we now strive to survive, it seems necessary to reiterate some crucial points which would serve as theoretical nodes for our study. The methodological emphasis on empirical induction that reigned in the first section of this chapter persists in our approach towards regime theory. Moreover, studies that concentrate on cognitive-intersubjective dimension of regimes have been exploited via theoretical dialoguing. Search for frozen momentums and neat analytic distinctions as epitomized in deductive approaches are not welcome in the context of this thesis. Instead of

investing our effort in finding the excellent definition of regimes, it seems rather fruitful to stick to a minimalist, research-driven definition of a regime: *a set of implicit or explicit transnational conventions that operate normatively in institutional level upon a structural political-economic framework which embodies conflicting interests and internal elements generating tensions*. An international regime, defined as such as concept, on the one hand, necessitates further empirical investigation in order to explain these conflicts and tensions, on the other hand, directs scholarly attention to normative, ideational constructions which float over them. Furthermore, it opens up the possibility of grasping the logic of changes and shifts through tensions.

It seems indispensable to restate the main tenets of the theoretical body appropriated in above paragraphs. Krasner's structural ontology to be searched in the empirical level through cognitive epistemology nurtures the general theoretical outlook of this study. His conception of autonomy is noteworthy in that it enables implementation of a research agenda which aims to explain the inconsistencies between the normative institutional level and the structural economic level. To this end, the concept of lags is to be deployed in analysis. This thesis will capitalize on the tripartite leveling of Haas which conceives of regimes as a part of a whole (system), which is furthermore linked to the whole through a mediation, i.e. a particular benefit that its existence would provide (order). To put it more concretely, ICAO regime is to be situated within the international aviation system. Informed by Hopkins & Puchala's theoretical anchoring of intersubjectivity of regimes that exist in a framework of network professionals and the method of inductive analysis that they employ, the study will approach ICAO documents. Throughout the analysis, a "weak cognitivist" outlook as categorized by Hasenclever et al. will approach the

subject matter by identifying road maps and focal points that are to be traced in a historical continuum.

### 2.3 The necessary cement: security

The theoretical tools that were formed out of dialogues with variants of realist theory and regime theory in the above sections had both incorporated a critical theory version of realist ontology upon which an epistemology centered on the cognitive realm. This section is devoted to an attempt of pursuing a similar line of thought in non-mainstream security studies. The Copenhagen School security studies, in other words, the securitization theory and the Welsch School security studies will be reviewed shortly in order to form up a theoretical alternative that could explain the normative injunction of security in international civil aviation.

To begin with, it is indispensable to refer to Barry Buzan's take on the issue of defining security. Suggesting that the concept is essentially contestable, the scholar maintains that a definition is impossible to attain in theoretical terms (Buzan, 1983, pp. 3-9). However, Ken Booth counters such claim with the argument that the concept is not essentially, but contingently contestable, sticking to the standard dictionary definition of security: "the absence of threats" (Booth, 1990, p. 319). He lists the implied components as follows: "the existence of a referent object (someone or something is threatened); impending or actual danger; and a desire to escape harmful possibilities" (Booth, 2007, p. 100). The author hastens to add that "[t]he problem of security is not in the meaning of the concept, but in the politics of the meaning" (p. 101). The ontology of contingency hence crystallizes with this hallmark statement and strengthens the conceptuality of the very concept, by imbuing it with the focus on contextuality, rendering it prone to operationalization. Furthermore,

Booth opens up possibilities for deploying the concept in empirical investigation by ascribing a theoretically positive character to it, contrary to the passive negativity of survival. Security is concerned with making choices which lead conditions of existence to be shaped in a particular way, hence possesses an instrumental value (p. 107). One other emphasis of Booth is that the concept is politically powerful. He argues that in political discourse, security assumes the meaning of prioritization and moreover notes that it is the politics of conceptualization that is to be investigated. Such emphasis stands as a reservation to cognitivist ontology of Copenhagen School security studies, whose illustration will be reviewed subsequently. In sum, Booth's theoretical construction of the concept is theoretically compatible with a critical realist ontology, to some extent capitalizing on a cognitive outlook. Its deployment in empirical grounds as it is conceptualized by Booth via flirtation with eclecticism and concomitant avoidance from pitfall of complete relativism could enhance explanatory capabilities of the study.

To pay due respect to the Copenhagen School which has been marginalized briefly with above claims, it is worthwhile to refer to Ole Wæver (1995). The scholar initiates discussing the concept by pointing to its genealogical characteristics of being linked to state. This linkage becomes evident in the main role played by the notion of "referent object", defense and survival of the state being the core referent (p. 48). Wæver argues that individual security and international security cannot exist as concepts because of the self-referential military-defensive notion of security. In conceptual terms, it is to be conceived within the level of state, focusing on state sovereignty, being subject to international dynamics and individual level dynamics (p. 49). In the field of practice, on the other hand, intersubjective constitution of the concept operates through speech acts and modalities of threat/defense instances (pp.



50-51). The author theorizes that the military logic could apply to all other sectors of social interactions, performed via discourse. *Speech acts* consist of utterance of security by elites, in the discursive framework of naming and labeling, the word itself becomes the act, the act of using the necessary means to block the threat at hand (p. 55). Through the same line of thinking, the author counters the conventional understanding that security and insecurity are in binary opposition to each other: "'Security' signifies a situation marked by the presence of a security problem and some measure taken in response. Insecurity is a situation with a security problem and *no* response. Both conditions share the security problematique" (p. 56). As the quotation suggests, in logical terms, the problematique of security flourishes from negativity, which is portrayed in contrast with positivity of politics. Identification of a security problem with regard to an issue hence involves the process of securitization, which is to be desecuritized by scholarly engagement.

It is worthwhile to continue dialoguing with the Copenhagen School. The theoretically robust study of Buzan, Waever and de Wilde (1998) stress the need for reconstructing the concept of security in following lines:

Threats and vulnerabilities can arise in many different areas, military and nonmilitary, but to count as security issues they have to meet strictly defined criteria that distinguish them from the normal run of the merely political. They have to be staged as *existential threats* [emphasis added] to a *referent object* [emphasis added] by a *securitizing actor* [emphasis added] who thereby generates endorsement of *emergency measures* [emphasis added] beyond rules that would otherwise bind. (Buzan et al., 1998, p. 5)

Four tokens of the concept are emphasized above, which altogether involve construction of a self embodied in the state as opposed to externalities that may endanger its survival. One other logical consequence of this quotation is that security is disembedded from "the normal run of the merely political", resulting in a separation of security from the political, imbuing it with the notion of emergency.

Securitizing actor discursively constitutes the existential threat to the referent object, the state and hence makes a *securitizing move* and when the move is internalized by the audience - either via consent or coercion -, it becomes *securitization* (Buzan et al., 1998, p. 25). Such approach, not only grants an extremely powerful capability of constitution to discourse, but also renders the receivers of signified references, i.e. the audience ultimately passive in theoretical terms. Moreover, the authors define the necessary three steps of a successful securitization: existential threats, emergency action, and exceptional breaking free of rules (p. 26). Interestingly, with this theoretical move, the constitutive power of discourse has been cast away and concrete action comes to the forefront. This lends the theory a functional and behavioralist tone, which seems at odds with its very basic premises. It remains unclear why such explicit actions are necessary components of securitization. Theorizing securitization as a state of urgency further detaches security from politics (see p. 29).

In spite of Wæver's original stress on freezing the referent object as the nation-state, the authors make an amendment and maintain that, it might be any type of collectivity, while still acknowledging that it is the state in many instances (Buzan et al., 1998, p. 36). Through the same vein, the authors stress intersectorality of security issues. According to this categorization of sectors, specific types of interactions correspond to specific sectors. They focus on five sectors: the military, the political, the economic, the societal and the environmental sector. These sectors are, by very nature of social interactions, intertwined and "serve to disaggregate a whole for purposes of analysis by selecting some of its distinctive patterns of interaction" (p. 8). Although such sectoral differentiation might prove to be analytically fruitful, it should be reiterated that the military/survival logic of security

predominates in each and every instance within these sectors. Waeuver's abovementioned stress on military logic moreover coincides with the conceptual emphasis on depoliticized emergency and exceptionality. Notwithstanding the gravity of such reservations, sectoralization as a way of rendering the analytical vision more lucid may prove to be helpful in the context of our study.

In this respect, the authors' analytical construction of the economic sector merits further attention. In terms of actors and referent objects, they point towards multiplicity in various instances, for example, an international system itself such as trade system can be the referent object while a powerful firm may hold the role of securitizing actor. When it comes to the logic of threats, Buzan et al. (1998) argue that pure economic security could rarely be identified and add that securitizing moves occur in issues which could rather be categorized as normal or politicized economic relations. This directs attention towards the importance of overspill between sectors, which becomes more and more apparent in the economic sector (p. 109). One concrete illustration made by the authors is "security of supply" crystallized for political ends (p. 116). These theoretical remarks lead us to think of the ambiguous line dividing military and civilian aviation through lenses of intersectorality that enables spill-overs. In the absence of a pure economic security, the notion of "security of supply" comes to the forefront with its political and military connotations. The U.S. - U.K. encounters on the axis of aircraft trade could be read through these lenses.

Finally, it seems fruitful to wrap up with Ken Booth's criticisms to Copenhagen School. The scholar criticizes Copenhagen School on the grounds that it separates security from politics and moreover directs scholarly attention away from objective/empirical foundations of threats, entrapping them in discursive constructs.

Furthermore, he takes issue with securitization's organic reference to audience and compulsory acceptance of audience as a necessary condition for its success. If security is conceived as a positive concept, non-acceptance of the audience, which is as elite as the securitizing actors merits also critical attention. Through similar vein, the author assaults Copenhagen School's postulated dichotomy between securitization and desecuritization, former being actualized by elite actors, latter being the task of the analyst. For Booth, this dichotomy is a remnant of the Cold-War era in which military logic overweighed. In contrast to this, he maintains that some actors might engage in negative desecuritizing moves (Booth, 2007, pp. 163-170). Through this line of inquiry, confrontations of distinct rationalizations of U.S. and U.K. on the issue of export of high-tech aircraft that would well be used for military prospects could be read through securitizing and/or desecuritizing moves.

All in all, it could be stated that this study could capitalize on the explanatory potential offered by critical security studies as epitomized by Ken Booth's viewpoint. When stripped off from its purely military, frozenly statist logic, conception of security that could contingently be positioned in objective or subjective level could shed light upon the conflicts and tensions emerged due to dual-use technology nature of aircraft. On the other hand, some insight could also be borrowed from Copenhagen School's contributions. Sectoral analysis is noteworthy and intersectoral spill-over in security issues is crucial in that it corresponds to the genealogical lineage of civil aviation in politics, military and economics. In order to reach a clear picture of the analytical process, the concepts of securitizing moves could be adopted and enhanced with its dialectical counterpart, i.e. desecuritizing moves which are both to be pursued by specific actors, securitizing or desecuritizing.

## CHAPTER 3

### STUDIES ON INTERNATIONAL CIVIL AVIATION

This chapter reviews the academic literature which took international civil aviation from international relations perspectives. Four major studies are taken to the forefront with the aim of dialoguing with the theoretical assemblage proposed in the preceding chapter. These studies are, namely, the canonical book of Jönsson (1981) which offers an organizational model involving analyses of bureaucratic processes in order to explain regime change in international aviation, Zacher & Sutton's (1996) comparative study of shipping, postal, telecommunications and air transport regimes from a combined neoliberal and neorealist point of view, Krasner's (1985) brief article comparing shipping and aviation regimes in terms of voices of the Third World countries and Nayar's (2009) neorealist reading of the history of international civil aviation that defies regime conceptions.

It is worthwhile to commence with Crister Jönsson who established the foundational pillar of the literature on international civil aviation from an international relations perspective. In original definitional terms, the author endorses the classical approach of Krasner that rests on principles, norms, rules and decision-making procedures along with certain amendments. In neatly delineating the very conceptual token, Jönsson refers to Keohane's revised definition that involves explicit and implicit normative frameworks that serves the function of facilitating international agreements in a specific issue-area (as cited in Jönsson, 1981, p. 13). Moreover, with reference to Hopkins & Puchala (as cited in Jönsson, 1981, p. 14), the scholar stresses the subjective and behavioral dimension of regimes. In explaining regime formation and change, Jönsson capitalizes on economic models of

explanation and he draws out two crucial factors: technological advancements and changes in supply and demand. In the issue-area of international civil aviation, these two factors may correspond to technological innovations that reduced the costs of distance and surplus capacity (Jönsson, 1981, pp. 15-16).

On the other hand, in political terms, the author distinguishes between three main approaches which have been analyzed on above parts of this section: *structuralism* as realist and neorealist applications of hegemonic stability on different issue-areas in international regimes, *functionalism* which posits the primary function of providing an international framework for agreements and *situationalism* which rises from the neoliberal application of game-theoretical models that eventually lead to cooperation and coordination as the most beneficial outcome for actors involved (Jönsson, 1981, pp. 16-23). Lastly, the author briefly examines the cognitive approach and draws on the theoretical contributions of notions of learning, perception and knowledge in explaining regime formation and change.

Although Jönsson does not elaborate meticulously on the ontological and epistemological lines of distinction on the level of abstraction between the three approaches, his concluding argument on the literature welcomes appropriation of distinct theoretical lineages:

. . . structural and situational theories, on the one hand, and cognitive theories, on the other, are complementary rather than mutual exclusive. In the realm of politics, what is 'real' is what men perceive to be real. Thus structural and situational factors become effective through the mediation of actor cognitions. Changes in the power structure and the emergence of bargaining situations, *as perceived by the principal actors*, explain the evolution of regimes. (Jönsson, 1981, p. 24)

Crister Jönsson's ultimate emphasis on the notion of bargaining orientates his study to another model which he names the process model. This model, derives its main theoretical tenets from the game-theoretical ontology of situationalism but

relaxes its assumptions, disintegrates the unified construct of state into sub-units and hence capitalizes on the organizational theory of Allison. For the process model he employs, investigation of the emergence of transnational networks through linking-pin organizations is of utmost analytic importance, thus this theoretical movement directs more and more attention towards IATA and ICAO and to historical records and bulletins in critical moments. Eclecticist, relativist outlook that the author adopts translates itself to the methodological preference of analyzing historical international aviation regime from four different lenses in the form of separate models which would in the end serve as inter-complementary elements that he nominates for amalgamation: the economic model, the structuralist model, the situationalist model and ultimately, the process model.

The abovelisted models divide the history of international civil aviation into three phases: 1) the 1919 – 1944 national sovereignty-oriented aerial political regime, 2) the Chicago-Bermuda phase between the end of WWII and late 70s, 3) the only-partially successful attempt of the U.S. to achieve broader deregulation in the overall system. The author's point is that this did not result in a change of regime; instead, it was a change within the existing regime. The third phase comprises the most complex scene in empirical terms and hence is hard to account for the direction of evolution. This statement gains explanatory power when the very same author argues elsewhere that the third phase could be characterized as a non-regime phase in which the ideal-type of the notion of complex interdependence found its proper concrete reflection (Jönsson, 1981, pp. 286-293). Contrary to his previous claim, Jönsson tries to pursue the line of continuity and change in the process of evolution by distinguishing the elements of regime phases.

Table 1. Jönsson's (1981) historical categorization of regimes (pp. 29, 34, 39).

	Principles	Norms	Rules	Decision Making Procedures
Interwar Period (1919-1939)	Unrestricted State Sovereignty	Each state have the ultimate power to decide on all air transport within its airspace	Government approval must be acquired for overflight and landing	Bilateral government negotiations
Chicago-Bermuda (1944-1975)	Airspace Sovereignty & International Regulation	Through the notion of "six freedoms", nations have claim on traffic originating from the home country, multilateralism	Regulations impose set of rules	Regulations lay out the bilateral and multilateral decision making procedures
Partial Deregulation (1975-1980)	Same as above	Same as above	Intensity of anti-trust immunity of IATA decreases	Some areas of regulation on the part of IATA become optional

The table above presents in a nutshell the historical categorization and the corresponding principles, norms, rules and decision-making procedures. Aside from such explicit generality, some points deserve further elaboration. In the third phase, which Jönsson also labels as an aborted attempt at regime change, ICAO, which was hitherto concerned with technical and safety issues, become an actively and influently involved voice in the sphere of economics that revolved around regulation and deregulation (Haanappel, as cited in Jönsson, 1981, p. 36). The multilateral intergovernmental organization's initial recommendations were pro-regulatory. Under the multilateral structure's pro-regulatory cloak, there emerged by-passing bilateral liberal agreements which were signed between the U.S. and its allies, most of them granting concessions with political aim of securing the existing terms of alliance. It is through these loopholes the very process of undermining regime structure commenced.



Regarding regime change, the Swedish scholar analyzes tentative explanations that could derive from the four models. Within the framework of the economic model, he investigates impact of two crucial factors: technology and supply/demand dynamics. He notes that the introduction of jet-engines and new aircraft types did not correspond to turning points in regime evolution of international civil aviation (Jönsson, 1981, p. 41). Drawing on this note, when Oran Young's emphasis on nature and distribution of technology is operationalized, in behavioral outcome level, it could be expected that there would not emerge considerable correspondence. However, in cognitive framework that bolstered strategic initiatives, the technology race in aircraft occupied a crucial territory.

Jönsson continues the discussion by referring to supply/demand dynamics, growing and nearly perfect matching between supply and demand was observed throughout the first two phases of the regime. However, the only imbalance that was a byproduct of the general economic decline of the world economy in the 1970s, corresponded to the attempted regime change. The problem of surplus capacity emerged with the introduction of wide body aircrafts, the U.S. demanded for liberalization of fare-setting rules, the Europeans refused and this paved the way for penetration of non-scheduled charter air services into the market. Therefore, the problem of surplus capacity were tried to be solved not via regulation as would conform to prediction of the economic model, instead, additional capacity with lower fares was introduced as a way of filling the gap (Jönsson, 1981, pp. 40-43). Corollary of the defensive stance expressed by the multilateral regulatory framework was the global expansion of charter flights. Although there were some minor adjustments in the IATA multilateral fare setting machinery for scheduled flights, market dynamics led to significant growth of charter flights. This fact could be singled out as another

loophole from which multilateral framework were breached by prominent actors and it might have impacted indirectly the demise of the ICAO regime by fostering drastic change in the economic structure.

When it comes to evaluation of the structuralist model, Jönsson explains that the hegemonic shifts in economic and/or military terms were not translated into the realm of aviation regime. The bipolarity of the military scene, dominated by the Soviet Union and the United States was nowhere to be found in the civil aviation. In economic terms on the other hand, it is worth our while to give ear to the scholar's following words:

The persistently strong position of Britain in the Chicago-Bermuda regime appears puzzling against the background of the rapidly disintegrating British empire. And why was the United States, rather than its economic challengers Japan and West Germany, pushing for regime change in the late 1970s? The hegemonic stability theory does not predict initiative for regime change from a declining hegemon. (Jönsson, 1981, p. 46)

Jönsson moreover applies the theoretical model that he calls "issue structuralism", which particularizes the general explanations of the theory of hegemonic stability and hence renders it issue-specific. He refers to historico-political assets of the British in international civil aviation in order to explain their primacy in the Chicago-Bermuda regime: the colonial empire still held considerable sovereign air space and hence could block easily the American expansion in air traffic. This could be regarded as a necessary but not sufficient cause for explaining such formation of regime. On the other hand, the model fails to explain the attempt of regime change pioneered by the U.S., it should predict that the competitors of the hegemon would challenge the existing regime. Instead, the very issue-specific structural power of the hegemon stimulated an attempt towards regime change exercised by the hegemon itself. Jönsson's evaluation is extremely valuable in theoretical terms in that it manifests the explanatory defects of the cyclical, self-

referential concentration of the hegemonic stability theory in application (Jönsson, 1981, pp. 44-49).

The scholar continues his assessment with the situationalist model. His conclusion is that, whereas the model accounts for formation of the regime in 1919 due to limited number of actors and narrow scope of the game, rational-choice models cannot offer convincing explanations for the two periods after Chicago Convention of 1944 deriving from the dilemmas of regulation versus competition in the second phase and the maintenance of the regime versus deregulation in the third phase (Jönsson, 1981, p. 55). Multiplication and diversification of actors in the form of nation-states, intergovernmental and non-governmental organizations, firms and alliances, resulting complexity of predicting pay-offs casts doubt on any explanatory attempt based on the situationalist model that ultimately rests on rational evaluation of either/or choices in a rigidly closed scheme.

