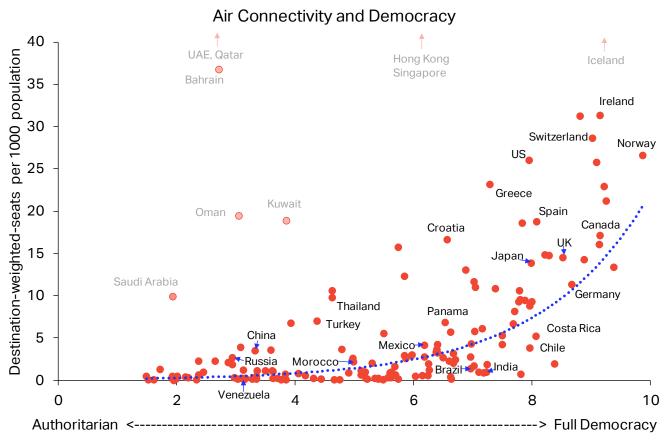


## IATA Economics Chart of the Week

18 April 2019

## Air connectivity positively correlated with democracy



Source: Economist Intelligence Unit, IATA

- The release last week of <u>The Economist's Democracy Index 2018</u> showed that political participation was on the rise in almost every region last year, despite a deterioration of trust in democracy. This index provides an annual snapshot of the state of world democracy for 165 independent states, with the 1-10 scale, shown on the horizontal axis above, ranging from an authoritarian state to full democracy as measured by the Economist Intelligence Unit. Notable changes in the past 5 years were moves towards more democratic institutions in China, Iran, Morocco and Haiti, and moves in the opposite direction in Congo, Libya, Venezuela, Russia and Turkey.
- We plotted the 2018 results from the Democracy Index against <u>our own measure of how well a country is connected</u> by air. The vertical scale above shows how many available seats serve a country, weighted by the importance of the destination, for every 1000 people in the population. There are some outliers (shown above in fainter colors) partly explained by the presence of global hubs or island states but nevertheless there is a clear positive correlation. This is not the same as causation, but countries with more democratic institutions tend to be much better connected to the world by air (connectivity is also driven by <u>regulatory competitiveness</u>). Morocco had a 23% rise in its democracy score and a 60% gain in air connectivity over the past 5 years. By contrast, Venezuela saw falls of 38% in its democratic score and 73% in air connectivity in that same period. Globally the Democracy Index stabilized last year for the first time in 3 years. If there is causation in the correlation that is positive news for air transport.

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