The author then distinguishes his stance from the three models that he studied and puts forth the process model which inspects multilevel bargaining processes through transnational networks. The organizational context that enabled communicative links and coalition-building mechanisms gains paramount analytic importance in this theory. Rational choice could still be postulated as the dominant way for interactions but the unitary and frozen nature of the state is subjected to a fruitful disintegration which welcomed various bureaucratic departments and network professionals as processors of information into the picture. Application of this theory rests upon in-depth empirical analysis which focuses on statements of various figures of parties such as IATA, ICAO and nation-states and also various departments of states, the most prominent examples would be, for the United States, CAB, the State Department and the Transportation Department which manifested

different positionings throughout the process of evolution (Jönsson, 1981). With all due respect to Jönsson's stress upon the behind-the-scene links and networks that reinforced crucial processes of change throughout the evolution of the aerial regime, the author of this thesis humbly argues that this too fails in grasping the logic of complexity by reducing the conflictual process into network-wise positioning of actors in multilevel bargaining processes, i.e. by reducing the problem of macro level into the immense ocean of micro level. The very basic tenets of rational choice theory still hold their canonical posture with number of actors and bureaucratic nodes being multiplied. Hence evasion of the theoretical/empirical problem was shaded with detailed analysis of transnational networks, which still remained superficial in the end, enriching the very same narrative. These reserves leads the author of this thesis to assert that the critical realist - cognitivist theoretical framework could result in a more powerful explanation. Considering that Jönsson noted in his conclusion that intercomplementarity of the models he evaluated could shed light upon different aspects of international aviation (see Jönsson, 1981, p. 157), a preference as such could prove itself to be fruitful in the final analysis.

Mark W. Zacher & Brendt A. Sutton (1996) explore the international air transport regime from neoliberal lenses that anchor their inquiry onto mutual interests and resulting cooperation, in contrast to the power-based hegemonic stability approach. In general terms, the authors prefer the lineage of neoliberalism in explaining regimes but also acknowledge certain merits of neorealist approach (p. 3). In their study, the scholars investigate four fundamental international regimes that link national economies and frame global interactions: shipping, air transport, telecommunications and postal regimes. They argue that these four regimes are governed by norms that resemble each other in strength and nature, defined as " the

most general obligations and rights that states accept" (p. 4). Through this point, the authors reach to the concept of "meta-regime" defined as a unique set of norms that are prevalent in distinct regimes (p. 4). Normative components involve jurisdictional rights and obligations, damage control problems, technical and procedural barriers, prices and market shares. Zacher & Sutton link these norms to promotion of two crucial values: "The first is the removal of impediments to the international movement of transportation carriers and communications - and hence to the flow of international commerce; and the second is state control over important policy sectors" (pp. 4-5). In line with these values, the authors identify two axes of mutual interests: *mutual interests in promoting economic welfare* and *mutual interests in protecting political autonomy* (pp. 24 & 28). With regard to the former, the authors deploy the neoclassical conception of market failures and assert that a regime's attempt of correcting these failures will likely result in an increase in the sum of welfare gains of individual states (p. 26). On the four issue-areas, relevant conditions of market failure are discerned as the following: first and foremost; the impediments to the flow of factors production, which may encompass uncertainty of costs and commercial opportunities and high transaction costs, both public and private, secondly; emergence of natural monopolies due to economies of scale, and thirdly; negative externalities in the form of harmful effects to third parties.

It might prove at this point to be fruitful to cut off the review with a critical incision. Although the authors include "collusive arrangements to control supply and prices" to the list of generic conditions of market failure, they incorporate it to their analyses of the four regimes. However, it is the very co-existence of monopolizing economies of scale and supply/price control mechanisms which is positioned at the heart of the contradictory nature of regulation and deregulation trends in international

civil aviation regime. A similar backdrop could also be identified in the authors' hypothetical standpoint on the rubric of prices and market shares. Their first hypothesis is that regulation of prices and market shares is likely when a natural monopoly or economies of scale or of scope exists. Second, they assert that regulation is seen when there is a desire on the part of a state to control a particular industry with the aim of ensuring *internal* political and economic dominance. The third hypothesis emerges from within the second: in the absence of such aim, a regime that facilitates economic liberalization is likely to be formed (Zacher & Sutton, 1996, pp. 32-33). In this line of hypotheses, structural tendency toward regulation is omitted and the probability of regulation is reduced to a tool for ensuring solely *internal* authority, detached from the international scene.

The theoretical position developed in this study could acknowledge that regulation may have strong links with perseverance of domestic authority. However, to argue that it is the main factor would blind oneself to the bilateral encounters that are performed within the multilateral framework of regulation. The U.S. attempt to alleviate tensions growing out of the domestic aviation industry via persistence of regulations could well be linked to the principle of internal authority. However, the network-wise existence of regulations through IATA and ICAO stems from an international compromise of power structures.

Furthermore, the scholars' concluding analysis regarding historical process of change in market share and prices in international civil aviation is also noteworthy in the context of this study. The authors maintain in their introductory section that their study would adopt a neoliberal perspective in analyzing regimes but also note that neorealism would also be deployable in relevant moments. Dualization of mutual interests as mutual interest in preventing market failures and mutual interest in

preserving political autonomy hence corresponds to an amalgam of neoliberalism and neorealism. Their political economic regime analysis of market shares and prices fail to convincingly present a framework of resemblance between the four regimes. While for telecommunications, postal and shipping regimes, a natural monopoly, or at the very least a perception of natural monopoly existed and hence normatively and structurally justified the emergence and persistence of cartel, this was clearly absent in air transport. When confronted with this, the authors call out for explanatory merits of neorealism, as a life-saving parachute. Moving on the line of the notion of flag carrier airlines, the authors argue that IATA cartelization on the basis of anti-trust pricing served for the states' mutual interest of preserving national autonomy. Such an outlook, not only manifests its deficiency in the very moment of reducing the genesis and function of ICAO/IATA to a single instance of national autonomy, but also more fundamentally, rests as a futile attempt to subsume the differential axis of the international air transport regime into the Procrustean quadruplet imbued with the postulate of resemblance.

The canonical figure of the regime literature, Stephen D. Krasner conducted a comparative study of international shipping and aviation regimes and reached a conclusion that seems to be evidently in opposition to the abovementioned postulate of resemblance of Zacher & Sutton. The theoretical forefather of regime theory approached the two issue-areas with a particular emphasis on the relation between Third World countries and the regimes of aviation and of shipping (Krasner, 1985, pp. 196-226). From his standpoint, the first and foremost distinguishing principle of the international civil aviation regime is authoritative allocation of resources instead of free market liberalism (p. 197). Krasner, through a line of argument similar to Crister Jönsson, maintains that bilateral and multilateral efforts of the United States

authorities towards deregulation resulted only in very limited success (p. 98). The author, like Jönsson, also points out that the stance of the United States authorities towards regulation and deregulation was not uniform, as seen in State Department and Transportation Department's vehement objections against the Show-Cause Order of CAB which aimed for a more deregulated aviation market. Nevertheless, for the overall time scope of this study, it seems appropriate to define an aggregated power structure, i.e. the state which aimed to internalize a particular rationality. Analytic merits of sticking to such aggregation would be more fruitful when compared to a disaggregation. In various instances, differences are consummated internally before being translated into international scene.

Raj Nayar (2009) comparatively investigates the explanatory powers of realism, institutionalist regime theory and modified structural realism which could be considered as a mid-point melange of the two, while concentrating on the issue-area of international civil aviation (p. 140). Nayar commences his study with an overall sketch of these theories, whose summary would not be necessary here because a more extended review has been conducted on all the above pages. He conducts an examination through historical periodization which flows with crucial incisions, negating the conventional narratives. The epicenter of his study is his behavioralist conceptualization of international relations revolving around civil aviation not as a regime but as a system, which from his point of view does not manifest the main requisits of a regime on the grounds that enforcement capabilities were lacking in respective international and transnational bodies (p. 160 & pp. 168-169). It seems fruitful to engage in a more detailed critical examination of Nayar's study departing from the belowquoted insightful comments:

Conventional accounts of the Chicago conference usually contrast American aviation liberalism to the British penchant for regulation. However, such



accounts often overlook one crucial reservation in the American position, under which the United States absolutely barred the question of route determination, whether by market or by regulation, to be part of any multilateral convention. Routes, in the U.S. view, were to be strictly a matter for bilateral agreement between sovereign states. The United States would not relent on this aspect of aviation at Chicago or subsequently in 1947, at the ICAO-sponsored commission in Geneva (Nayar, 2009, pp. 155-156)

The author, through such emphasis on the key point of bilateralism on the issue of regulation and deregulation of international civil aviation, points out the specificity of the very issue-area. In this respect, international civil aviation is specific by its very nature in that the fundamental clash could not be characterized in an outright manner between interventionism/protectionism/regulationism versus liberalism/competitionism/deregulationism as endorsed by prominent conflicting parties. The conflicting parties, which were Britain and the United States in the time scope of this quotation, both manifest different degrees or tones of the two inclinations and from within such contradictory amalgamation the specificity of the international civil aviation as an object of study emerges, providing an inspirational motive for further engagement with the empirical side of the issue-area through the method of induction. Nayar's crucial note paves the way for the quest for atypical conditions on which power-structured rationalities crystallize and different strategies to engage with the existing multilateral framework.

Raj Nayar's demonstrative analysis of the American positioning in the Chicago Convention period lays bare the motives behind the U.S.' wholehearted endorsement of multilateral granting of five air traffic freedoms and bilateral determination of routes. Regarding the first, the U.S. relied on its air transport supremacy which would carve out more profits globally with the five freedoms whereas for the second, the U.S. feared easy penetration of other states' carriers into its vast air market which is geographically breachable through with different

pathways and predicted that its bilateral bargaining strength would secure profitable routes under its absolute domination (Nayar, 2009, p. 156). The author furthermore inverts the mainstream narrative by arguing that the Bermuda agreement, which is often depicted as the triumph of mercantilism, paved the way for prospective liberalization of international aerial navigation. Absence of predetermination of capacity and granting of the fifth freedom underpins the argument (pp. 158-159). The same move of inversion applies also to Bermuda II, which promoted protectionism by removing fifth freedom rights at the dawn of the quest for deregulation which started roughly at the same time scope (p. 162). These final remarks lend support to a conception of the international aviation system as operating on bilateral pathways within a broader but loosely enforced multilateral regulatory environment. A deregulatory instantiation during the triumph of regulation and a regulatory instantiation during the ascendance of deregulatory restructuring opens up the possibility of evaluating encounters of different power structures and their rationalities in these crucial turning points.

It is valuable for the scope of our study to refer to Nayar's positioning of ICAO and IATA in the international aviation system. ICAO's resolutions did not have any enforcing character and involving states seldom acted on the recommendations conveyed through these resolutions. On the other hand, with regard to IATA, Nayar notes that the bilateral clause of disapproval for fare settings were used in numerous cases even at the height of protectionist mercantilism after Chicago and moreover points to U.S.-led dismantling of its fare-setting capabilities in the late 1970s. In a nutshell, the author argues that it was state power which determined the flow of events in IATA and ICAO, hence they cannot be defined as

core elements of a regime but as translated reflections of state powers (Nayar, 2009, pp. 160-161).

Nayar's theory is largely state-centric and hence epitomizes the double-edged nature of resorting to reductionism. Reducing in the last instance all to resulting behavior indeed enhances the research on the axis of power analysis, but shadows many other dimensions that impact these behaviors through mediations, the first and foremost example being the cognitive dimension. Its explanatory merits in terms of its reliance to realist ontology could be praised but Nayar's study stands in contrast to the epistemological pathway offered in this study. The argument that a regime does not exist stems from the absence of a holistic outlook that take mediations between parts and whole into the system. Nayar's final argument is therefore tainted with a conception of immediateness of power. The theoretical body of this study could be an apt alternative which could prove that ICAO regime existed within the broader international aviation system.

As final words of this chapter, it could be reiterated that the existing academic literature on international civil aviation lacks a theoretically robust insight. Studies are not only limited in number but also in vision. A radical insight from critical theory that approached the subject matter is nonexistent. Studies that excelled in empirical analysis are trapped in rigid modalities of mainstream theories of international relations. Identifying these deficiencies, Jönsson's call for intercomplementarity should be reinterpreted as a critical engagement with existing models, instead of adding one model's explanation to another's to solve the puzzle.

## CHAPTER 4

### RIVALRY BETWEEN THE U.S. AND THE U.K.:

#### CLOSURES AND OPENINGS IN THE SKIES

##### 3.1 A preliminary focus on the role of aviation for the U.S. and the U.K.

Peaceful but intense competition between the U.S. and U.K. in aerial navigation marked the history of international civil aviation in critical turning points. In instrumental terms, aircraft represented a crucial trump card in hegemonic rivalry. Unconstrained demand for mobility paved the way for increasing profits with considerable growth in the nascent airline industry in both countries. Air transport was extremely valuable for the British in maintaining their economic connection with Commonwealth countries. On the other hand, the American economy gained impetus by reducing geographical distances to several hours. Therefore, commercial civil aviation was of paramount importance for both countries' economies, underpinning hegemonic rivalry, not to mention the usage of aircraft for military purposes.

Air services were hence a valuable asset for international relations. General structure of air market in the two countries differed: the U.K. enjoyed a single lineage of national flag carriers that multiplied or consolidated via state intervention, while in the U.S., several strong airlines operated as private firms under the surveillance of regulatory units of the state. In any case, national air markets represented proper examples of oligopolistic or monopolistic models rising upon politico-economic pillars. When the scope is enlarged to the world as a whole, one faces with a very rigid barrier in entry level, which is the necessity of possessing required advanced technological know-how for aircraft production. When the politico-economic axes of military and commercial aviation are inserted into this

basic economic explanation, the complex panorama of international civil aviation becomes more and more crystallized: a market dominated by very few firms which are either state-owned or state-backed, holding in itself an increasing potential for growth and competition, finding its operational basis on a legal framework largely coordinated by a few number of states, the U.S. and the U.K. being the predominant ones. In this sense, the rivalry between these two states stands at a very crucial point in analytical terms when it comes to evolution of overall regulatory framework of international civil aviation. If above remarks are kept in mind, one could easily be convinced to the idea that this international structure itself is a byproduct of the competition between these two giants of aviation. Therefore, the logical correspondence between shifts in regulatory framework and this peaceful but intense rivalry deserves to be the initial theoretical instance.

This thinking would concomitantly leads us to delineate the contours of a conception of national interest in aviation beforehand. First of all, civil aviation was conceived as an instrument for ensuring territorial cohesion by acting as an influential status-symbol (Dobson, 1991, p. 2). Basically, apart from the vague notion of prestige, when one inclines towards the realm of economics, three crucial interests, which seem especially valid for great powers, can be drawn out: operating airlines' high level of profit making, motivation towards aircraft manufacturing through vested interests, contributions of air service to other sectors in national and international economy (O'Connor, 1971, pp. 93-107). These three factors are in line with the oligopolistic panorama of the air market depicted briefly above. Aviation-related national interest could not be conceived as listed above for many countries in the world, due to some crucial conditions. According to Chuang (1972), these factors could be discerned as follows: high level of delivery expenses of parts of flying

equipment from the U.S., high price of imported fuel, low per capita income which results in less traffic and consequently high unit cost, high maintenance cost of different types of aircraft imported from different aircraft manufacturers, lack of administrative know-how and high short-haul flight demand which increases operational costs (p. 122).

The above economic explanations for subsistence of the oligopolistic structure hence serves as a basis for U.S. and U.K. predominance in the international political scene which coordinated the spheres of regulation and deregulation through organizational bodies governing international air traffic. Both the U.S. and the U.K. enjoyed high yield from long-haul flights, manufactured to a large extent their own aircrafts, excelled in administrative skills and possessed high air traffic demand through their aura of political influence overseas and the resulting expansion of other economic sectors there via air services. After having outlined the main premises of the bridge between the genesis of the international regulatory framework and the U.S. and the U.K. predominance in aviation, it seems now appropriate to take a closer look on the historical conditions in the first half of the twentieth century that paved the way for the emergence of the international civil aviation regime after the World War II.

### 3.2 Dormant rivalry nurtures the Other Air Battle behind the scenes

Considering that such historical sketch would serve only to establish the foundational basis of the research question at hand, a brief outlook which goes along the axis of the competition between the U.S. and the U.K. after the World War I to World War II would be sufficient. In the interwar years, distinct economic and political development in aerial navigation of the United States and Europe as a whole resulted

in two separated spheres of regulatory frameworks under two different conventions. In Europe, under the leadership of the British, a loose regulatory tone emerged with the signing of the 1919 Paris Convention Relating to International Air Navigation which granted member states the right of innocent passage for private planes without deepening the focus to scheduled flights, hence leaving many commercial issues to bilateral negotiations. On the other hand, in the United States, the 1928 Havana Convention signed between American states, imitated the 1919 Paris Convention on safety, technical and navigational issues by putting aside crucial commercial aspects (Dobson, 1991, pp. 7-8). Hesitant moves the parties made a year after towards unifying these two regulatory spheres proved to be futile (Mackenzie, 2010, p. 16). It could be suggested that such evident gap in the general framework of commercial civil aviation in the interwar years buttressed the efforts towards a multilateral consensus after the World War II.

While the British were struggling to mend the injuries they have suffered during the World War I, its aviation industry expressed an alerting panorama. Without any considerable government support, in the midst of declining welfare, air services between Commonwealth countries and the British island began to suffer heavy losses and eventually got subsidized by French operators. From the ending of the World War I to 1925, there was no American expansion in aviation, therefore the British, although diminished in strength, still had the upper hand in long-haul traffic. (Dobson, 1991, pp. 9-11). From 1925 to 1930, the United States expenditure on aviation had risen by 140%, whereas Britain's decreased by 2%, and the U.S. had also respectively nearly double of the number of pilots and frontline machines that the U.K. possessed (pp. 19-20). Commercial aviation was the sole sector that bypassed the devastating impacts of the Great Depression, with an evidenced growth

throughout the turbulent years (Zacher & Sutton, 1996). The American growth in aviation was due to an amalgamation of industrial mass-production know-how which paved the way for outnumbering of the British and New Deal economics that funded civilian pilot training programmes (van Vleck, 2013, pp. 105-106).

The largest international airline in terms of economic value was the American airline Pan Am by the year of 1939, and in 1941, its network as total of operating routes reached 98,000 miles, which was at time surpassing the total of all national European services combined (Bender & Altschul, as cited in Mackenzie, 2010, p. 4). Literally, this exponential growth could not be fought back by Britain, and that is the very reason why, instead of remaining and receding within its aerial barriers, the country granted Pan Am the permission to operate flights to London, in 1939, right after the granting of entry rights to the airline by France (Dobson, 1991, p. 179). Lacking a robust competitor flag carrier, the British chose to exploit commercial potential that would be opened up by Pan Am's entry to Heathrow.

In 1942, Adolf Berle, the assistant secretary in the State Department responsible for aviation policy wrote the following words in a personal correspondence: "I feel that aviation will have greater influence on American foreign interest and American foreign policy than any other non-political consideration" (as cited in Mackenzie, 2010, p. 5). PAA's government-subsidized operations to Africa and Latin America during wartime stand as an illustration for such feeling (van Vleck, 2013, pp. 165-166). Furthermore, the U.S. exploited this superiority in aircraft production with Lend-Lease aid that formed the backbone of the Allied countries air fleets and gained the political upper hand (van Vleck, 2013, p. 179). In 1942, anticipating further expansion of the American aviation, the British aimed to search for viable solutions for their lagging-behind by concentrating on long-term, planned



aircraft production, with the forming of Brabazon committee, named after the former Minister of Air Transport Lord Moore-Brabazon. (Engel, 2007, p. 33).

In the midst of such rapid development and prospects for further growth potential, in a 1943 report of an interdepartmental committee in which Adolf Berle took part stresses the necessity for Anglo-American deal for the future of international civil aviation:

The heart of a general navigation agreement, would have to rest on agreement between the United States and the British Empire and Commonwealth Nations; it may fairly be assumed that once this agreement is reached, practically all countries in the world (with the possible exception of Russia) would accede. (as cited in Mackenzie, 2010, pp. 6-7)

Regardless of the above notice, there were already signs that this process would not be as smooth as expected, as could be seen in the stance of British as epitomized in the secretary of state for air utterances in the House of Commons:

"After the war we shall be one of two things: either we shall be a small island of 45 million people in a world dominated by the great United States of America, with 130 million . . . or we shall be the center of a great Empire which will be bound together by our air routes" (Fortune, as cited in van Vleck, 2013, pp. 180-181). The first scenario was more realistic and this was precipitated by a private firm. PAA, with its growing influence in international civil aviation, without the knowledge and consent of the U.S. government, approached BOAC top managers and signed a secret pact of route-sharing to be later on presented to Roosevelt administration as an already determined market structure (Engel, 2007, p. 96). This boldly independent move made by a private firm is an evident sign for cleavages between public and private parties involved in the rivalry and should be prioritized in explanatory inventory. This move marked the first outburst of an emerging power structure with a distinct initiative of rationalization. PAA would later on be the most prominent power

holding unit that destabilized the locked-in multilateral framework regulated by ICAO and IATA regimes, via lobbying activities, secret pacts, absorptive mergers or unilateral fare reductions. In this example, albeit the fact that authoritative determination of routes was the vital point of regulation in the eyes of the U.S. government, PAA opted for independent action that set the rules of the game. This prototypical illustration should be kept in mind in subsequent historical encounters.

### 3.3 The Other Air Battle unmasked: The years of Chicago-Bermuda

At the end of the World War II, fifty-two states came together in Chicago to discuss the prospective regulations for international civil aviation. Contrary to any conventional presumption, the Soviets were absent in this conference, hence leaving the scene for intense conflict between the U.K. and the U.S. The Chicago Conference aimed to form a multilateral aviation regime that would bind up the wounds of the war and facilitate and coordinate further growth of commercial aviation worldwide. Nonetheless, the aim could not be realized, leaving the participants with a partial solution to issues at hand. A standardization was reached in terms of safety and security measures of commercial aviation. Apart from these technicalities, multilateral granting of five air freedoms, designation of routes, frequencies, capacities and passenger fares were topics of hot debate at the table (Mackenzie, 1991a, p. 272).

Air traffic rights were an issue of utmost importance for the participants. Four proposals made respectively by the United Kingdom, Canada, New Zealand and the United States on the prospective regulatory framework. During the talks, there emerged a consensus on granting of the first and second freedoms, right to innocent passage and right to stop for non-traffic purposes. However, the crux of the disputes

was the third, fourth and fifth freedoms rights, while many of the controversies were concentrated on the fifth. In terms of content of the proposal, the dominant relation of antinomy, in line with expectations, was between the U.K. and the U.S., which deserve further meticulous focus for the purpose of this study.

The British proposal foresaw a post-war international civil aviation with coordinated growth of European airlines under the protectionist cloak of considerable regulations, whereas the Americans pushed for further penetration of U.S. airlines to the profitable routes in the world without facing any intervention to free market conditions. In principle, their divergent stances could be summarized as such. However, it seems worth our while to enrich the cleavages that distinguish the positions of the proposals respectively. A parsimonious depiction follows:

- a) *The United States Plan.* A United Nations type of organization with considerable power in technical matters, but only consultative function in economic and political matters; freedom of the air for peaceful civil aircraft, with as little regulation possible; no delegation to any international authority to fix rates, routes, frequencies or capacity;
- b) *The United Kingdom Plan.* An "International Air Authority" to determine and distribute frequencies, capacity, and to fix rates, routes to be agreed upon bilaterally or multilaterally, between nations; the "authority" to allocate frequencies among nations flying each particular route, and to take action to maintain "broad equilibrium between the world's air transport capacity and the traffic offering"; elimination of wasteful practices, unfair competition, and the control of subsidies. (Jones, 1960, p. 228)

One concrete and expelling factor for diverging propositions regarding economic regulation could be the difference in air fleets: the British suffered heavy damage from German bombings and lost many planes whereas the Americans were robust in air. In addition to this, when the lagging state of the aircraft manufacturing industry, low profits of British flag carriers, victorious and uninjured post-war image of the U.S as a reality are taken into consideration, the respective pro-regulation and pro-free-competition of the parties become more and more meaningful. An

additionally insightful commentary that comprises some of these and lays out motivations of the parties is as follows:

The United States was capitalising on its overwhelming position as the leading aircraft producer to secure for itself a near monopoly on long-haul traffic. The British in the meantime had been encouraged to build only fighter bombers, leaving them dependent on the Americans for their transport planes once the war was over. Britain's extensive overseas connecting points in the colonies and the Commonwealth gave it the only edge over the US whose main weakness was the need for landing bases strategically located along trunk routes. (Sochor, 1991, p. 6)

In the end, the Chicago Conference spawned two international agreements covering air traffic rights, an international body equipped only with advisory roles, an anti-trust trade union of airlines: International Air Services Air Transit Agreement involving exchange of first two freedom rights, International Air Transport Agreement which grants reciprocally all of the five freedoms to signatory states, the Provisional International Civil Aviation Organization (PICAO) which was designed to be concerned with safety, security and technical issues, the International Air Transport Association, initially to be composed of flag-carriers of the ICAO member states, setting uniform fares for routes through the mechanism of multilateral tariff conference. The two-freedoms agreements were signed by 26 states while only 16 of the participant states put their signatures on the five-freedoms agreement. The implication of such partiality is that the multilateral framework did not succeed in providing grounds that would finalize conflicts. This was the first concrete outcome of differential tonalities in regulatory issues. This resulting partiality for a nascent regime structure could be read as a strength indicator. At the point of genesis, the deregulatory current had considerable proponents and the regulatory current was not powerful enough to outweigh its propagation. Explicit gaps were left in order to provide maneuver space for bilateral or regional/multilateral deregulatory consensus. One example of such gaps is that the Conference transmitted onward core

commercial questions to the sphere of bilateralism, to be checked and balanced multilaterally only via IATA's fare uniformity mechanism.

After Chicago, the U.K. general elections initiated an era of Labour government, succeeding the Conservative one. On the other side of the Atlantic, Roosevelt got re-elected, but a crucial turn happened in aviation policies when Adolf Berle, the liberal internationalist aviation expert diplomat of Chicago and pre-Chicago years was appointed as ambassador to Brazil. Behind this move, there was the lobbying of PAA who saw unregulated competition as a threat to its growing profits and of some prominent members of CAB and moreover objections that came from the War Department on the grounds that civil aviation should be exploited wisely in strategic areas that would commercially underpin the military security aims (Dobson, 1991, 176). This was the second articulation of PAA's power structure which operated in the form of lobbying that succeed in internalizing a distinct rationality and thus contributing to change in line of policy. The newly adopted line of air policy would capitalize on bilateralism with such strategic perspective, which gained much more impetus after Roosevelt's death in Truman era. The eventual triumph of bilateralism became decisive with the United States', the devoted proponent of "open skies" renunciation of the International Air Transport Agreement which could be coded as normalization of bilateral reciprocity in international civil aviation (Sochor, 1991, p. 14). It follows that, instead of strategic defiance to the grand project of regulation, the U.S. opted for burrowing under the nascent loose multilateral framework and tunneling its bilateral appropriations through. Then onwards, an intensification of tactical maneuvers in the rivalry was recorded. Accordingly, the tactical move of starting bilateral fifth freedom negotiations with Ireland, which aimed to open the doors to Europe through Dublin commenced. In the

meanwhile, a crucial British policy change involved buying solely British-manufactured aircraft and depriving the U.S. from Commonwealth countries' aviation potential through protectionism. Both were to be seen as exaggerated bluffs that in reality motivated both sides to reach an agreement (Dobson, 1991, 179). A bilateral agreement, however, would prove in the final analysis to be a relaxation of tensions for the U.S. Having internalized its specific rationalization in the form of bilateralism within multilateralism, the U.S. did not anymore feel the need to engage in a diplomacy of regulation or deregulation.

On the side of the airlines of the U.S., there was considerable turbulence. The PAA lobbying was transformed to immediate action after the government's licensing of Trans World Airlines (TWA) and American Overseas Airways as international carriers which aimed to stir up competition. As a harsh response, PAA management under Juan Trippe unilaterally decreased its transatlantic fares by \$100 (Dobson, 1991, p. 189). The PAA rationale was to subdue the U.S. foreign policy by imposing a line of policy that would correspond to its own interest, which should be equated to nation's interest as the de facto flag carrier. This movement had considerable impact on both sides regarding the paramount importance and necessity of an agreement to be reached immediately in order to alleviate such disturbing irregularities of market dynamics. The end result was a compromise whose scale of balance was leaning towards the American side: fifth freedom rights with frequencies to be determined freely by operating airlines were exchanged under two limitations, namely, capacity clause and inhibition of change of gauge<sup>2</sup>, fares were to be determined by IATA mechanism. In this sense, it could be argued that striking of the agreement was a compromise reached by, not two, but three distinct parties, namely, U.S., U.K. and

---

<sup>2</sup> A change of gauge occurs when a commercial air service offered as a flight between point A to point C is operated from A to B and from B to C by two different aircrafts, under the same flight number. This implies a difference in capacity in segments AB and BC.

PAA. Multilateral fare setting machinery was at this turning point deemed to be logical for U.S. authority that would tame the giant of aviation, PAA. Furthermore, it should be noted that, on the side of aircrafts, the agreement practically negated the Labour government's "buy-British" policy in the form of side payments, the contracting parties agreed upon sales of five Constellation aircraft to Britain (Dobson, 1991, p. 198).

The Bermuda Agreement opened up a new era in international civil aviation regime with its within-multilateral bilateral nature. In other words, Bermuda was the necessary product of the partial multilateralism reached at Chicago, subsequent to the apparent failure in coming to terms as a total compromise regarding the regulatory framework of international civil aviation. This is not something to be revealed via in-depth political analysis, on the contrary, the Chicago Convention explicitly paved the way for such bilateral interactions to be decisive in regulating the terms of commercial activity. Grounds for bilateralism are embedded in the very beginning of the convention. Juxtaposing Article 1 and Article 6 of the Convention would suffice to justify this: "Every state has complete and exclusive sovereignty over airspace above its territory. No scheduled international air service may be operated over or into the territory of a contracting State, except with the special permission or other authorization of that State" (Convention on International Civil Aviation, 1944). Moreover, the Final Act of the Convention included a standart form of bilateral air traffic aggrements which served as ideal typical basis for subsequent bilateral aviation diplomacy (Sochor, 1991, p. 13). The U.S.' objection to proposals of multilateral air service agreement in the first meeting of ICAO in 1947 and offering the path of bilateral agreements based on the model of Bermuda justifies this claim in

concrete terms (Dobson, 1991, p. 207). The very genesis of ICAO will be subjected to in-depth analysis in the subsequent chapter.

The combined outcome of the Chicago Convention as the epitomic prototype of multilateral framework of international civil aviation regulation and Bermuda Agreement as the foundational pillar of bilateral air service agreements was hence a compromise for the British and the Americans. The whole compromise could be paraphrased as follows: while the U.K. manifested a retreat from frequency controls to capacity limitations, the U.S. renounced their principle of free competition in international routes and accepted multilateral fare setting mechanism of IATA (McCarroll, as cited in Diamond, 1975, p. 446). The signing of the Bermuda Agreement did not only spawn the birth of a smoother future for international civil aviation relations between the U.S. and the U.K. but also provided an illustration of what is to be done in order to fill the gaps on route, capacity and frequency regulations that are left deliberately in the Chicago Convention. In this sense, it has become a model of behavior for states as members of the newly established international civil aviation regime. It could be suggested that it has generated a patterned behavior modeled upon U.S. power-structured rationality.

Furthermore, it is to be maintained that the very agreement was imbued with the high level of disparity between aviation powers of the two parties (Mackenzie, 1991b, p. 63). The British being the most advanced runner-up, was way behind the Americans and it could be argued that this very fact paved the way for further conflicts due to present and prospective imbalances. On the other hand, the post-war economic reconstruction plans of the British involved loans to be received from the U.S. Concomitant negotiation processes of the agreements on this financial aid and on air services led to favoring of U.S. aviation interests and (Mackenzie, 1991b, p.



71). The same fact could be put forth as an explanation for considerable change in the position of the U.K. regarding international regulations when compared with the proposal they had presented in the Chicago talks.

In Bermuda, in addition to the mutual granting of fifth freedom rights on the basis of exchange of routes, it was agreed that frequencies were to be set unilaterally by each contracting parties (O'Connor, 1971, p. 28). The most crucial resolution that crystallized through the whole text of agreement is the one regarding capacity and this cast shadows over the principle of unregulated frequencies, impacting the number of supplied seats indirectly:

(4) That there shall be a fair and equal opportunity for the carriers of the two nations to operate on any route between their respective territories (as defined in the Agreement) covered by the Agreement and its Annex. (5) That, in the operation by the air carriers of either Government of the trunk services described in the Annex to the Agreement, the interest of the air carriers of the other Government shall be taken into consideration so as not to affect unduly the services which the latter provides on all or part of the same routes. (6) That it is the understanding of both Governments that services provided by a designated air carrier under the Agreement and Annex shall retain as their primary objective the provision of caps, adequate to the traffic demands between the country of which air carrier is a national and the country of ultimate destination of traffic. (Zambia (Bermuda I) Air Transport Agreement, 1947)

The outright principles regarding capacity regulation that make explicit reference to traffic demands and interests of the national air carriers, provided fertile grounds for the possibility of future objection to be voiced by the signatory states. This, indeed happened. On the grounds that the British air carriers' profits in international routes were in decline whereas the American earnings grow, the British denounced the agreement in 1976. There were no viable option other than denunciation, these principles only served for a normative basis of action because of the evident lack of any external international authority to enforce them as statutes (Diamond, 1975, p. 451). In fact, any complaints regarding violation of the capacity

clauses could be transmitted to ICAO (at the signing of the agreement, PICA0) but ICAO's resolution would serve only as an impartial judgment, indeed on the international basis, but lacking any enforcement power (Mackenzie, 1991b, p. 70). This mere fact of not consulting ICAO when tensions pile up demonstrates that the multilateral framework was deemed to be irrelevant for resolving such conflict. In this sense, it could be maintained that the ICAO regime was not only loose but also weak without any immediate capability of impacting outcomes.

Before continuing, it should be noted that the agreement was subjected to an amendment in 1966. Certain route exchanges between parties were made, however, these were not deemed to be profitable for the British: PAA and TWA were exploiting the Heathrow airport with the fifth freedom right, hence reducing British Airways earnings from London to European cities and from Hong Kong to Asia. The other side of coin shines in the example of North Atlantic routes, in which designated scheduled capacities resulted in problem of overcapacity when faced with diminishing demand. In addition to this, uniform fare setting mechanism had been tried to be breached via introduction of economy class and tourist class fares which enabled the strong U.S. international airlines to extract further profit. Furthermore, U.S. CAB's increasingly sudden objections to fares set multilaterally in IATA were also another issue of concern for the British. Whereas British national carriers' capacity levels were subject to intervention from government, its American counterparts, PAA and TWA were facing only very limited government intervention in this respect. (Oswalt Hill, 1978, pp. 112-115).

Bermuda II succeeded Bermuda I. Before analyzing the transition in detail, it is worthwhile to refer to the reaction of PAA towards the signing of Bermuda II: "The new agreement transfers net economic benefit from the U.S. flag systems to the

British flag. That was the purpose of the British denunciation of the old agreement" (as cited in Oswalt Hill, 1978, p. 116). This statement portrays the PAA power-structured rationality which equates its own net economic benefits to that of the nation and hence assaults the U.S. line of diplomacy. On the other side of the ocean, regarding the position of the British flag carrier, it would be fruitful to refer to one representative of BOAC's following words that had been uttered years before the renegotiations:

. . . as far as one can see, the existing Bermuda bilateral framework is likely to persist, although regional groupings, new governments, and possibly changes in the basis of negotiation, may modify "Bermuda" into something very near to the predetermination type of agreement. It would seem to me that restrictions are more likely to increase: the move could be towards predetermination rather than to a multilateral freedom (Jack, as cited in Diamond, 1975, p. 491).

It is indeed an uncontested fact that bilateral framework persisted, but the question remains whether the direction at Bermuda II was towards predetermined regulations or removal of restrictions. As an attempt to unravel this complexity, it is indispensable to elaborate further on the conditions that generated Bermuda II. Mushrooming of non-scheduled charter flights, oil crisis' impact on fuel prices and on economy overall, costly operation of jumbo jets gave birth to an alarming situation for British and American international airlines. Respective tentative positionings with regard to ways of coping with this deeply entrenched structural problems displayed diverging lines of thought. The divergence could be aptly summarized as follows: while the British, under Labour government, sought more regulation, and the U.S. Carter administration wished for complete deregulation (Dobson, 1994, p. 146). The British side initially pushed for ". . . a more equal division of spoils from the routes designated under the bilateral; capacity controls through airline consultations and through single designation (allowing only one

airline from each country to operate); for the abolition of fifth-freedom rights; and for a limited number of new gateways in the United States" (p.147).

Regardless of the original positions of the parties at the time when they sat to the table, the resulting agreement was a mixture of regulation and deregulation, which could be seen overall as more advantageous for the British side. With the signing of Bermuda II, each contracting party now had to designate only two airlines on the New York - London and Los Angeles - London routes and only one airline for all other routes including London as origin/destination, with the clause indicating that a second carrier can be designated in case of increase in traffic or decrease in competitive power of the designated airline (Oswalt Hill, 1978, p.117).

Furthermore, the U.S. had to give up on the precious fifth freedom right on many routes, leaving only Frankfurt and the round-the-world flight of PAA at hand whereas Britain gained entry to new gateways in the United States through which she could engage in competition with local airlines. British Caledonian (BCAL), a private firm who operated non-scheduled charter flights erstwhile, now gained the right to operate as the sole flag carrier in Houston - London route, not to Heathrow, the hub of BA, but to Gatwick, the growing alternative. This was critical for BA, which also expressed concerns about provisions regarding flying passengers from regional airports to international gateways that would have financially positive results for itself (Dobson, 1994, p. 160). When BOAC's abovequoted prediction and BA's reaction are put into a bundle, it follows that the line of thought of state-owned British carriers was for preservation of the bilateral scheme, without any new foreign or domestic entrants to their routes. It could be said that this power-structured rationality was not internalized by involved parties, with route designations thenceforward incorporating BCAL.

Everything considered, the U.S. failed to convince the U.K. on a liberal agreement on the issue of non-scheduled charter flights and the existing regulatory framework encompassing scheduled flights got tightened. This becomes more problematic when two things are taken into account; first, a British charter firm got licensed for scheduled flights in a route as sole flag carrier under the British state's protection whereas U.S. airlines which were strong in number and quality could not make their way forward to the European market, with the current stasis of double designations; and second, this whole regulationist setback occurred at the heart of the U.S. deregulationist leap forward as epitomized in Airline Deregulation Act of 1978 and International Air Transport Competition Act of 1979<sup>3</sup>. What follows from these is that the U.K. rationality opted for absorption of the growing private firms into the bilateral regulatory scheme of scheduled flights and that state-owned U.K. carriers could not resist this process. Furthermore, the new bilateral compromise that locked-in networks of international scheduled flights of flag carriers paved the way for further IATA fare violations, without new routes, the U.S. carriers could only increase their profits by reducing fares to compete with charters. In this sense, it could be argued that this very regulatory redressing helped generation of tensions in the market governance structure which in the end led to a coordinated economic and diplomatic assault against the IATA multilateral fare setting machinery. At that moment, it is to be admitted that the U.S. private and public power-structured rationalities converged, though the first being the motor force.

---

<sup>3</sup> For a detailed analysis of deregulation in aviation industry, see Dempsey & Goetz (1992) and Bailey et al., (1985). It is remarkable to see how the authors conceive of the same economic phenomenon from such contrasting lenses, the first conceiving of the rallying of deregulation as a myth, while the second endorsing its relative merits.

### 3.4 Overview of British and American carriers

This section will underpin the above comments regarding aviation market structures and their governance within the multilateral framework with a brief historical economic evaluation of public and private carriers of both countries. During the years preceding the World War II, the British and the American international airlines displayed clearly distinct patterns of performance. There were two British national flag carriers: Imperial Airways (IA) which operated long-haul intercontinental flights and British Airways Ltd. which concentrated on short-haul flights to local destinations and Europe (Bluffield, 2009). These two firms were latent imitations of heavily government-subsidized and successful airlines of continental Europe and were products of forced mergers via nationalization. On the other hand, an overview of American airlines would lead to a different lineage. First of all, U.S. airlines operating national or international flights were not nationalized. Whereas several domestic airlines such as Delta Air Service, McGee Airways, American Airways, Inter-Island Airways, United Air Lines were operating round trip flights between American states, Pan American Airways were the legally designated sole figure in the international routes, which could thus be labeled as a *de facto* monopoly. The government faced increasing lobbying on the part of domestic airlines for overthrowing this legal status through acquisition of international traffic licenses (Mackenzie, 1991a, p. 273).

While IA depended largely upon government subsidies which cover their operational financial losses, PAA reached considerable financial success with a relatively modest government support, despite the fact that both were operating largely on non-competitive routes. Whereas PAA's head Juan Trippe acquired the right to land to Bermuda and Newfoundland for transatlantic operations with

Washington's acquiescence and were thereafter ready and willing to exploit it, the IA, which concomitantly received reciprocal entitlement for transatlantic operations, could not commence until 1939 due to technical problems (Sochor, 1991, p. 3). In 1939, PAA declared a profit of nearly 2,000,000 dollars. In the meanwhile, the IA's profit were only approximately 100,000 pounds, thanks to 380,000 government subsidy (Dobson, 1991, p. 107). The procurement of aircraft was another problem for the British national carriers. British aircraft manufacturing industry's capacity of production was limited and the airlines were operating their flights mostly with low-performance flying boats. In the U.S., the demand for aircraft were fostered due to domestic competition and military prospects, which resulted in increased and speedy production of aircraft via technological innovations.

After the emergence of Chicago-Bermuda regime, bilateral granting of air traffic rights on specific routes changed the atmosphere of the competitive environment in which PAA and BOAC take part. In the meanwhile, TWA acquired rights to operate on international routes, hence PAA's monopoly status was finally broken. Nonetheless, the striking fact was that, even by the late fifties;

Pan Am was only one of four American airlines larger than BEA and BOAC combined, to say nothing of the dozen additional major U.S. carriers of the period. Even when stretched beyond its useful limit through Whitehall pressure, Britain's domestic market was simply dwarfed by America's. (Engel, 2007, p. 191)

Furthermore, although another airline company, American Overseas Airways was entitled to operate in some routes thanks to dual designation, PAA accomplished its takeover in 1950. As implied in the above section, PAA's strategy involved mergers in the form of take-overs which eliminates actual or potential competitors and thus internalization of its power-structured rationality is facilitated thanks to the airline's de facto monopoly status. Between Bermuda I and Bermuda, the central

competitors in transatlantic route was PAA and TWA (van Vleck, 2013, 215). Up until the early 1970s marked by the oil shock that had its direct reflection on airline financial reports, the international airlines of the U.S. made profits with increasing margins, but after 1970 the general problem of overcapacity also started to affect them. This could be one of the factors that rendered PAA's voice weak in objecting the premises of Bermuda II. On the other hand, the British national airlines were struggling for survival and have long been suffering from overcapacity. The originating point of overcapacity, for the British airlines, in addition to overall supply demand dynamics in air traffic, was the government's intervention to BOAC and BEA aircraft sales in order to save the aircraft industry from bankruptcy, which furthermore increased their operational losses (Higham, 2014, pp. 132-135). In such an economic structure, it is not startling to see that the U.K. national carriers were mere wagons of the locomotive of bilateral agreements. They were not powerful enough to intersect the course of the bilateralism-within-multilateralism patterns.

In addition to the growing imbalance between the U.S. and U.K. designated carriers in exchanged routes, British domestic market structure had also undergone crucial changes. British private firms who were operating charter flights without considerable government support and lower-technology air fleet were now had an influential lobbying organization, the British Independent Air Transport Association (BIATA). In 1951, the Independents grew 430%, a rate nine times higher than that of BOAC, 43 per cent, in the face of a general expansion of 93% of world's airlines' combined. While the national flag carrier suffered considerable losses in the transatlantic route due to PAA's supremacy and also in other international routes, domestic demand and international charter demand were met with private firms' supply. This has affected considerably the constellation of power structures in the



U.K. Throughout the decade, there were increasing demands on the part of the Independents to operate on international routes and faced with harsh BOAC reactions. In 1959, one of BIATA members were given the right to operate flights to Africa and then through a government-induced merger with some of the other members, British United Airways (BUA) became the first private firm operating scheduled international flights. By 1961, the total of BIATA members' capacity ton miles offered was 22 per cent, whereas BEA's was 23 per cent (Higham, 2014, p. 174-179). In 1962, BCAL emerged as a private firm offering low fare charter tour packages in transatlantic route. With government encouragement, BCAL took over BUA in 1970 and enlarged its network (Higham, 2014). With BUA formerly operating in African routes, the government revoked BOAC's rights to operate in some of these routes and explicitly enhanced BCAL. This was a part of the official Second Force program launched in civil aviation policy (Lyth, 1998, p. 79). The program envisioned absorption of growth of the Independents by redistributing route entitlements and hence locking them in the existing bilateral framework of exchange of air traffic rights. With Bermuda II, BCAL got the entitlement to Houston-Gatwick route and hence was the first private firm designated as a flag carrier in the transatlantic route. Throughout the evolutionary phases of BUA and BCAL, BOAC/BEA/BA's counter lobbying capabilities were limited due to their public status, and the Independents were proven to be qualified lobbyists. Nonetheless, their lobbying for route operating entitlements bind them more and more to the government, as above narration suggests.

A long quotation would wrap up the focus on British national carriers and open the path towards the American side of the story:

British policy on international civil aviation in the years between 1945 and 1980 stressed *orderly* growth and development. The state-owned airlines

BOAC, BEA and BA may have paid lip-service to the idea of competition, but in practice *the only rivals they tolerated were designated foreign flagcarriers* [emphasis added] with whom they served common routes under a regime of strict capacity and price controls. They were innovative in the field of creative fares, *particularly when faced with the challenge from non-scheduled carriers, but remained stalwart supporters of the IATA cartel* [emphasis added] and of the postwar regulatory system worked out at Chicago (1944) and Bermuda (1946). As state-owned enterprises, in common with most other European airlines, they *relied on government agreement rather than market forces* [emphasis added]. In comparison with the privately-owned airlines in the United States, they were high-cost businesses which *sought to maintain their financial viability through tight control of the market* [emphasis added] and bilateral agreements with foreign competitors. (Lyth, 1998, pp. 75-76)

As the emphases underline, history of British national airlines until 1980s is a history of regulation and protectionism in which government and public airlines coordinated the terms of air market. On the other hand, in the U.S., the dividing lines between international and domestic airlines persisted after the WW II. Pan Am enjoyed its unrivaled position throughout the 40s and 50s. Then onwards, some of the domestic airlines acquired entitlements for international routes, though their presence were dissipated around the globe and were not as robust as the omnipresent PAA: on western Pacific routes, Northwest Airlines; on central Pacific routes, United Airlines; on Central and South American routes, Braniff; on the Northlantic, TWA. PAA even attempted to get entitled to operate on specific domestic routes, but consecutive requests were all declined in fear of too much power to be imbued to it (Bilstein, 1998, pp. 236-237). Such reaction manifests and revalidates the line of tension identified between the aerial giant, PAA and the broader aviation strategy of the U.S. PAA's further growth would spell the death of the bilateral-within-multilateral scheme of air freedom exchanges between nations. In the North Atlantic, PAA and TWA dominated the scene but by the 70s, this dualistic market structure began to elicit question marks, with the demise of Keynesianism and signs of the future prevalence of market liberalization. This structure indeed began to dissolve in

the 80s, with the advent of deregulation. Nonetheless, for the time scope of this study, what matters is the degree of autonomy to assign to private firms in aviation. By this token, PAA seems an incrementally influential actor throughout the rivalry, international and domestic alike.

### 3.5 Shadows lurking behind: aircraft production and trade

The international civil aviation regime did not solely consist of arrangements concerning air services on the axis of national sovereignty of states. Aircrafts are tradable goods, hence are subject to the broad framework of international trade regulations. Moreover, the coincidence of military and civil aspects on the aircraft as a product renders the notion of trade more intriguing. This section is devoted to provide an understanding of this intricate subject by concentrating on historical examples in which the U.S. and the U.K. are major players and enhance the explanatory outlook by further delineating the power structured rationalities and identifying related securitizing or desecuritizing moves.

It is worth our while to initiate the narrative with a particular emphasis on Brabazon Plan for which high-tech aircraft trade constituted a crucial phase. This strategic plan was a coordinated long-term strategy that attempted to attain the objective of surpassing the U.S. in aviation, military and civil alike, though the primary focal point being civil aviation. Anticipating the post-war dominance of the U.S. in commercial aviation worldwide and acknowledging the structural politico-economic factors behind it such as advanced level of technological research and development that permitted mass production of high quality aircraft and the power of being able to refer to issue linkage in striking air service agreements that will further expand operated routes of its carriers, the Brabazon Plan put forth the idea of

manufacturing the first jet civil aircraft that would revolutionize the commercial sphere of civil aviation. In this sense, Brabazon Plan was a Strategic Economic Policy par excellence in that it was founded upon the goal of advancing the domestic first-mover in the highly technologized global aviation market and thus enabling it to capture emerging rent potential. Patent of this high-tech good belonging to the U.K., the British would rely on its vast export potential and outweigh the Americans by selling high-tech aircraft to developing nations of aviation (Higham, 2014, pp. 53-60).

This extensive plan did not only aim towards the jet plane as the sole final end. Instead, it involved a gradual research and development that would be concretized in five transitional types of aircraft (Engel, 2007, pp. 36-37). Regardless of that, the key point was to win the jet race and thus turn the tide, which then seemed to be inevitable due to actual wartime division of labor between the U.S. and the U.K., the former concentrating on aircraft to be used for transport purposes whereas the latter specializing in manufacturing assault bombers. This division of labor, which was a binding byproduct of the 1942 Arnold-Powers agreement, was not going to be limited for a specific time period, instead, it was a necessary, mutually complementing, strategic effort that reflects structural constraints of manufacturing industries of the parties.

With all the above remarks taken into consideration, the Brabazon Plan aimed to alleviate any structural economic constraint that caused the British to lag behind the Americans in the skies. The practical outcome of the project as a whole remains controversial because of a mixed display of performance in terms of deadlines and final products that correspond to typologies foreseen. These ups and downs had clear reflections on commercial side of the rivalry, some of them being relevant for the

scope of this study. Nonetheless, what deserves to be the focal point in an analysis on Brabazon Plan is the axis of security that marked some crucial instances in the rivalry. These were, namely, diplomatic pressure in the form of unilaterally applied pressure on the basis of the bilateral relation or on the grounds that it violated trade rules binding contracting parties.

Before examining phenomenon that illustrates what has been depicted above, it is indispensable to give a hint of the diverging points of view favored by the U.K. and the U.S. in terms of role of trade in international economy. The U.K., the trade empire which, historically, benefitted extensively from its large network of import and export routes, conceived of trade as a principal tool of potential economic domination. Not only this was embedded in the political history of the U.K., but also the ideological position taken at time was that any supremacy in trade with socialist countries would result eventually in demise of socialism by engendering a middle class which would not be loyal to the regime. In contrast to such conception, the U.S. Cold War international trade policy was rather in favor of isolating the socialist countries with less trade as possible, depriving them from goods produced in capitalism, hence maintaining them in the existing mediocre conditions of life. Examples that are to be narrated in below paragraphs could be intellectualized along the line of these two contrasting logics.

After such explanatory remark, it is now appropriate to continue with epitomes of confrontation. First of all, the wartime panorama of the aircraft manufacturing industry that generated tensions on the issue of export regulations deserves mention. The American aircraft manufacturing industry was in a bad shape due to increased burden that was put on its shoulders by broader international policies of the U.S. governments. Wartime efforts to increase production without any

considerable government support was indeed a demanding task for private firms. As nationalization was not an option for both sides, public and private alike, these grand industrial firms demanded for loosening of export regulations. In the meanwhile, in the empire of trade, Rolls Royce had already contracted with the Chinese Nationalists and preparing for deadlines of its sales. Such maneuver space was provided to Rolls Royce thanks to the Brabazon Plan that relied heavily on domestic aircraft manufacturers. This move was an illustration of the power-structured rationality of grand British aircraft manufacturers that framed trade as lucrative for the empire irrespective of the axis of security. On the other side of the ocean, Curtiss-Wright, an American firm, approached the U.S. State Department with the aim of acquiring the same type of permission that would enable it to engage in negotiations with the Chinese and furthermore, the Soviets. Although the company underlined that the engines to be sold were solely designed for commercial purposes, the U.S. government declined this request on the grounds of Cold War policies (Engel, 2007, pp. 60-61). In theoretical terms, the U.S. power-structured rationality rested on dual-use technology of aircrafts and general policy of isolationism. U.S. manufacturers were not as strong as U.S. airlines and were tightly linked to government aid as a heritage of the wartime market governance structure.

The primary confrontation on state level occurred on the example of civil aircraft sales to Argentina. The British and the Americans were conducting an arms sales embargo to Argentina, on the grounds of its allegiance to Nazis. This embargo were not based on any written document, hence it was devoid of any formal codes, apart from the general codes of conduct of the bilateral relation. The drive for the British industry for exports aimed to sell aircraft for civil commercial transport purposes to Argentina's national airline in 1945. However, the U.S. reacted harshly

and argued that any sale of aircraft would be considered as a procurement of a technology that possesses the inherent potential of enhancing military capabilities of the buying party. This could be seen as an illustration of the U.S. power-structured rationality on the lines of dual-use technology and isolationism, conveyed through securitizing moves. Although the U.K. did not cancel these sales, government officials noted that further sales would not be promoted and be under government surveillance. This could be interpreted as a halfhearted expression which did not put any objective constraint on manufacturers. Indeed, the Labour prime minister Atlee perceived such diplomatic intervention as an attempt of the U.S. to protect its market share in transport aircraft sales to South America in general (Engel, 2007, pp. 62-65). Such standpoint should be read as a desecuritizing move which is in line with the power-structured rationality of the U.K. that prioritize benefits of trade for the British and the whole system of capitalism.

Then onwards, in 1946, one another clash, which now involved directly the Soviets, occurred between the two countries. The Soviets transmitted a bid to the Rolls Royce company for some of its most advanced jet engines. Moreover, the bid included manufacturing license for further mass production. The Atlee government's first reaction to this bid was that the issue comprises problematic axes that render it so complex that a private company cannot handle on its own, thus cancelling Rolls Royce's right to pursue the negotiations. In the end, inclusion of the manufacturing license was rejected but sales were permitted, even in an increased number after an accord reached in the year after. For the British side, financial prospects of the sales regarding the aviation race outweighed security concerns that they may engender. Atlee was convinced to the idea that the Soviets may already acquire information about these British-made aircrafts in France or in China through its vast network of

agents and that an outright decline might invoke groundless suspicion. In the meanwhile, the U.S. were trying to convince the British foreign minister not to realize a sale of British military aircraft as surplus from the years of war to Czechoslovakia, with the same logic as above example. (Engel, 2007, pp. 65-75). These concomitant illustrations stand at the heart of the framework of conflicting power-structured rationalities that operate on the grounds of securitizing and desecuritizing moves.

By 1947, the British manufacturers signed contracts with Argentina that involved sales of military aircraft, without referring to the government. Atlee government could only make pressure to decrease the number of aircraft present in the offer, and it succeeded. These news generated further diplomatic tension and the British decided to attenuate it by changing its trade policy and urged Rolls Royce not to procure the completed product to the Chinese, at a time when two deliveries were made to the Soviets. Nonetheless, in 1948 it was revealed that Rolls Royce had already sent to the detailed manufacturing plans of Nene turbojet engines although it was instructed not to do so (Engel, 2007). This was interpreted as a misunderstanding. On the other hand, the Soviets performed reverse-engineering on Nenes and produced their own military aircraft which they used in the Korean War (Dierikx, 2008, pp. 39-40). The U.S. discourse grounded on security reasons hence found its material basis. Then onwards, the trump card of security had an historical example to be referred as justification.

Behind the scenes, the Brabazon Plan worked smoothly and the world's first axial-flow jet civil aircraft Comet I's production process was completed by the manufacturer company de Havilland and the plane operated its first fly in 1949. In the eyes of the U.S., this technology should not be acquired by the Soviets, with



reference to the disastrous illustration of Nene affair. The rivals hence signed several agreements whose aggregate is called Burns-Templer accords, which regulated trade of finalized products in which the contracting parties' technological innovations are respectively embedded. With the emergence of an axial-flow engine equipped military plane in Soviet's parade of 1st of May, security concerns over sales of Comet were practically undermined: the Soviets had developed the axial-flow turbojet technology thanks to their own scientific development (Engel, 2007). This example, contrary to the impact of Nene Affair, retracted the objective material grounds on which the U.S. securitizing move was established. This dual illustration corresponds, not only to contingency of security, but also to the possibility of deploying its negative (U.S.) and positive (U.K.) conceptions.

Although the provisional suspension of the security axis cast a relieving ambiance over the British aircraft industry and broader aviation goals of the U.K., the aerial and commercial aftermath of Comets doomed the ambitious plans. Consecutive crashes of the jetliner put severe doubts on its aerial performance in terms of safety. Under the financially disturbing impact of cancellation of further sales, de Havilland came very close to bankruptcy in 1955 and had to be saved by government intervention. Faced with the devastated financial environment of the aircraft industry, the government resorted to forced mergers and consolidations which would motivate regeneration. These were market governance ripostes of the U.K. government along the axis of redistribution and absorption. It moreover aimed inter-industrial solutions in aviation: BOAC were politically impelled to buy the consolidated Vickers-Armstrong's VC-10, the contract involving sales of first thirty-five aircraft to be produced in the assembly line for £68 million, the biggest offer throughout the British civil aviation history. In addition, BEA had to buy first twenty

five of Tridents from de Havilland consortium, for £39 million. Needless to say, these orders were extremely distant from rational, realistic commercial prospects of BOAC and BEA which were to face overcapacity ahead. In the light of these, a comparison would reveal the striking fact: in 1955, three years before these obliged orders, Pan Am alone, by its own will, ordered jetliners from Douglas and Boeing that would cost \$250 million in total (Engel, 2007, pp. 190-191). It follows from this panorama is that, in the U.K., interlinkage between the private but regulated aircraft manufacturing industry and national airline industry marked the political demise of the operating firms. Heavy regulations and state subsidies subsumed especially the U.K. carriers more and more under the power-structured rationality of the U.K. government.

The British production of the first jetliner had a motivating impact on the American aircraft industry. Though now it was the Americans who were the lagging side, these firms such as Douglas and Boeing, then-prospective respective producers of 1958 Douglas DC-8 and Boeing-707 sought for a more liberal aircraft export policy and exercised explicit lobbying activities but failed to reach their aim (Engel, 2007, p. 155). Thusly, breaching of the political barrier was not seen in the American side of manufacturers, contrary to the British example of Chinese export. Once again, it was seen that the American manufacturers were not as strong as air carriers and hence could not alter the course of the international aviation system through bilateral escapes.

One last crucial example that can be drawn out from the Anglo-American aviation diplomatic history is the debate that arose on the issue of sales of Viscounts, a high-tech civil aircraft for the early 1960s, to the People's Republic of China. To finalize and deliver this sale, the British had to juggle through various diplomatic

maneuvers. Firstly, the trade barriers were no longer obligations that derive from a bilateral accord such as Burns-Templer; instead, the Coordinating Committee for Multilateral Export Controls (COCOM) regulations were in operation multilaterally. Furthermore, the U.S. influence in COCOM had given birth to the "Chinese differential", which decreased the number of exportable items to China and it was considerably less than the quota for Eastern European countries. Therefore, the British resorted to an interesting ploy by putting forth the offer of selling wartime aircraft to Czechoslovakia on the grounds that it would not constitute any threat. The request seemed appropriate and hence the way towards China opened. The U.K. demanded an exception in the Chinese differential. Since COCOM did not have any enforcement mechanism, the issue remained unresolved when none of the parties aside from U.S. and U.K. intervened, hence the barrier faded away. In the example of COCOM, contrary to that of ICAO/IATA, it was the British who aimed to escape from loopholes and open its own path of bilateral progress.

Drawing on the British export example, the American Airlines officially asked the State Department if it was possible to sell one of its outdated aircraft to China and received the outright negative response (Engel, 2007, p. 199). Drawing on this example, it could tentatively be thought that, in terms of treatment of private parties, the U.S. securitizing moves rallying the Cold War foreign policy outweighed its stance in the U.K.-U.S. rivalry. PAA lobbyings succeeded in securing routes, but U.S. airlines and aircraft manufacturers could not breach the line of U.S. foreign policy.

In theoretical terms, what follows from the above illustrations of the Anglo-American aviation confrontations on the axis of trade is that the epistemological conundrum of the blurry line dividing reality and perception hold influential role

throughout these consecutively multi-layered interactions. The notion of security stands at the heart of this conundrum, whose derivations could be identified in both levels, reality and perception alike. Instances of appearance of the conundrum is marked by intertwining of politics and economics. The normative construction of security that is pioneered by U.S. foreign policy on aircraft trade was not solely a discursive postulate. It was based on the real conditions of Cold War that constantly generated tangible threats. The Nene affair could be read as a justification for this theoretical claim on sheer concrete grounds, manifested in military sector. U.S. as a securitizing actor mobilized in diplomacy the spill-over effect of the military sector to political economy in international relations. Nonetheless, the marshalling of security concerns did not only originate from a military designation of security, the Korean War example is embedded within normative political reservations as a referential point, not as a backbone.

The U.S., as a securitizing actor having access to implement securitizing moves through well-rooted bilateral and multilateral frameworks was on the offensive in the years after the World War II, in which political and ideological cleavages of the new era were yet to be crystallized acutely. In other words, the normative grounds were muddy, and a decisive maturation was necessary for the U.S.. Securitizing moves in the issues of aircraft trade attempted to strip off the international economic character of the contradiction which underpinned the very American supremacy. The British side, although it was the one who acted primarily by engaging in trade negotiations, were in defensive, discursively. When the post-war tension attenuated, now it was the time for the British to become discursively offensive. However, contrary to the American epitomes of securitizing moves, the

British made a desecuritizing move with the Czechoslovakia ploy, delinking the military and political concerns from the issue in order to reach its economic goal.

The expansionist commercial firm logic of British and American aircraft manufacturers attempted to supersede the consecutive securitizing moves pioneered by the U.S. Cold War policy of isolation and containment. The epicenter of these politically significant moves was the U.S. government as the securitizing actor, not the British state. On the contrary, the British state's stances were to be conceived as implicit or explicit defiance to this logic of securitization. The U.K.'s constant accentuation on the shrouded commercial motives of the U.S. in their reactions and its noncompliance in some instances stand as a proof for this theoretical claim. This being taken into consideration, the flexible movement space that was found by the British firms in Chinese and Argentinean sales cases could be put to its right place in analysis. In spite of government's financial and political support, the companies managed to act independently in some instances. On the other side of the coin, the American firms sought further competition by liberalizing the export regime, hence practically negating the securitizing move of the U.S. government in normative political level. However, these firms could not achieve their commercial goals because of the mere fact that the U.S. Cold War policies conceived of this issue of trade as highly crucial for security reasons. The aircraft companies, with their wartime burdens on their shoulders, could not fight back this vehemently devoted line of policy.

All in all, what the evaluation of the axis of security contributed to the main research agenda of this study is that, the multilateral framework of regulations regarding aircraft trade were breached along the bilateral axis of U.K. - U.S. relations. On the other hand, it was revealed that the dependent nature of the British

national air carriers were partly due to forced "buy-British" policy that modified the intersectoral market governance structure. However, the heart of Brabazon Plan, the British domestic aircraft manufacturing firms enjoyed their privileged status and made destabilizing attempts of breaching the line of patterned behavior in the anti-communist export regime. The aircraft manufacturers of the U.S., on the other hand, were suffering from the wartime lineage of state-coordinated production and hence were not successful in liberalizing the trade barriers.

### 3.6. Theoretical implications

The initial move would be to deploy the concept of power-structured rationalities to the vast empirical ground with a more focused rigor. Though the very concept is an objection to the abstract aggregation of state as an entity, in analytical terms, such operationalization does not seem to be appropriate for separate political units in power within the U.S. and the U.K. in the time scope of this study. This is the very reason why, throughout the empirical narrative, the states and the firms were principal actors on which theoretical emphasis were laid. In this sense, the state was conceived of as an aggregation with its distinct ontology and on the other hand, the firms involved in the rivalry were in some instances were treated as aggregates but in many instances were included into the analytical narrative with their own singularities<sup>4</sup>. The U.S. political power were not disassembled to separate units because of the implicit acceptance of the fact that aviation policies locked-in any crucial divergences to surface between related authorities. The normative political rallying of the power-structured rationalities (PSRs) promoted by the government did

---

<sup>4</sup> Such aggregation stands in similar theoretical lines with Krasner's concept of national interest and imbues the concept with historical continuity. By the same token, a rationality accordingly defined would comprise a distinguishable prioritization.

not face any considerable objection from within the state. Any nuance in position were consummated in the final public position.

The resulting picture at hand hence enables an investigation of power-structured rationalities while above reservations are kept in mind. PSR of the U.S. on international aviation was to ensure security of supply. Parsimony dictates such brevity. The different normative constructions of notions of security marked the complexity of this PSR. In the commercial side revolving around regulation and deregulation, the PSR operated in such a way that supplied seats in bilaterally determined routes were economically secured from unwanted domestic and international competitors and it became pervasively internalized when the bilateral ASAs became a model adopted by the rest of the world. The disguise of use of power could be discerned in two levels. On the international diplomatic level, acquisition of fifth freedom rights and exchange of routes set the terms of the table by promoting commercial gains of the designated carrier. On the domestic level, this model being an internationally internalized norm, pressures from trunk carriers for rights to operate on the routes are rejected with implicit reference to these diplomatic grounds. Therefore, it could be argued that the bilateralism-in-multilateralism logic was a perfect match for the U.S. PSR on commercial civil aviation.

The notion of security assumed a military meaning when it comes to the issue of aircraft exports. Security of supply was conceived as a within-economics militarization in line with the broader foreign policy of isolation and containment. The high-tech aircraft manufactured with a dual-use technology was portrayed with particular emphasis on its military prospects. The conceptual component of pervasive internalization was not achieved in these confrontations. Neither in bilateral, nor in multilateral level, the U.S. export regulation logic was not internalized by parties

involved, the British escaped from loopholes. Nevertheless, although the aircraft export PSR of the U.S. was not strong in performative terms, private manufacturing companies did not attempt to breach the lines by acting independently and there were no signs from any of the firms in direction of promotion of a distinct PSR of their own, except usual lobbying practices.

On the U.S. private firm level in commercial civil aviation, conversely, private firms had their own PSRs operating. Extensive lobbying and congress-senate penetration maneuvers composed the main activity on the surface. PAA's PSR consisted of the idea that its aerial supremacy as a de facto monopoly was advantageous for political and economic benefits of the nation, whereas its international competitors and domestic airlines sought entry access by praising deregulation. Throughout the cycle of regulation and deregulation, the degree of pervasive internalization of these diverging PSRs varied. Nonetheless, it should be underlined that PAA's PSR was so broadened that it engaged in the ambitious dream of signing secret agreements with BOAC without the government's consent. In this sense, PAA's rent-seeking behavior and its powerful economic position that bypassed the state posed grand impediments to domestic redistributive mechanisms to operate in international civil aviation of the U.S.

It seems analytically appropriate to continue on the line of private firms. However, categorically, the counterpart would not be IA, BOAC/BEA or BA, because of the mere fact that these were nationalized firms and, literally, were instruments that could not engage in proactive stances. On the other hand, private airline companies, BIATA members could be conceived of as injured parties in the market governance, whose grievances were not seen as legitimate up to a certain point and when that time came, i.e. when they financially grew up and successfully



lobbied, redistributive mechanisms were set into motion by the British state, encouraging them to consolidate in mergers, making BUA/BCAL principal parts of the Second Force programme, offering them international routes by designating them as flag carriers. This absorptive redistribution was an indispensable component of the U.K. PSR on aviation. Both in aircraft exports and civil aviation, the rationalization was to achieve commercial gains through a coordinated, regulated market structure<sup>5</sup>. Players were to be determined by the state, to be decreased in number and be orientated to appropriate directions. In domestic level, the U.K. government, with its policies, implicated the idea that the broad goal of aviation supremacy was only to be reached in a regulated environment with few carriers backed by the state and this idea was, to a great extent, internalized by the public and private airlines in the market.

It is indispensable to dwell further on the U.K. PSR on aircraft exports. In this regard, the governance outlook developed in the above paragraph shed lights upon the remainder part of these theoretical conclusions. The Brabazon Plan which marked the ultimate policy of the U.K. could be considered as a Strategic Economic Policy (SEP) par excellence. The diminishing number of aircraft manufacturing firms throughout the period investigated<sup>6</sup>, the teleological hail to technological supremacy and rent to be drawn out by the domestic "first-mover" correspond to a political economic scene that could properly be defined as a strategic trade and investment policy. On the other hand, the other possible component of the U.K. SEP, the aim of

---

<sup>5</sup> The pervasive internalization of the U.K. PSR and of the U.S. PSR coincides at this axis in international terms. Throughout the periods examined, bilateral coordination of air markets were internalized by involving parties, hence the fruit of the abstract compromise between the two PSRs.

<sup>6</sup> In this context, it is crucial to point out the historical continuum's sequential phenomenon: the formation of Airbus Industrie in 1970. The Brabazon Plan surpassed the national boundaries and became a broader SEP of the aviation giants of Europe; France, Germany and U.K. In the U.S., in 1997, Douglas was merged to Boeing as a counterpart. Confronting SEPs rendered the contradictions of international political economy lucid, as various instances of rivalry between Boeing and Airbus suggests.

setting international economic rules, although was the prospective recipe at the table, was overshadowed by that of the U.S. The U.S. SEP did not rely heavily on such interventions within the domestic structure of aircraft manufacturing market, its presence was felt more directly in the international scene in terms of rule and norm imposition regarding trade.

In conclusion, some crucial explanatory remarks should be reiterated in a nutshell. The loose and weak structure of the multilateral framework regulating commercial air services paved the way for bilateral and unilateral breachings and gradual undermining of its very premises. Notably, the American private international air carrier PAA exploited the loopholes of this structure. The U.S. struggled to maintain its strategic bilateralism-within-multilateralism line due to the double-edged nature of international route designations: while the growing domestic carriers sought international route entitlements through deregulation, PAA was in favor of persistence of the existing regulatory schemes of designations which elevate itself to the status of de facto monopoly.

The U.K., on the other hand, sought to breach the multilateral framework of anti-communist export regulations with bilateral and unilateral maneuvers. Even though the U.K. succeeded in this task, its breachings were not as influential as those committed by the Americans. Furthermore, the intersectorality of the British aviation market governance that linked strategically the aircraft manufacturers and the flag carriers had a negative impact in terms of financial performance which led to weakening of the British nationals in international competition. By the same token, they could not destabilize the multilateral framework by engaging in destabilizing attempts as done by PAA. The growing independent private firms were subsumed under the schemes of designations in Bermuda II, hence they too did not have a

significant impact on the course of evolution of international aviation system involving ICAO and IATA regimes. The following chapter will shed further light upon the evolutionary course of the ICAO regime.

## CHAPTER 5

### ICAO'S ENGAGEMENT WITH THE CYCLE: LAGGING BEHIND WITH INTRICATE ROAD MAPS

Chapter 4 has provided some crucial historical data and an analysis that stands subsidiary to an outlook zooming into the evolution of international civil aviation regime. Predominant actors of the regime, private and public alike, were put to the forefront of the scene. The implications of setbacks and onslaughts of regulatory and deregulatory currents were embedded in the analytic picture. Nonetheless, two fundamental international/transnational organizations, ICAO and IATA had only received mentions throughout the analysis above, in spite of the fact they stand at the heart of the regime and were byproducts of the very moment of its birth. Henceforth, by leaning in a meticulous manner towards ICAO and to the explanatory meaning of its assemblies and resolutions, this chapter will constitute an attempt to fill the gap left deliberately by the above chapter.

The structure of the chapter is as follows: first, a general perspective regarding the outward evolution of the organization with a particular emphasis on turning points will be presented in order to underpin the forthcoming sections; second, ICAO's publicized official documents will be subjected to qualitative inductive analysis so as to identify the direction of its evolution and third, the analysis will be situated in a broader framework of discussion wherein correspondences with the appropriated aspects of variants of regime theory will be conducted.

#### 4.1 Positioning ICAO within the regime

The origins of ICAO are rooted in the debate on the notion of a multilateral framework regulating activities of civil aviation between different nations. The two utopic extremes, the dream of free competition in skies and the temptation towards ultimate regulation were both fought back with the emergence of a multilateral body endowed with regulatory capabilities on issues regarding safety, security and technical issues, and advisory capabilities that aim to maintain the peaceful well functioning of the newborn regime in Chicago. Whereas the former had a pronounced aspect of regulation through monitoring of airlines' and airports' entitlements to operate, the latter, without any enforcement mechanism, rested on relatively more unstable grounds of normativity. Intersubjectivities and normative patterns gain analytic importance in the autonomous advisory body that have limited impact on the course of economic structure of the international aviation system. It is in this respect that these unstable grounds deserve to be analyzed in depth.

The forefather articles on which the very existence of ICAO relies merit to be the initial point of focus. In the Convention on International Civil Aviation, signatory states agreed upon formation of the provisional predecessor of ICAO, PICAO which was to follow the objectives listed in Article 44:

The aims and objectives of the Organization are to develop the principles and techniques of international air navigation and to foster the *planning and development* [emphasis added] of international air transport so as to : (a) Insure the safe and *orderly growth* [emphasis added] of international civil aviation throughout the world; (b) Encourage the arts of aircraft design and operation for peaceful purposes; (c) Encourage the development of airways, airports, and air navigation facilities for international civil aviation; (d) Meet the needs of the peoples of the world for safe, regular, *efficient and economical* [emphasis added] air transport; (e) *Prevent economic waste caused by unreasonable competition*; [emphasis added] (f) Insure that the right of contracting States are fully respected and that every contracting State has a fair opportunity to operate international airlines; (g) Avoid discrimination between contracting States; (h) Promote safety of flight in international air navigation; (i) Promote generally the development of all

aspects of international civil aeronautics. (Convention on International Civil Aviation, 1944)

The italicizations point out words which directly or potentially assume a meaning relevant for the broad topic of economic regulation and deregulation. In this regard, these objectives, on the abstract level, in overall terms, represent a point of equilibrium between the competing extremes, attenuating potential tensions that could be stirred up, but not reaching the ultimate point of resolution of the intrinsic contradiction. The successive clauses d and e stand as an emblematic, corollary example of such non-resolution. Whereas clause d inclines towards an implicit credit of merits of liberalization in stressing the linkage between efficiency and reduced prices for consumers, clause e conditions d with the requisite of harnessing competition, the unuttered justification lying in the merits of economic regulation that prevents economic waste. As analyzed in the previous chapter, the historical genesis of ICAO bears the mark of this tension generating cohabitation. It is not startling to see that the textual genesis does the same.

In the presence of such politico-legal basis that comes along with a holistic ambiguity, the notion of interpretation and the normative grounds it comprises are crystallized in orientating contracting states. In textual terms, there are more elements to be identified in the originating point that pave the way for this triumph of normativity. Lack of any enforcement mechanism apart from suspension of right to vote in case of non-conformity or of failure to discharge financial obligations of a state, stimulated surfacing of normative cleavages. On the other hand, the scope of recommendation of practices and procedures was legally unlimited: ". . . and such other matters concerned with the safety, regularity, and efficiency of air navigation as may from time to time appear appropriate" (Convention on International Civil Aviation, 1944). However, "[n]o contracting State shall be guilty of an infraction of

this Convention if it fails to carry out these recommendations" (Convention on International Civil Aviation, 1944). It follows that this "appearing appropriate" depends on the normative character of constitution of this multilateral framework to which the rivalry between dominant aerial powers and the resulting compromise between regulation and deregulation posed their gesture.

The arbitrariness of the appropriateness is concretized in the very first movement, in the first assembly of PICAO. In the opening address by the president of the interim council, tentative preparation of an international multilateral agreement on commercial air transport rights was put forth as the major issue at hand. It could be said that it represented the foremost focal point of the organization. This, indeed, had crossed the boundary of advisory recommendations, instead, it envisioned a general restructuring of the world air market. Among the resolutions adopted by the first assembly, there were desirability of and development of a multilateral agreement. It was noted that the member states' opinion was that "a multilateral agreement on commercial rights in international civil air transport constitutes *the only solution* [emphasis added] compatible with the character of the International Civil Aviation Organization created at Chicago" (ICAO, 1947a). The condensation of this focal point was so powerful in the intersubjective realm that it was envisioned as the only solution.

The quest for multilateralism ended up to be a failure. The collective initiative taken by the organization marked the combination of states willing to achieve a multilateral air traffic agreement, albeit with considerable contrasts. The first two ordinary assembly sessions of the Economic Commission elaborated extensively on the issue and engaged profoundly in economic aspects of prospective international civil aviation (ICAO, 1947b; ICAO, 1948a). In contrast, the 3rd Assembly did not

hold an Economic Commission meeting and the multilateral agreement was dropped from the agenda (ICAO, 1949). Overall, what this move represented was a concretization of the relative autonomy enjoyed by this nascent organization in the international scene. The foundations of this relative autonomy could well be located in the original objectives of ICAO. In this phase of genesis, the scope of recommendation of practices and procedures were subjected to stretching. The result of this stretching, nonetheless, was a setback and with the subsequent rise and normalization of bilateral agreements which pinpoint IATA as a referential, ICAO was confined to its frontiers imposed by the predominance of technical regulations. Regardless of that, this phenomenon pointed out ICAO's potential in engaging in economics in a more pronounced manner and the prospective flexibility that it may assume. This elusiveness, this indeterminacy in ICAO's role shifts the focus to relations that are pursued by and within power structures and the corresponding constant reshaping of normative dynamics on which ICAO is established. By the same token, the continuum of resolutions and procedures of the organization bears the mark of diffractions in the struggle.

Throughout the maturation of the Chicago regime, in terms of political economy, ICAO's position was overshadowed by that of IATA which was directly linked to market via tariff conferences and multilateral fare setting mechanisms. ICAO's technical prowess accounted less for changes in the economic patterns of international civil aviation. Furthermore, within the broader international structure, ICAO decided to subsume itself under the United Nations in the Second Assembly in 1947, becoming a particular subunit, a specialized agency of the organization whereas IATA became a stable ground of coordination between air carriers through which shadows of governments communicate (ICAO, 1948b). These crucial factors,



along with the cleavage on the level of interference with economics, diverted attention away from ICAO and hence close to IATA. On the other hand, the Economic Commission of the organization conducted studies and made respective recommendations in the period between Bermuda I and Bermuda II which are deemed to be noteworthy. The organization's proactive projection of multilateral framework after its birth and its devoted defensive position against violations of IATA fare setting machinery in the late seventies are crucial instances.

What follows from the above notes on crucial turning points in the history of ICAO's engagement with the cycle of regulation and deregulation in international civil aviation is that it is indispensable to construct a historicity of the continuum that links these two pivotal moves. The interval dividing these acts of prominence comprises more than thirty years, in which assemblies, ordinary and extraordinary took place. The chapter will now proceed with the analysis of these assemblies, with an attempt of delineating the itinerary that ICAO passed between the two activations of potentiality.

#### 4.2 Carving out road maps from ICAO documents

Although in the most abstract level of aggregation it seems appropriate to refer to ICAO as a unified entity in terms of its political existence, in reality ICAO consists of two major frameworks that are intertwined but separate bodies: Assembly and Council. Composition of the two institutional units differed significantly. Whereas the Council can be depicted as the nucleus that comprises the core of the international civil aviation regime, the Assembly seems to be the multilateral framework par excellence. The Council whose composition should reflect the constellation of air transport supremacy and contribution to facilities of aerial

navigation and also the principle of geographical representation, is responsible to the Assembly. The contracting states are all entitled to vote in the Assembly and decisions were taken on majority vote. Majority vote also applied for the Council. The Assembly elects the members of the Council every three years. In general terms, the disparity could be summarized as follows: whereas the Assembly is the broad multilateral framework that determines the direction of the organization, the Council is the center of sectoral expertise and executive duties in organizational pattern<sup>7</sup>.

#### 4.2.1 The beginnings of the saga: the initial rise and fall of regulatory motives

It seems worth our while to commence with the First Assembly of 1947. When the economic issues present at the agenda are evaluated, in terms of interference with economics of aviation, the First Assembly deserves to be portrayed as an intermixture of grand ideas and petty technicalities. The former relates to the pursuit of a multilateral agreement on commercial air rights whereas the latter consists of burdens on growth of international civil aviation. With regard to the former, the debates developed along the lines of three distinct proposals:

- 1) A single organization to operate the world's trunk air routes.
- 2) Organizations to operate trunk services within a given area by combining the national interests concerned, for example Europe.
- 3) Organizations for the international operation of services on individual routes with the object of producing a single international instrument combining all or some national organizations, operating on particular routes, for example Europe to South America. (PICAO, 1946, pp. 35-36)

It could be suggested from these that, although the focal point of a global multilateral solution was clearly distinguishable, road maps to be followed were not as clear as the focal point in the midst of the evolutionary phase. While the first proposal could be considered as an outlier due to its explicit utopianism after the

---

<sup>7</sup> For detailed information regarding power and functions of the Assembly and the Council, see Articles 49, 54 & 55 of the Convention on International Aviation.

recent failure in achieving a multilateral framework in Chicago, the second and third proposals were crafted with the hope of a middle-ground consensus which would, after World War II, further unite governments in a region in peaceful way towards interdependent economic prosperity. Notwithstanding the fact that these revised attempts of multilateral models of regulating international civil aviation were imbued with idealistic intellectual prowess, the Assembly failed to reach a conclusive agreement on the issue and postponed the deadline one year further, to the Second Assembly. The Assembly, with this bold initiative of debating each and every option to come up with a decisive solution, attempted to lay up the foundational bricks of the international civil aviation regime. Although failed in achieving this grand goal, ICAO did not refrain from continuing to search for a multilateral solution of regulation, only to see one year later that these proposals were in vain when confronted with normalization of Bermuda-type bilateralism.

On the other side of the economic aspects, the First Assembly accomplished several tasks which were noteworthy: development and maturation of Facilitation of Air Transport programme regarding standardization of operation entitlement of aircraft and airports, setting standards for double insurance of foreign aircraft and double taxation of fuel and equipment, raising the issue of categorical division between scheduled and non-scheduled flights to be concluded in the next session. Nevertheless, these issues were not of paramount importance for the evolution of the international civil aviation system per se. These procedures only removed certain obstacles on economic growth, reducing indirect costs of operation. In theoretical terms, they facilitated overall growth of the whole, without touching the most crucial tension generating areas, namely the air traffic rights, capacity and frequency regulations. On the other hand, IATA regime occupied the other tension generating

area, which was, fare regulations. In contrast, ICAO regime's anchor was swinging in the depth of the ocean, it touches the abovementioned issues but could not cling to them.

The 1948 Second Assembly's Economic Commission's report on the prospective multilateral agreement on air traffic rights was as follows:

The Commission made no specific recommendations as to the course which future action of a Multilateral Agreement should pursue. It seems improbable that the present Assembly will desire to undertake a discussion of the basic problems involved in such a Multilateral Agreement or even to establish a time-table for future work. It may be therefore that the Assembly will wish to refer the matter to the Council leaving further action to the Council with such instructions as the Assembly may desire to give. (ICAO, 1948c, p. 1)

In response to stalemate, the Assembly referred the issue to the Council.

Contrary to expectations, the Council did not make a mention of the Multilateral Agreement in the 1948 annual report presented to the 1949 Third Assembly, instead the it preferred to reiterate the situation of air service agreements concluded in Chicago (ICAO, 1949a). In the Third Assembly, economics of aviation was not at the agenda, only administrative and executive matters were at the table (ICAO, 1949a). In the 1949 annual report of the Council presented to the Fourth Assembly, there was an evident shift of focal point and the argument was that the thematic approach should be centered around bilateral negotiations and a limited scope multilateral agreement on third and fourth freedoms (ICAO, 1950a). Throughout these assemblies, export and import of certificates of airworthiness, sophistication of the definition of scheduled air services, international air mail services and training of aviation staff were subjected to standardization via resolutions. In the meanwhile, however, the canonical pioneering of a multilateral regulation as identified in the very moment of genesis was now weakened in an apparent manner, the working paper presented by recalcitrant New Zealand delegation on the prospective planning

of an internationally owned airline to operate international routes, did not receive any considerable mention on resolutions of the Fourth Assembly (ICAO, 1950b). It follows that the motivational ambience of the multilateral framework were succeeded by outlier attempts which prove to be futile in the final analysis. This could be read as the first sign of abandoning of the previously enthroned focal point of global multilateral agreement on exchange of air traffic rights.

Concomitantly, the Fourth Assembly resolved that the full-scale sessions would be held in every three years, between which there would be two limited sessions revolving around administrative issues (ICAO, 1950b). Up to 1950, there were three ICAO plus one PICAQ full-scale sessions, and in between, there was the 1949 Third Assembly on administrative issues. With this resolution, the principal motivations of ICAO towards a robust multilateral framework were buried to the good old grounds of Chicago and the new shape and its direction was now determined with evidently different inclinations. Justification is as follows: the 1950 annual report of the Council clearly stated that studies regarding international ownership of international air services was suspended due to absence of positive participation of contracting states (ICAO, 1951), the 1951 report noted that the Council only collects relevant data but does not conduct analysis, nor do the contracting states make specific requests on the issue (ICAO, 1952). By 1952, not only the focal point was abandoned, but also the organization were pushed to a redundant position in which it could not link any road map to a specific focal point. New arrangement on full-scale sessions manifests weakening of its principal advisory role as emerged in the birthing phase of the system.

The Seventh Assembly resolved that "there is no present prospect of achieving a universal multilateral agreement although multilateralism in commercial

rights to the greatest possible extent continues to be an objective of the Organization" (ICAO, 1953a, p. 27). It was furthermore noted that the objective could still be pursued in the form of partial solutions that may arise in regional level, Europe being the epitome. The grand ideal of global multilateral solution was replaced with a regional level multilateral regulatory project and this constituted the newly adopted focal point.

#### 4.2.2 Deregulatory current surfaces from within: proposal on interchange of routes

Albeit the fact that the general view adopted by the Assembly was as stated above, there was a proposal towards further liberalization of bilateral air service agreements, introduced by the Netherlands delegation, which would bypass the notion of binding nationality of airlines. The proposal were summarized as below:

. . . the possibility of airlines of different States interchanging their traffic rights on adjacent routes. He explained that the, question of Fifth Freedom rights, remained more or less in the background in such an interchange of routes, because the rights to be exchanged were in reality Third and Fourth Freedom and were already commonly granted. (ICAO, 1953b)

As the last comment implies, realization of this idea would break down the entire system of regulation concretized by the notion of national flag carriers but on the other hand would still remain in the already established procedural administrative framework of exchanged freedom rights. The Dutch delegate proposed in the Economic Commission the following recommendation to be adopted by the Assembly:

that contracting States, when such interchange agreements are proposed by airlines, do not make use of their rights in bilateral air agreements and invoke the "substantial ownership and effective Control of airlines"-clause but co-operate by executing the necessary designation or by granting the necessary operational permission to the airlines concerned in order to make possible an interchange of routes. (ICAO, 1953c)

The outright objection to the proposal were voiced out loudly by the United States. If the analytical findings and theoretical implications of the previous chapter are incorporated into the present outlook, the objection assumes a consistent meaning. Pan Am would be the very first dangerous beast to be tamed, if the linkage between designation and nationality were to be broken, and other U.S. carriers, craving for international route entitlements, would pursue. The counter argument were formulated with particular emphasis on bilateral relations, which would not undermine the stability of the present regime: "it would not require multilateral action or even the revision of bilateral agreements. Accordingly, he considered that it was a matter for discussion between interested states and should not be considered by the Assembly" (ICAO, 1953b). This reaction is perfectly in line with the theoretical findings of the preceding chapter. The U.S. PSR searched for bilateral absorptions and concomitantly for suppressing the growth of key private players. If the linkage between flags and carriers were broken, it would have devastating impacts on the U.S. aviation market governance.

After this harsh objection which pictured the proposal as off-topic, there were no further discussion on the proposal and hence the Seventh Assembly did not make any mention of it in resolutions. However, this marked the very first outburst of the deregulatory current, which tried to find its way out from within the present normative framework of bilateral and multilateral interactions. The U.S. intervention had a stabilization effect and all the other countries were in accord with it, though with different motives. The U.S. concern was partly domestic, concentrating on subsuming the private parties under its power structure whereas the rest's was international, related to protection of its aerial national sovereignty without any distinction between themselves as governments and their air carriers. Overall, the

deaf ear of the Assembly on this question could be read as a stance which aimed for subsistence of the regime as it was matured, without any stretching of ICAO's existing locus standi on economics of international civil aviation.

#### 4.2.3 Retreat of the Assembly

The Assembly, with the adoption of the resolution that full-scale sessions were to be held triennially and its general stance towards fostering of solutions of multilateralism via initiatives to be taken by the Council more or less retreated from the discussion of multilateral agreement on commercial air traffic rights. The Council's 1954 and 1955 annual reports manifested its engagement with the European Civil Aviation Conference (ECAC) and the project of drafting a multilateral regional agreement based on the comparative study of bilateral agreements that it conducted (ICAO, 1955 & ICAO, 1956a). The 10th Assembly, only noted these developments with approval, without any substantial comment, except for observation with interest (ICAO, 1956b). Focal points of the Economic Commission were charges for air navigation facilities and especially the field of facilitation, hence technicalities predominated the scene as usual. From 1956 to 1962, the Council worked in close cooperation with ECAC and conducted studies of expertise for furthering the process of negotiations. ECAC matured itself rapidly with successive meetings and set regional liberalization of air services in Europe as one of its primary goals. Regardless of such motivation, an agreement on scheduled air services could not be reached and one on non-scheduled services, though very limited in scope<sup>8</sup>, were signed gradually by most of the European countries. The Assembly, throughout these years, noted the developments with approval or

---

<sup>8</sup> Among the non-scheduled flights, only those which were commercially relatively insignificant, such as educational and business meeting charter flights, were subjects of agreement. For detailed information see ICAO, 1962a.



satisfaction, and the Council conducted studies requested by ECAC, and the Assembly advised continuation of these studies.

What follows from the analysis of the above period is that the Council which were dominated by European leading figures of aviation pursued a policy of a regional integration while the Assembly, the generic multilateral framework of the organization rendered idle, neutralized in a sense. Whereas the Council and ECAC made explicit statements regarding their envy of a liberalized air services, the Assembly preferred sterilized words such as regional co-operation and coordination. This could be read as an implicitly defensive stance sticking to the foundational regulationist roots world-wide, considering that the prospects of a regional liberalization were not clear at that time. Focal point being reduced to regional level, the road maps on the table involved delegating the subject to the Council or to ECAC. Therefore, it could be said that the Assembly's possibility of impacting outcomes was in evident decline. Furthermore, it should also be noted that a regional integration would consist of European aerial powers which were way behind the U.S. level. This would not alter the main setting of the bilateralism-within-multilateralism framework in which U.S. reigned through uneven articulations.

#### 4.2.4 Double-edged multilateralism: the handbook on capacity clauses

In 1962, an interesting illustration of ICAO's enjoyment of autonomy was recorded officially during the 14th Assembly's Economic Commission. The logic of bilateralism-within-multilateralism was profitable for the predominant powers of aviation which were signatory of many bilateral agreements. Capacity clauses was the main regulatory tool of commercial air traffic on exchanged routes. Considering the extent of the data and its availability to parties involved in bilateral relations,

information bias was a widespread phenomenon, particularly alarming for numerous latecomers of aviation and less significant for those states that had already mastered the art of bilateral agreements. To amend this crucial drawback, the Austrian delegation, of course without referring to the structural arguments put forth in above sentences, made the proposal of drafting a handbook of capacity clauses in existing bilateral agreements, based on a prototypical circular distributed to participants. Sweden, The Netherlands, U.S. and U.K. delegations vehemently objected on the grounds that capacity clauses represented only a part of the holistic structure of bilateral agreements and thus should be considering with regard to the overall context in which they are embedded. In addition to that, they have noted that the capacity clauses, which are important components of air service agreements, should also be conceived of by taking into consideration other political and economic bilateral relations of the signatory states.

Interestingly, the Swedish delegation questioned whether this seemingly simplistic task of preparing a handbook was a remnant of the pro-multilateralism lineage of ICAO, with reference to the task of multilateral standardization of administrative clauses of bilateral agreements completed in previous assemblies:

A capacity handbook might be of very good use to some States but it could be very harmful to others. He questioned the use that such a handbook might be to ICAO and wondered if it was the intention to make ICAO the platform for further work towards a multilateral solution. It would be a dangerous matter if the work of ICAO could be used by some States to the detriment of others and this had always been the Swedish view. (ICAO, 1962b)

In this conceptualization, the handbook would in the final analysis constitute a benchmark and guide towards a standardized model and this would eventually be in favor of states that are commercial strong in aviation. The U.K. delegation made a statement along similar lines and endorsed the alternative proposal of reproducing all of the bilateral agreements as a whole. The Austrian delegation reiterated that the

sole intention was to provide easy access and hence implicitly denied any hidden motive of domination. On the other hand, it is not startling to see that the pronounced objectors were the Netherlands and the U.S. delegations. Although the explicit statements were on the grounds of difficulty of extracting a meaning out of the cumulated list of clauses and of the contextual differential, a structural exploration surfaces the fact that the Netherlands and the U.S. were champions of liberal bilateral air service agreements and Amsterdam was one of the main gateways to Europe for U.S. carriers. Furthermore, the terms of air service agreements signed with other non-prominent states, though commonly being crafted based on the typical model of Bermuda, varied significantly in content. Therefore, any bundling of clauses would canalize attention to differences and thus reveal cleavages. Any standardization on this subject matter could undermine the contingent unevenness of international power structures of aviation in which the U.S. reigned.

Regardless of all the points made above, the commission accepted the proposal with reference to the Article 83 of the Chicago Convention: "any contracting State may make arrangements not inconsistent with the provisions of this Convention. Any such arrangement shall be forthwith registered with the Council, which shall make it public as soon as possible" (Convention on International Civil Aviation, 1944). The resolution was that a tripartite categorization, namely, agreements having Bermuda type capacity clauses, agreements without capacity clauses and agreements with non-Bermuda type capacity clauses would be adopted after two rounds of voting, the first being a tie. This unstable balance demonstrated the devoid of the postulated antinomy of multilateral versus bilateral. This devoid did not possess any intrinsic meaning. The antinomy assumed a political meaning only in the in-depth-context of rationales put forth by the related parties. What matters was

the perceived outcomes of regulation and deregulation in terms of power structures, irrespective of the adjective "multilateral" or "bilateral". The resolution, to avoid further frictions through the same vein, stressed that the handbook would "be purely factual and objective without any comments, and shall not enter into the relative merits of the different types of clauses currently in use." The middle-ground was reached by purifying the data, by negating the epistemic dimension operating pronouncedly in the commission. However, the result, the informatory categorization had in itself a buttressing impact for position of states engaging in bilateral ASAs and wishing for detailed capacity regulations. It follows that the Assembly succeeded in putting a partial impediment to the advent of deregulation by enhancing the available extent of information provided by ICAO regime's cognitive framework. In this sense, it could be suggested that it had an indirect impact on bilateral encounters.

The 1962 14th Assembly's general inclination of preservation of the regulatory framework was further epitomized in the resolution concerning tariff enforcement. It was the first time that a call for IATA to strengthen its fare and rate enforcement mechanism and for governments to make airlines observe the approved levels were explicitly made in resolutions (ICAO, 1962c). Following section dwells further on ICAO's defensive stance when faced with this first phase of outburst of deregulatory motives in the system.

#### 4.2.5 Return of the Assembly

By the year of 1965, engagement with the project of a multilateral agreement on commercial rights were not anymore on the agenda for the Assembly, world-wide and regional alike. The 15th Assembly noted the need for regional cooperation in all territories of the world in its resolutions, sticking to its generic jargon (ICAO, 1965).

As for the Council, the influent corpus highly engaged in this field too ceased to devote subheadings to a prospective multilateral agreement in its annual reports. Furthermore, the reports desperately noted, six years in a row, the consecutive failures of reaching a final agreement regarding the project of internationally owned airline merger between prominent European air carriers, under the umbrella-like neutral name of "Air Union" (ICAO, 1959; 1960; 1961; 1962; 1963; 1964). In addition to this, programmatic cooperation with ECAC was now reduced to sharing of relevant information and studies.

The 1968 16th Assembly, however, portrayed a different panorama. The clash of regulatory and deregulatory currents had not ever been as crystal clear as it emerged on the issue of tariff problems encountered by airlines. The Economic Commission drafted a report aiming to list and evaluate the major problems that may hinder growth of international air transport (ICAO, 1968a). Among the problems, there were exchange of commercial rights and impact of passenger and freight fares on development of aviation. As regards to the former, the working paper argued that the difference of traffic generating potential between countries and the introduction of high capacity aircraft would lead to capacity restrictions or overcapacity problems in forthcoming bilateral ASAs<sup>9</sup>. Concerning the latter, the study claimed that the existing fare differentiations are inadequate in meeting with air traffic demand which is extremely elastic and proposed that the governments of the countries approving rates set by IATA be more flexible than they were at present. The paper furthermore

---

<sup>9</sup> This political economic providence which anticipated the coming of crisis that led to transition from Bermuda I to Bermuda II is noteworthy in that it reflects the profound expertise enjoyed by ICAO, which were circumvented and confined to objectivized statistical studies up to that time. This scientific study that draws on subjective projections indeed generated a fruitful dispute and raised internal contradiction of the regime to the surface.

underpinned its proposal on the grounds that the growth of tourist industry depends on such flexibility<sup>10</sup>.

In spite of such vivid defense of proactive deregulation rendered explicit in this monumental working paper, the Assembly resolution on tariff enforcement, exact replication of the 14th Assembly's resolution in content but much more devoted in context, adopted a regulationist tone: the contracting states should ensure that airlines do not violate the agreed and approved tariffs and associated regulations and IATA should strengthen and intensify application of its tariff enforcement mechanism and refer to ICAO in case of difficulties encountered in the level of application. The justificatory basis for such strong willed resolution were presented in multilateral as well as bilateral levels: "the aims and objectives of the Organization are to foster the planning and development of international air transport for the purposes set out in Article 44 of the Convention" and "violations of these tariffs are in contravention of many bilateral agreements entered into by governments"<sup>11</sup> In 1971, the 18th Assembly furthered the regulationist tone on the same issue. Similar in backbone to the 1968 resolution, the 1971 resolution on tariff enforcement added that the states should take extreme measures in order to minimize non-observance of airlines to approved tariffs and noted that the rates should apply also for non-scheduled air services and called for penalties for those carriers which commit violations<sup>12</sup>. Moreover, it was resolved that studies on international air transport rates

---

<sup>10</sup> It is worthwhile to note the reactions of the U.S., U.K. and French governments to the paper. The U.K. and French delegates argued that the paper overlooked the fact that economics of aviation is only a part of the whole economy of a nation and thus treated economic growth in aviation as a final end, disregarding overall growth of economy of a nation. This could be read as an implicit defence of protectionist regulatory measures. On the other hand, the U.S. delegate questioned the analysis on exchange of commercial rights on bilateral grounds and argued that bilateralism became a rooted phenomenon in international aviation that cannot be questioned multilaterally. For further details see ICAO 1968b A16-Min. EC/1-10 pp. 37-50 & 58-62.

<sup>11</sup> See DOC 8779 A16-24 pp. 78-79 (ICAO, 1968c).

<sup>12</sup> This addendum was based on the fact that in only a few number of states aeronautical authorities hold regular or ad hoc meetings with air carriers and that although over 100 cases were reported in the

and fares be conducted by the Council after preliminary assessment of feasibility. However, location of the justificatory basis for this study were identified in the demand side: "Governments have a responsibility to the users of air transport for such fares and rates" (ICAO, 1971b). This could be interpreted as a hint of a pro-deregulation stance, albeit very minimal in discursive weight and insignificant when conceived within the context depicted above.

The 1974 21th Assembly, when analyzed in terms of the text of resolutions, manifests strengthening of both currents, which in turn made the internal contradiction lucidly apparent and rendered the whole body of resolutions internally inconsistent. Regarding the most crucial issue, namely, tariff enforcement, the Assembly's resolution was now at utmost level of urgency and the tone adopted reflected it. In the face of the unsatisfactory financial situation recorded by airlines, the Assembly argued that "the strict observance of internationally agreed tariffs could contribute towards improving the existing situation" and "strongly urged" member states to "develop and use all legal means to enforce strict compliance with tariffs", in addition to taking "all necessary measures to ensure the implementation of Resolution A18-18" (ICAO, 1974, pp. 82-83). The Assembly furthered this militant advocacy of the existing regime by putting forth a procedure of standardization for the establishment of tariffs for scheduled air services, directing the Assembly to undertake a study on an international ICAO standard tariff clause or an international agreement involving such a clause which would govern principally and procedurally future bilateral ASAs (p. 81). Moreover, the Assembly, which historically praised various examples of regional coordination and laid particular emphasis on merits of regional offices and regional civil aviation bodies, now argued that the achievements

---

form of complaints submitted to related authorities in 1968 and 1969, only 4 IATA airlines were fined. For further discussion see A18-WP/20 EC/4 (ICAO, 1971a).

made by these regional initiatives were insufficient and thusly called for a global level consideration of all the issues (p. 79). By doing so, the Assembly manifested a proactive stance so as to find a solution to economic problems of civil aviation, heavily armed with its regulationist equipment bestowed upon him via the multilateral framework.

Regardless of all these pro-regulation resolutions, the resolution on the prospects international air transport fares and rates studies was founded upon a perspective that prioritizes private parties: customers and air carriers<sup>13</sup>. It directed the Council to undertake analyses of regional differential in fares and costs and to give birth to a panel of experts which would study the machinery and search for possible improvements, "taking into account not only the legitimate interests of the international air carriers, but also the legitimate interests of the users of international air transport" (ICAO, 1974). These brief references reveal that this resolution embodied a wholehearted embracement of the political economic premises of deregulation.

The international civil aviation were faced with lowering of traffic demand and increase of operating costs and many other structural problems which in overall terms surfaced the ambiguously contradictory character of the regime that was towered upon the compromise between liberalization and protectionism. When stability faded away, both currents exuberated. When the abovementioned resolutions are analyzed, though, it could be said that the regulatory current outnumbered the deregulatory current in the context of resolutions. However, whether the former outweighed the latter or not, was a question yet to be answered.

---

<sup>13</sup> See DOC 9118 A21-26 p. 80. The following words are especially noteworthy therein: ". . . there is an increasing concern among national tourist and trade interests and their international organizations about the level and structure of international fares and rates; . . . the costs of operation of international air services and appropriate yields are of great concern to the airlines of the world; . . ." (ICAO, 1974, p. 80)



There were two prominent frameworks that flourished from the rise of tension: the Special Air Traffic Conference (SATC) which corresponded to the global level discussion of major problems in aviation and the Fares and Rates Panel (FRP) that aimed for analysis of IATA fare setting machinery. The 1974 Assembly, in a sense, outsourced the task of providing a solution for these crucial structural problems of aviation on which its general inclination was marked by a regulationist character. SATC, which gained a regular character and FRP which intensified its studies were concrete forms of ramification of multilateral frameworks which spelled the demise of the Assembly's devotion to strict tariff enforcement. The 22th Assembly adopted the recommendations of SATC, more or less in their original forms (ICAO, 1977). The outcome was indeed once again an amorphous amalgamation of regulatory and deregulatory currents: the desire of further government involvement in determining fares was expressed but governments were not to impede air carriers' private attempts in reaching agreements (Jönsson, 1981, p. 132). The notion of tariff enforcement was still to be strengthened and updates regarding applications in national level would be made for further sharing of information but a clearly consumer-centric approach were made regarding division of non-scheduled airlines and scheduled airlines and it was argued that a categorical division is indispensable when conceiving of enforcements which has to face with the reality of supply and demand dynamics that operate through the growing non-scheduled services market. On the other hand, it was resolved that members of FRP wishing to attend IATA traffic conference are encouraged to do so and although it was recommended by SATC that there should be ICAO observers in IATA traffic conferences, this was not included in resolutions. Overall, the 22th Assembly marked a relative retreat of the Assembly which sticks to regulatory principles, a ramification

of multilateral frameworks assuming issue-specific and broadly sectoral visions and duties which paved the way for deregulatory moves and reduction of ICAO's desired pioneering in economics of aviation with confinement to the sole issue of IATA tariff mechanism (ICAO, 1977).

In the 1980 23th Assembly, the issue of tariff enforcement was not anymore on the agenda (ICAO, 1980). The IATA, the last castle, although was under heavy assault with Show Cause Order and was losing its fare enforcement capability in the North Atlantic route, ICAO Assembly remained desperate when faced with its incapability of changing the course of evolution of the regime in the sphere of economics. The U.S. which had always indicated its sympathy to tariff rebates, were now breaching through the walls of IATA machinery in broad daylight. The call of the 1978 ICAO Council inviting the contracting states not to engage in actions that would inflict considerable damage to the existing tariff machinery fell on deaf ears (Jönsson 1981 p. 132). The regime, cracked, despite and thanks to ICAO. The framework to which ICAO gave birth, The Second Air Transport Conference, was dominated by IATA representative observers and thanks to them, the principle "international tariffs should be established multilaterally" was reiterated and a reference to IATA machinery as the normative procedure to be followed was made (Jönsson 1981, p. 140). These, in fact, were last efforts for survival.

#### 4.3 Theoretical implications

It should first be noted that the logic behind sections stems from the distinction of phases that is informed with a theoretical perspective. This perspective traces the path of internal conflict generating points. In contrast to the conventional depiction of international organizations along the axis of bilateralism versus multilateralism,

fluctuations of the two extremes of the dialectical relationship were identified in differential instantiations of regulatory and deregulatory currents. The notion of engagement with economy, as put forth in the research question crudely, assumed theoretical density through such conceptualization. Furthermore, this concept of conflicting currents also represents the mediated derivation of the genealogical compromise that is marked in the overall system of international civil aviation. These currents had seemingly ambiguous concretizations in level of actors as separate units within the multilateral framework. Nonetheless, this ambiguity and articulation of regulatory and deregulatory tonalities were the very essence of the system.

These theoretical premises spell a holistic comprehension that could be portrayed through ladderized instantiation of destabilizing phenomenon. The ladderizing can be read through lenses provided by Haas with the tripartite conceptualization of system, order and regimes. The whole is the system of international civil aviation that comprises a global market possessing exponential growth potential through a tendency towards oligopolistic competition with few leading public and private figures. Therefore, in line with the definition of regime proposed in the theory chapter, the ICAO regime could be conceived of as follows. The regime was established upon the conflicting interests of major European powers and the U.S. on unstable grounds of compromise between regulatory and deregulatory currents. The fact that it had unlimited advisory scope without any enforcement capabilities on major economic matters and that it pursued its recommendatory role on the grounds of the genetically ambiguous compromise were distinguishable tension generating internal elements of its framework. The patterned intersubjectivity of the regime underwent shifts throughout the time scope of the study. The initial phase of genesis that lasted up to 1950 was marked by a proactive and idealistic pro-regulatory pattern

that aimed to achieve a global solution to stalemates of aviation. The second phase between 1950 and mid-1960s involved weakening in the proactive positioning and a concomitant shift to a search for regional solution. The third phase that began in the late 1960s and ended in the late 1970s comprised significant and synchronous rise for regulatory and deregulatory currents, the former being at forefront and defensive, the latter being subordinated but with grand vision. The former were condensed in the Assembly resolutions whereas the latter paved its way through external auxiliary bodies around the regime. In this phase, the intensification of problems directed attention once again to a global solution. This phase is moreover marked with a devoted defense of the IATA fare setting machinery but without any practical positive result in terms of outcomes.

To open up the above remarks, a more detailed account is necessary. First, should be maintained that the IATA regime stands at the heart of this system and therefore is loaded with tensions piling up in economics of aviation. The ICAO regime, on the other hand, is a regime that, above everything else, ensures international coordination of the IATA regime, international in the sense of governments locked in a multilateral framework, imbued with a vague notion of advisory role. Desired benefit of the constructed order is thus *orderly* and *efficient* growth. Maturation of the market intensified competitive drives of public and private parties and this growth undermined gradually the performative merits of the IATA regime in decades. The ICAO regime clung to the decadant IATA regime. Private and public power structures evolved towards a specific direction and in the meanwhile, ICAO regime<sup>14</sup> manifested a lagging character and could not adapt itself

---

<sup>14</sup> The Assembly and its resolutions weigh heavily in the theoretical construction of the ICAO regime. The Assembly implicated a rigid continuum of a multilateral framework that was politically above the Council. The Council, on the other hand, was composed of fewer states on the basis of leading in aviation and to some extent regional representation, which in turn resulted in an European centered

because it was based on mere compromise that pinpointed a specific middle ground from which it could not distance itself unless the IATA regime is dissolved or transformed completely.

ICAO regime tried to reformulate the principles of the already bygone sky in each turning points. A historical lapse between the evolution of power structures and the rigidity of regimes existed. This leans towards a Krasnerian depiction of lag, which would take outcomes as benchmark. In terms of outcomes, the regime could not exercise its autonomy mainly due to lack of enforcement. Its interference with economics did not produce considerable results, irrespective of the degree of engagement, ICAO regime could not impact the direction of aviation economics. However, the reasons for lagging are to be searched in the realm of intersubjectivity by distinguishing focal points and road maps that were prevalent throughout the years studied. Even at the originating point, ICAO was distanced from the course of economics but in the same time were responsible for overall well functioning of the system. This, in turn, gave birth to an organization that ruminates on prospects of the regime with a saturated cognitive dimension without being directly affected by the traumas that it suffer from. The compromise politically and bureaucratically embodied in ICAO as a whole remained unaffected even though the contracting states struggled in crises. This led to a more facilitated revealing of tensions in and by the Assembly as the most general scope multilateral framework.

Above theorizations hence lead us to define and evaluate the road maps and focal points through which the ICAO regime lasted until the late seventies<sup>15</sup>. ICAO's genesis was marked by the grand ideas of post-war reconstruction that had the

---

mixture of members. This could be the very reason why the Council's interference with economics was not as pro-regulatory as the Assembly in critical instances.

<sup>15</sup> This sentence is valid within the time scope of this study only. The perseverance of the ICAO regime after the setback of IATA regime is another subject.

ultimate aim of peaceful global order. It could be argued that the impact of these ideas persisted much longer in the intersubjective framework of ICAO Assemblies when compared with the holistic level of the international aviation system. ICAO, thanks to its ambiguous genealogical lineage, the internally contradictory bulk of objectives, provided grounds for currents of regulation and deregulation to cohabitate. In cognitive terms, plenary meetings of the Assembly and meetings of the Economic Commission served as a foreground in which soft clashes between the two occurred. Implicit and explicit clashes determined the overall road map of the organization. In spite of the cohabitation, it should be noted that it was the regulatory current that weighed in focal points of the road map that was followed.

To be more specific, from the onset of the international civil aviation regime in Chicago to the early sixties, all roads led to the project of a multilateral regulatory framework on air traffic rights and the advent was mapped accordingly. In the first half of this period, the focal point was a global level agreement, in line with the post-war reconstruction dreams. Despite the pervasive normalization of Bermuda type bilateralisms and mushrooming of ASAs and consequent growth in the industry, this devotion lasted up to a certain point at which an alternative, reduced in scope, outshone it. Hence commenced the reign of projection of regional multilateral agreements, Europe being the most appropriate nominee for prototypology. In the face of unsuccessful results and pressure from economics of aviation as examples of violation of the IATA-set fares, a drastic change in agenda happened. The regional project was delegated to ECAC and the road map were significantly deviated from the multilateral solution for regulation to the task of preservation of the IATA regime. The IATA regime were perceived as the backbone of the overall system and in the intersubjective realm of ICAO it was framed and justified accordingly. The

focal point was to ensure compliance of private and public parties to IATA regime.

At this turning point, the deregulatory current engendered an alternative and subordinated focal point and aimed for its incorporation to the road map: emphasis on major structural problems of the system in such a framing that it implicates the positive prospects of deregulation. The already established focal point reigned over the alternative one and attempted to fortify its ranks by putting forth the argument that regional bodies and projects do not remedy the complications of the system and that a global level solution is indispensable. In doing so, however, ICAO in a sense delegated or outsourced the task of problem solving to distinct bodies such as SATP or FRP or ECAC, other than its traditionally functioning machinery composed of the Council and the Assembly. Road maps were multiplied and became issue-specific and thusly confronted system-wide effects of deregulatory current. That would have undermined the integrity of the ICAO regime. Without significant time and data to assess the damage, the constellation of road maps for restoration, collapsed, when the robust IATA regime threw up the sponge and compromised with the deregulatory current rallied by CAB. For ICAO and its affiliates, the window for interference was henceforth closed. The aftermath of the clear-air turbulence was a wreck.

Lastly, it is indispensable to exploit this empirical analysis in order to supplement the analytical framework presented in the preceding chapter. Few comments in a nutshell would suffice to further underpin the critical realist insight, though in a tentative manner, notwithstanding the fact that these would be less assertive and convinced when compared to the remarks made therein. First of all, it should be noted that the U.S. - U.K. rivalry had less pronounced instances in the multilateral scene. In general terms, in the course of many assemblies, U.K. was a part of the overall European voice that positioned in a de facto alliance with the rest

of the world in fighting back any attempt to liberalize the regime assaulting its very pillars. As minutes suggest, U.K. & France coordinated their efforts in lifting the siege rallied by the Netherlands aiming for complete reversal of the nature of bilateral encounters. The party which capitalized more on the bilateralism-within-multilateralism aspect of the regime, the very first byproduct of the rivalry, was the U.S. whose delegation strategically framed any issue within the broad structure of bilateral relations. Moreover, the U.S. power-structured rationality, which tried to utilize and contain the aggressive growth of Pan Am, took the shape of advocacy of uniqueness of each bilateral relations in responding the Dutch request. These nodal comments could be incorporated into the general picture, with the reservation that they are derivations of a study conducted with different lenses, i.e. the lenses that aimed to discover the positioning of ICAO within the regime.



## CHAPTER 6

### IN LIEU OF A CONCLUSION:

#### THE HORIZON IS LIMITED, THE SKIES ARE NOT

In order to finalize the study, it is worthwhile to reiterate the core elements of the insight developed and the main findings of the analytical chapters. International civil aviation has been distinguished as an interesting issue-area which comprised an intricate web of interfirm and interstate relations in terms of international political economy. It represents an early atypical prototype of network structure of globalized capitalism. In terms of its regime structure, it differs from other sectors that operate through transnational flows.

This thesis established itself on three theoretical schools, namely, realism, regime theory and security studies. The theoretical tools that were put forth to approach the empirical sphere were to a large extent borrowed from non-mainstream variants of these schools of thought. As regards to the first, Krasner's method of inductive reasoning in evaluating cases of foreign direct investment guided the analytical chapters. The method adopted involved in-depth empirical investigation that surfaced traceable lines of prioritized goals. Multiplicity of power structures were put into theoretical picture along the axis of relations between state and market forces in international civil aviation. The critical realist Harrod's concept of power-structured-rationalities was deployed in order to explain historical encounters that marked strategic internalizations. Furthermore, contributions from global political economy literature were incorporated into the theoretical backbone. The framework of Strategic Economic Policies as developed by Hart & Prakash were deemed to be useful in explanatory terms, with its emphasis on the notion of first-mover in high

value-added, high-tech industries. Furthermore, the explanatory outlook on market governance incorporated redistributive mechanisms that redress the grievances of parties operated by the state. All in all, lenses that see inter-state relations through a critical realist paradigm along with particular focus on international market governance were used.

Concerning regime theory, the study opted for an eclecticist assemblage. Haas' tripartite categorization of system, order and regime were deployed in analysis. System corresponds to overall network structure of the sector, involving public, private parties, national and transnational alike. Accordingly, a regime constituted a part of the system, operating on intersubjective institutional level through normativity. Order, on the other hand, denoted the benefit that a regime is to provide. A minimalist, research-driven definition of regime was operationalized: a set of implicit or explicit transnational conventions that operate normatively in institutional level upon a structural political-economic framework which embodies conflicting interests and internal contradictions. These interests and contradictions stimulate drive for change in regime in systemic level. A regime, defined as such, should be analyzed through a framework of cognitivist epistemology which entails meticulous evaluation of network professionals' intersubjective normative interactions in the abovementioned international institutional level. Conceptual tokens of such engagement entail road maps and focal points that pursue the line of normative processes and crystallize the historicity of changes and shifts.

As regards to security studies, the theoretical attention was directed to Copenhagen School and Welsch School. As a theoretical preference, an amalgamation of the two was advanced in the study. Security was conceived of as a positive concept. In line with such conception, moves made by private and public

power holders regarding security was embedded in the normal run of international politics. In this sense, it is, in its genesis, detached from its military connotation and is conceived with lenses of contingency. These moves could thus be either securitizing or desecuritizing moves. Respectively, actors carrying out these processes are either securitizing or desecuritizing actors. These moves aim internalization by involved parties. Actors' subjective perceptions hold a role as valid as that of objective conditions which may correspond to factual threats. This theoretical body stands as an auxiliary cohort to the critical realist appropriation put forth above in that it is an attempt of theorization which opens up a cognitive pathway for analysis and concomitantly rises above a solid structural framework of objective conditions. The end result is hence an amalgamation of a critical realist ontology and cognitivist epistemology.

The theoretical assemblage was tentatively constructed as such in order to approach the subject matter. Literature on international civil aviation was thereafter reviewed and their drawbacks and valuable insights were noted. This helped the tentative outlook to mature. Raj Nayar's negation of the conventional reading of Chicago talks which portrayed U.S. as strictly deregulationist and U.K. as strictly regulationist shed light upon analytical engagement by crystallizing specificities and nuances in respective positionings. Krasner's brief comparative study of international shipping regime and international aviation regime which found that the latter is distinguished with high prevalence of authoritative allocation of resources underpinned the tentative theoretical stance in that it directed further attention to "aeropolitical" encounters within the oligopolistic market structure.

In addition to these, Jönsson's revealing of hegemonic stability theory's, game-theoretical models' and functionalist accounts' inability to explain processes of

regime maintenance and change in international civil aviation was of utmost importance in that it eliminated potential explanatory tools. Moreover, his primary solution to these explanatory deficiencies is incorporation of the cognitive dimension to the analytical framework. This theoretical proposal is in line with the theoretical assemblage of this study. However, Jönsson mobilizes cognitive analytical tools in the game-theoretical framework of organizational process model which only multiplies the rigid schematicism of actors' acting upon calculation of interests. In this sense, in order to avoid conceiving of actors' and their intersubjectivities within consecutive but dehistoricized snapshots confined to bureaucratic interactions, a critical realist ontology towering on historical political economic structures that was to be analyzed through a cognitivist epistemology was preferred.

After these theoretical engagements, the study continued with the first analysis chapter which corresponded to the quest of answering the first research question advanced in the introductory section. It not only strived for an answer, but also laid out some crucial elements of the general historical-empirical background which is also necessary and relevant for the second analytical chapter. This section commenced with a theoretical justification for linking the British-American rivalry to the crucial turning points of evolutionary phases of the international civil aviation regime. The analytical focus traced the evolution of this rivalry along the lines of Chicago Conference, Bermuda I and Bermuda II agreements, after providing a brief sketch of the historical lineage that had passed from interwar years. In order to underpin the positioning of the British and the American airlines throughout this turbulent continuum, an overview of their financial and commercial conditions was presented. The study continued with an analysis of aircraft manufacturing race between the two countries and reflected upon the conundrums that it occasioned in

trade of aircraft. In theoretical terms, power-structured rationalities with varying degrees of internalization for each public and private actors involved in the international processes of rivalry were identified through analyses of conflicts in historical turning points. Constellation of these power structures and internalization or noninternalization of their rationalities by involved parties correspond to a conventionalized pattern of bilateralism within the multilateral framework of regulations.

The second analytical chapter revolved around the issue of evolution of ICAO's role with a particular emphasis on its engagement with economics of aviation. The engagement to which the thesis anchored its inquiry was framed along the axis of regulation and deregulation and it ran parallel to the analytical historical flow of the preceding chapter. The main argument of the chapter was that the very foundational premises that lie at the genealogical roots of the ICAO regime were marked with conflictual coexistence of regulation and deregulation. Deprived from enforcement capabilities, the ICAO regime represented a multilateral framework lagging behind the overall system of international civil aviation and clinging to its unique intersubjectivity when trying to amend the drawbacks of the system. When assessed in terms of determination of outcomes, ICAO as a regime failed to impact the course of the system, though assuming a sort of autonomy. From Chicago to early sixties, ICAO proactively engaged with economics on the project of a regulatory multilateral agreement in air traffic rights, its focal point being the grand project of multilateral regulation and its road map consisting of signing of a world-wide agreement by conducting advisory studies. Failed in attaining this grand ideal, the organization shifted its focus to regional level multilateral solutions. In the face of increasing impetus from market dynamics in the form of breakthroughs of the

IATA fare setting machinery, then onwards, it switched to a defensive engagement that aimed for persistence of the IATA regime.

After this summary of principal insight and main findings of the study, it seems crucial at this point to finalize by drawing attention to what has not or could not been accomplished in task. Firstly, the complex nature of international civil aviation has been emphasized in various instances throughout the progress of study, whereas it has only been mentioned very briefly in the introductory section, though an analytic portrayal of the aviation sector would be valuable in terms of underpinning the research agenda. Such portrayal should involve legal and industrial lenses which are to be borrowed from literature which are, not only unfamiliar to the author of thesis, but also to the discipline itself. Although in its present form the emphasis on complex interrelatedness that is embedded within the concept of international civil aviation seems more or less like a postulate, it is revealed that one should better not be that hasty in putting forward such critical reservations when international law, microeconomics and industrial engineering studies are taken into account as "behind the scenes" literature.

Secondly, it could be argued that focalization on international aviation rendered the overall flow of world history less important in analytical terms; in other words, overstressing the unique nature and flow of international civil aviation comes along with the danger of blinding oneself to the whole picture. It is a fact that, while the former is clearly understudied, the latter represents the main topic of the discipline of international relations. The panacea for excessive holism should not be conceived as relativist particularism, therefore any study of a particular issue-area in international relations should principally be traced along the lines of world historical contradictions in which it takes part via mediations. To establish this stands

as a bold theoretical assertion, especially when confronted with the fact that the main body of this thesis is not constructed as such, notwithstanding the fact that there have been some references to more broad structures of the post-World War II era. This also is partly due to formal limitations, but formal limitations cannot be referred for justification in each and every instance. Therefore, these theoretical reservations should be kept in mind. In sum, it should be stressed that one should not fall to the pitfall of extreme relativism while struggling to free oneself from extreme holicism which could be attributed to the bulk of international relations theories analyzed in the review section.

Thirdly, further critical engagement with the text would direct the reader to the issue of communication between the historicized object of study and the empirically informed approximations and theorizations. It could be argued that subjective periodization of international civil aviation history could result in different contextualization of different empirical data in search for an answer for research questions at hand. To put it more concretely, having limited the historical scope of the study to a period that ends in the late seventies results in ignoring the in-depth analysis of the remaining part of the historical flow, hence the horizon suffers a crucial setback and the reader possesses the right to put doubt on prospects of the cyclic nature of regulation and deregulation which is postulated to overdetermine the international civil aviation regime in each and every instance of this study. The author of this thesis sticks to the argument that there exists a cycle of regulation and deregulation in international civil aviation, despite the fact that many deregulatory moves has been made throughout the last decade of the twentieth century and the first sixteen years of the twenty-first century such as establishment and growth of the Shared European Air Market, mushrooming of bilateral open skies agreements. One

empirical foundation of the prolonged cycle argument would be the tremendous increase in safety and security regulations after the 9/11 hijackings. Whether there is a link between these seemingly technical measures and economics is a question yet remains to be answered meticulously, though Yates & Srinivasan (2014) argue that it indeed exists.

Furthermore, one crucial epistemological drawback resides at the very core of the analysis of ICAO. Although the eclecticist theoretical backbone was marked by an apparent flirtation with cognitivism and its primary emphasis on intersubjectivity, the documents available to the author transmit the cognitive essence only after a double filtration. From the text to the cognitive reality, a double filtration was in operation and that may have rendered the final picture blurry and tainted. The first filtration occurs in the very moment of transcribing the prolonged meetings to paraphrased minute entries within the general context and presumptions of multilateral diplomatic conventions in a closed network that does not echo in the ears of general audience but only in the ears of colleagues. The same contextual conventions and network bias were already in operation in real time utterances of delegations, to which the researcher does not have access as available data. Statements were exchanged between delegates and experts within the limits of diplomatic conventions and this corresponds to the second of the double filtration. Although it seems like the good old epistemic gap between document and reality, it is to be acknowledged that the axis of these filtrations were in force as an addendum that aggravated the gap.

Finally, it is worthwhile to comment on prospective implications of this study. Two crucial implications could be distinguished, one being theoretical, the other being contextual. The core theoretical implication of this thesis is that it



international relations theory should be directed to international civil aviation with an increasing envy, bearing in mind all the limitations but also potentials that nurtured this study. The task remains is to come up with more profound, considerable adjustments to the original, conventional rigidities of certain theoretical lineages that are predominant in international relations perspective, without complete rejection of the ontological backbone. The object of study offers insightful potential for such theoretical innovations due to its empirical nature which comprises complex interrelations of many actors and institutions, public and private alike. Above these tensions which could well be identified in civil aviation with a meticulous topographical perspective, one could engage in fruitful theorizations.

The other implication in terms of prospects is related to the realm of context of academic studies. The issue-area of regulation and deregulation of international civil aviation rests on a continuum which towers above the history of twentieth century and competes with stars in brightness in the present century. Therefore, any case within this line of continuity and growth could not be singled out as unique. A historical period studied from the perspective of conflictual competition between Britain and the United States should well shed light upon further empirical investigations. Moreover, components of the current international civil aviation regime could well be a relevant topic of interest. Such possibility of refining the aforementioned continuum paves the way for further academic research, which should be crystallized with an international relations perspective which is rich in theoretical capabilities and historicizing insight.

The issue of context could also be approached from a different angle. Academic studies emerge not solely as abstractions isolated from the concreteness of actuality. On the contrary, the researcher derives emotional and empirical motivation

from the current state of events to which he or she bears witness. In this sense, reflections of the exponential growth of Turkish Airlines a powerful flag carrier on international relations distinguishes itself as an interesting topic of study. The author of this thesis would be proud if the present contribution proves itself to be meaningful and fruitful for such further inquiries that are directly related to actuality.

## REFERENCES

- Bailey, E., Graham, D., & Kaplan, D. (1985). *Deregulating the airlines*. Cambridge, MA: MIT Press.
- Bluffield, R. (2009). *Imperial Airways and the birth of the British airline industry 1914-1940*. Hersham, UK: Ian Allan.
- Billstein, R. E. (1998). Airlines, entrepreneurs and bureaucrats: the American experience. In H. Dienel, P. Lyth (Eds.), *Flying the flag: European commercial air transport since 1945*. New York, NY: Palgrave Macmillan.
- Booth, K. (2007). *Theory of world security*. Cambridge, NY: University of Cambridge Press.
- Buzan, B., Waever, O. & de Wilde, J. (1998). *Security: a new framework for analysis*. London, UK: Lynne Rienner Publications.
- Chuang, R. Y. (1972). *The International Air Transport Association: a case study of a quasi-governmental organization*. Leiden, Netherlands: A. W. Sijthoff.
- Convention on International Civil Aviation. (1944). Retrieved from ICAO website: [http://www.icao.int/publications/Documents/7300\\_orig.pdf](http://www.icao.int/publications/Documents/7300_orig.pdf)
- Dempsey, P., & Goetz, A. (1992). *Airline deregulation and laissez-faire mythology*. Westport, CT: Quorum Books.
- Diamond, B. R. (1975). The bermuda agreement revisited: A look at the past, present and future of bilateral air transport agreements. *The Journal of Air Law and Commerce*, 41, 419-496.
- Dierikx, M. L. J. (2008). *Clipping the clouds*. Westport, CT: Praeger.
- Dobson, A. P. (1985). The Other Air Battle: the American pursuit of post-war civil aviation rights. *The Historical Journal*, 28, 429-439. doi:10.1017/S0018246X00003216
- Dobson, A. P. (1991). *Peaceful air warfare: The United States, Britain, and the politics of international aviation*. Oxford, NY: Clarendon Press.
- Dobson, A. P. (1994). Regulation or competition? Negotiating the Anglo-American Air Service Agreement of 1977. *The Journal of Transport History*, 15(2), 144-164.
- Dobson, A. P. (1995). *Flying in the face of competition: The policies and diplomacy of airline regulatory reform in Britain, the USA and the European Community 1968-94*. Aldershot, UK: Avebury Aviation.

- Engel, J. (2007). *Cold War at 30,000 feet*. Cambridge, MA: Harvard University Press.
- Haas, E. B. (1983). Words can hurt you; or, who said what to whom about regimes. In S. D. Krasner (Ed.), *International Regimes* (pp. 23-60). Ithaca, NY: Cornell University Press.
- Harrod, J. (2001). Global Realism: unmasking power in the international political economy. In Jones R. W. (Ed.), *Critical Theory and World Politics*. London, UK: Lynnie Rienner Publications.
- Hart, J. A., Prakash, A. (2004). Globalization, governance and strategic trade and investment policies. In J. A. Hart, A. Prakash (Eds.), *Globalization and Governance* (pp. 243-266). London, UK: Routledge.
- Hasenclever, A., Mayer, P., & Rittberger, V. (1996). Interests, power, knowledge: The study of international regimes. *Mershon International Studies Review*, 40(2), 177-228. <http://dx.doi.org/10.2307/222775>
- Higham, R. (2013). *Speedbird: the complete history of BOAC*. London, UK: I.B. Tauris.
- International Civil Aviation Organization. (1947a). *Resolutions Adopted by the First Assembly* (DOC 4411). Retrieved from: [http://www.icao.int/Meetings/AMC/MA/Assembly%201st%20Session/A1\\_p45.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%201st%20Session/A1_p45.djvu)
- International Civil Aviation Organization. (1947b). *First Assembly Committee on Economic Questions' Final Report to the Commission* (DOC 4322). Retrieved from: [http://www.icao.int/Meetings/AMC/MA/Assembly%201st%20Session/a1\\_ec69.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%201st%20Session/a1_ec69.djvu)
- International Civil Aviation Organization. (1948a). *Second Assembly Economic Commission Final Report* (DOC 5674). Retrieved from: [http://www.icao.int/Meetings/AMC/MA/Assembly%202nd%20Session/a2\\_ec58.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%202nd%20Session/a2_ec58.djvu)
- International Civil Aviation Organization. (1948b). *Resolutions and Recommendations of the Second Assembly* (DOC 5692). Retrieved from: [http://www.icao.int/Meetings/AMC/MA/Assembly%202nd%20Session/a2\\_res.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%202nd%20Session/a2_res.djvu)
- International Civil Aviation Organization. (1948c). *Second Assembly Economic Commission's Report on Multilateral Agreement on Commercial Rights in International Civil Aviation* (DOC 5206). Retrieved from: [http://www.icao.int/Meetings/AMC/MA/Assembly%202nd%20Session/a2\\_ec01.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%202nd%20Session/a2_ec01.djvu)

- International Civil Aviation Organization. (1949a). *Volume I - Report of Council to the Assembly* (Doc 6433, A3-P/4). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%203rd%20Session/p\\_04.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%203rd%20Session/p_04.djvu)
- International Civil Aviation Organization. (1949b). 3rd Session of the Assembly - Provisional Agenda (Doc 6430, A3-P/1). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%203rd%20Session/p\\_01.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%203rd%20Session/p_01.djvu)
- International Civil Aviation Organization. (1950a). *Report of the Council to the Assembly on the Activities of the Organization in 1949* (Doc 6968 A4-P/1). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%204th%20Session/a4\\_p1.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%204th%20Session/a4_p1.djvu)
- International Civil Aviation Organization. (1950b). *4th Session of the Assembly - Resolutions and Recommendations* (Doc 7017, A4-P/3). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%204th%20Session/a4\\_p3.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%204th%20Session/a4_p3.djvu)
- International Civil Aviation Organization. (1951). *Report of the Council to the Assembly on the Activities of the Organization in 1950* (Doc 7148, A5-P/1). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%205th%20Session/a5\\_p01.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%205th%20Session/a5_p01.djvu)
- International Civil Aviation Organization. (1952). *Report of the Council to the Assembly on the Activities of the Organization in 1951* (Doc 7270, A6-P/1). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%206th%20Session/a6\\_p01.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%206th%20Session/a6_p01.djvu)
- International Civil Aviation Organization (1953a). *7th Session of the Assembly - Resolutions and Indexes to Documentation* (DOC 7417). Retrieved from:  
<http://www.icao.int/Meetings/AMC/MA/Assembly%207th%20Session/res07.djvu>
- International Civil Aviation Organization. (1953b). *7th Session of the Assembly - Minutes of the Economic Commission* (A7-WP/90 EC/Min.1-16). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%207th%20Session/a7\\_wp90.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%207th%20Session/a7_wp90.djvu)
- International Civil Aviation Organization. (1953c). *7th Session of the Assembly Economic Commission - Interchange of Routes* (A7-WP/44 EC/7). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%207th%20Session/a7\\_wp44.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%207th%20Session/a7_wp44.djvu)

- International Civil Aviation Organization. (1955). *Report of the Council to the Assembly on the Activities of the Organization in 1954* (Doc 7564). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%209th%20Session/a9\\_ad03.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%209th%20Session/a9_ad03.djvu)
- International Civil Aviation Organization. (1956a). *Annual Report of the Council to the Assembly for 1955* (Doc 7636). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%2010th%20Session/a10\\_ad01.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2010th%20Session/a10_ad01.djvu)
- International Civil Aviation Organization. (1956b). *10th Session of the Assembly - Resolutions and Indexes to Documentation* (DOC 7707). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%2010th%20Session/a10\\_p02.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2010th%20Session/a10_p02.djvu)
- International Civil Aviation Organization. (1960). *Annual Report of the Council to the Assembly for 1959* (Doc 8063). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%2013th%20Session/a13\\_p01.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2013th%20Session/a13_p01.djvu)
- International Civil Aviation Organization. (1961). *Annual Report of the Council to the Assembly for 1960* (Doc 8140). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%2014th%20Session/a14\\_p03.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2014th%20Session/a14_p03.djvu)
- International Civil Aviation Organization. (1962d). *Annual Report of the Council to the Assembly for 1961* (Doc 8219). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%2014th%20Session/a14\\_p04.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2014th%20Session/a14_p04.djvu)
- International Civil Aviation Organization. (1963). *Annual Report of the Council to the Assembly for 1962* (Doc 8317). Retrieved from:  
<http://www.icao.int/Meetings/AMC/MA/Assembly%2015th%20Session/8317.djvu>
- International Civil Aviation Organization. (1964). *Annual Report of the Council to the Assembly for 1963* (Doc 8402). Retrieved from:  
<http://www.icao.int/Meetings/AMC/MA/Assembly%2015th%20Session/8402.djvu>
- International Civil Aviation Organization. (1965a). *Annual Report of the Council to the Assembly for 1964* (Doc 8475). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%2015th%20Session/a15\\_p03.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2015th%20Session/a15_p03.djvu)
- International Civil Aviation Organization. (1962a). *14th Session of the Assembly Economic Commission - Commercial rights in international air transport* (A14-WP/42 EC/1). Retrieved from:

[http://www.icao.int/Meetings/AMC/MA/Assembly%2014th%20Session/a14\\_wp42.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2014th%20Session/a14_wp42.djvu)

International Civil Aviation Organization. (1962b). *14th Session of the Assembly Minutes of the Economic Commission* (A14-WP/162 Min.EC/1-18). Retrieved from: [http://www.icao.int/Meetings/AMC/MA/Assembly%2014th%20Session/a14\\_ec01.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2014th%20Session/a14_ec01.djvu)

International Civil Aviation Organization. (1962c). *14th Session of the Assembly - Resolutions adopted by the Assembly and Index to Documentation* (Doc 8268, A14-P/20). Retrieved from: [http://www.icao.int/Meetings/AMC/MA/Assembly%2014th%20Session/a14\\_res.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2014th%20Session/a14_res.djvu)

International Civil Aviation Organization (1965b). *14th Session of the Assembly - Resolutions adopted by the Assembly and Index to Documentation* (Doc ). Retrieved from:

International Civil Aviation Organization. (1968a). *16th Session of the Assembly Economic Commission - Tentative inventory of major problems that may hinder development in the air transport field* (A16-WP/33 EC/5). Retrieved from: [http://www.icao.int/Meetings/AMC/MA/Assembly%2016th%20Session/a16\\_wp33.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2016th%20Session/a16_wp33.djvu)

International Civil Aviation Organization. (1968b). *16th Session of the Assembly - Minutes of the Economic Commission* (A16-Min. EC/1-10). Retrieved from: [http://www.icao.int/Meetings/AMC/MA/Assembly%2016th%20Session/a16\\_ec01.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2016th%20Session/a16_ec01.djvu)

International Civil Aviation Organization. (1968c). *16th Session of the Assembly - Resolutions adopted by the Assembly and Index to Documentation* (Doc 8779, A16-RES). Retrieved from: [http://www.icao.int/Meetings/AMC/MA/Assembly%2016th%20Session/a16\\_res.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2016th%20Session/a16_res.djvu)

International Civil Aviation Organization. (1971b). *18th Session of the Assembly - Resolutions adopted by the Assembly and Index to Documentation* (Doc 8958 A18-RES). Retrieved from: [http://www.icao.int/Meetings/AMC/MA/Assembly%2018th%20Session/a18\\_res01.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2018th%20Session/a18_res01.djvu)

International Civil Aviation Organization. (1971a). *18th Session of the Assembly Economic Commission - Resolution A16-24 - Tariff enforcement* (19/03/71). Retrieved from: [http://www.icao.int/Meetings/AMC/MA/Assembly%2018th%20Session/a18\\_wp20.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2018th%20Session/a18_wp20.djvu)

- International Civil Aviation Organization. (1974). *21th Session of the Assembly - Resolutions adopted by the Assembly and Index to Documentation* (Doc 9118, A21-RES). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%2021st%20Session/a21\\_res01.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2021st%20Session/a21_res01.djvu)
- International Civil Aviation Organization. (1977). *22nd Session of the Assembly - Resolutions adopted by the Assembly and Index to Documentation* (Doc 9215, A22-RES). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%2022nd%20Session/a22\\_res01.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2022nd%20Session/a22_res01.djvu)
- International Civil Aviation Organization. (1980). *23th Session of the Assembly - Provisional Agenda* (A23-WP/1 P/1). Retrieved from:  
[http://www.icao.int/Meetings/AMC/MA/Assembly%2023rd%20Session/a23\\_wp01.djvu](http://www.icao.int/Meetings/AMC/MA/Assembly%2023rd%20Session/a23_wp01.djvu)
- Jones, H. A. (1960). The equation of aviation policy. *The Journal of Air Law and Commerce*, 27, 221-246.
- Jönsson, C. (1981). *International aviation and politics of regime change*. New York: St. Martin's Press.
- Keohane, R. O. (2003). The theory of hegemonic stability and changes in international economic regimes, 1967-1977. In Goddard, C. R., Cronin, P. & Dash, K. C. (Eds.), *International Political Economy: State-Market Relations in a Changing Global Order* (pp. 99-118). London, UK: Lynne Rienner Publications.
- Krasner, S. (1977). US commercial and monetary policy: unravelling the paradox of external strength and internal weakness. *International Organization*, 31(04), 635. <http://dx.doi.org/10.1017/s0020818300018646>
- Krasner, S. (1978). *Defending the national interest*. Princeton, N.J.: Princeton University Press.
- Krasner, S. D. (1983a). Structural causes and regime consequences: regimes as intervening variables. In S. D. Krasner (Ed.), *International Regimes* (pp. 1-22). Ithaca, NY: Cornell University Press.
- Krasner, S. D. (1983b). Regimes and the limits of realism: regimes as autonomous variables. In S. D. Krasner (Ed.), *International Regimes* (pp. 355-368). Ithaca, NY: Cornell University Press.
- Krasner, S. D. (1985). *Structural conflict: The Third World against global liberalism*. Berkeley, LA: University of California Press.
- Lake, D. (2004). Global governance: a relational contracting approach. In J. A Hart, A. Prakash (Eds.), *Globalization and Governance* (pp. 46-68). London, UK: Routledge.



- Lyth, P. (1998). Chosen instruments: The evolution of British Airways. In H. Diemel, P. Lyth (Eds.), *Flying the Flag: European Commercial Air Transport since 1945*. New York, NY: Palgrave Macmillan.
- Mackenzie, D. (1991a). An "Ambitious Dream": The Chicago Conference and the quest for multilateralism in international air transport. *Diplomacy and Statecraft*, 2(2), 270–93.
- Mackenzie, D. (1991b). The Bermuda Conference and Anglo-American aviation relations at the end of the Second World War. *The Journal Of Transport History*, 12(1), 71-83.
- Mackenzie, D. (2010). *ICAO: a history of the International Civil Aviation Organization*. London, UK: University of Toronto Press.
- McGinnis, M. D. (2004). Rent-seeking, redistribution and reform in the governance of global markets. In J. A Hart, A. Prakash (Eds.), *Globalization and Governance* (pp. 54-76). London, UK: Routledge.
- O'Connor, W. (1971). *Economic regulation of the world's airlines: a political analysis*. New York: Praeger Publishers.
- Oswalt Hill, H. (1978). Bermuda II: The British revolution of 1976. *The Journal of Air Law and Commerce*, 44, 111-129.
- Puchala, D. J. & Hopkins, R. F. (1983). International regimes: lessons from inductive analysis. In S. D. Krasner (Ed.), *International Regimes* (pp. 61-92). Ithaca, NY: Cornell University Press.
- Provisional International Civil Aviation Organization. (1946). *Resolutions Adopted by the Interim Assembly* (DOC 1837). Retrieved from International Civil Aviation Organization website:  
<http://www.icao.int/Meetings/AMC/MA/First%20Interim%20Assembly/res.djvu>
- Sochor, E. (1991). *The politics of international aviation*. London, UK: MacMillan.
- U.S. Department of State. (1946). *Zambia (Bermuda I) Air Transport Agreement of Feb 11, 1946*. Washington, U.S.: Author. Retrieved from:  
<http://www.state.gov/documents/organization/114391.pdf>
- Van Vleck, J. (2013). *Empire of the air*. Cambridge, London, UK: Harvard University Press.
- Waeber, O. (1995). Securitization and desecuritization. In R. D. Lipschutz (Ed.), *On Security* (pp. 46-86). Ithaca, NY: Columbia University Press.
- Williamson, Oliver E. (1996). *The mechanisms of governance*. New York: Oxford University Press.

- Yates, A., & Srinivasan, N. (2014). How civil aviation threatens national security. *Journal of Transportation Security*, 7(3), 227-254.  
<http://dx.doi.org/10.1007/s12198-014-0141-7>
- Young, O. (1980). International regimes: problems of concept formation. *World Politics*, 32(3), 331-356. <http://dx.doi.org/10.2307/2010108>
- Young, O. (1982). Regime dynamics: The rise and fall of international regimes. *International Organization*, 36(2), 277-297.  
<http://dx.doi.org/10.1017/s0020818300018956>
- Young, O. (1986). International regimes: Toward a new theory of institutions. *World Politics*, 39(01), 104-122. <http://dx.doi.org/10.2307/2010300>
- Zacher, M. W. & Sutton, B. A. (1996). *Governing global networks: International regimes for transportation and communications*. Cambridge, UK: Cambridge University Press.