Airport Business and Local Community Development

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EXECUTIVE SUMMARY
From mere providers of airline infrastructure, airports have become hubs of economic development and gateways to growth for not only their airline customers but also for the regions they serve. Few industries can claim the rate of sustained growth and investment shown by the air transport business. In terms of economic impact airports handle growing number of international passengers and high volume of cargo which is flown in preference to rail or sea transport. Airports provide access to international business opportunities and are regarded as an important part of infrastructure. Even though airports are a country’s most valuable transportation commodities, year after year airports are being closed or significantly restricted, and disappointingly, the people in the forefront of this group is the local residents and community. It is important to understand how airports and local communities affect one another and more importantly, what airports can do to engage with the local community such that its own business and expansions plans are supported by the community. Throughout the world, the profiles of communities that inhabit the vicinity of the airport vary widely. However, there are two definite sets of variables that determine what and how should the community be engaged with in order to have a symbiotic relationship with the airport. These variables are the Demographic profile of the community as well as the Psychological profile of the community (in relation to the airport). This paper attempts to provide a community plotting matrix which will tell its user where the community is located in terms of its demography and psychology and how this knowledge should be used effectively to design impactful community engagement programmes.

AIRPORT AND THE COMMUNITY
Economic benefits to the community:
A study by IATA in 1991 (www.iata.org) claims that the economic benefits of air transport are wealth creation, employment generation, tax payments, a major contribution to travel, tourism industry and regional economic benefits. Airports are not only economic engines but also a reflection of communities they represent. With passenger numbers expected to double by 2020 airports world over are responding with the highest ever level of capital expenditure.

Interdependency in economic development:
The close link between economic performance and air traffic growth is demonstrated by changes in the volume of air traffic for business, cargo and leisure in response to international patterns of trade. Growth in air travel brought about expansion of major airports, 29 of which handled over 30 million passengers per annum. Not surprisingly, all were situated in the core industrial nations in capitals like London, Tokyo or Amsterdam, at tourist centres like Honolulu, Orlando or represented important hubs like Atlanta, Denver that serve a huge domestic airline industry. The changes in air passenger generation of major US cities were compared with urban growth and found to be a reliable indicator.
The economic impact of airports is increasing along with rapidly growing passengers and cargo. Total scheduled commercial air carrier activity and cargo traffic are currently growing at rates significantly higher than the overall economy i.e. over 4% per year for passenger traffic and 5.1% per year for air cargo.
The IATA financial forecast report of March 2011 (financial forecast march 2011, www.iata.org/economics) says that demand for air transport remains robust. Air travel looks back on its 2010 trend increase of 7% a year. International markets are now 6% larger than their pre-recession peak and so far, showing few signs of slowdown. IATA is forecasting growth in passenger markets of 5.6% this year and growth of 6.1% in air cargo. Overall this generates an expansion of 5.7% in tonne kilometres flown, not far from the expected 6% expansion in capacity. This is leading to a burst of activity in airport expansions around the world, with airports in many places playing a strategic role in the economic development of local community, region and the country. Airports are a major force in the local, regional and national economy with an impact that goes well beyond the airport fence. As globalisation continues to take hold, the competitiveness of industry is increasingly relying on airports and the aviation infrastructure. With rising passenger and cargo traffic and infrastructure improvements, the importance of airports as economic catalysts will only increase in the future. The economic prosperity is experienced not only at the national level but it is felt in the micro level too i.e. in the community surrounding the airport. The impact to the local community can be classified as direct, indirect and induced impacts. (Airport economic impact methods and models, a study by Airport Cooperative Research Programme).

**Direct impact:**
Economic activities carried out at the airport by airline, airport, fixed base operators and other tenants who are directly involved in aviation. The economic activities that start directly from the airport like payroll, business expense, tax, equipment and material, utilities operating and maintenance cost.

**Indirect impact:**
Indirect impact is economic activities that are generated by on-airport business and off-airport business activities associated with airport like hotel, restaurant, travel agencies as well as their role in facilitating trade and tourism. It is also the money that comes to the community through the airport rather than being generated directly at the airport.

**Induced impact:**
The tax collected from the airport is ploughed back into other infrastructures like road, rail, bridges etc. into the community and the local community also gets to enjoy the benefits of the same kind. A community adjoining the airport gets to enjoy the benefits through both direct and indirect impacts in the form of direct and indirect jobs and revenues.

**THE PROBLEM**
**Community against airport:**
Airports are also controversial. For every airport manager who wants to see his or her airport expand, there is a resident in the flight path of an airport who wants to see his or her local airport traffic capped, reduced or the airport shut down. A recent case is the scrapping of the plan for a third runway at Heathrow and second runway at Stansted airport after 8 years of deliberation due to stiff opposition by the local campaigners of adjoining communities.
Closer home in India, public opposition to the extension of the runway at Chennai International Airport by residents around the airport and also opposition to the Greenfield airport at Sriperambatur as an alternative to the existing airport at Chennai. So regardless of the benefits of the airport to the economy and community, when the time comes the same community rises in revolt against the airport. WHY?

The answer lies in the fact that the real value of airports just isn’t being made known to those beyond the airport boundary. Fallacies and misinformation are being disseminated and rarely does the true importance of an airport gets conveyed to the non-flying community and elected decision makers.

Many people simply believe that an airport is solely for a select rich few. Unfortunately they do not understand that an airport serves the entire community or that restrictions or call to close an airport will have far reaching economic consequence on the whole community.

AIRPORT-COMMUNITY DEVELOPMENT (INDIA)

Airport Authority of India, a public sector undertaking of the central government runs and controls the airports in India, that is until the first airport under public-private partnership started functioning in the year 1993. After that, airports in Delhi, Mumbai were privatised and Bangalore and Hyderabad Greenfield airports, the first private airports came into being. The AAI contributes to community development through its Corporate Social Responsibility (CSR) programme at various airports around the country but nothing specific to the local community of a particular airport. Among the private airports all of them have CSR activities as part of their management policy doing their bit for the community. The above is a sample of the airports in India and it can be safely assumed that almost all airports around the world have the same way of engaging its local community i.e., the CSR way. Has this really benefitted the local community as a whole? Has it touched everyone’s life in the local community around the airport? Has this brought a change in everyone’s life in the community? The answer to these questions is a big NO! It is true that with programmes aimed at a particular segment it is difficult to please everyone in the neighbourhood. But CSR in its present form has its own limitation as its objectives are not built on the lines of a dedicated local community development. They are not always guided or bound demographically around the airport.

The problems faced by airports while going for an expansion or change in business model can be solved only with the support of the local community, as politicians, the decision makers have to listen to what the locals ask for as the same community elected them to power. This can happen only when each member of the community feels the airport as his own. This feeling of ownership will come only when the airport becomes part of his life, when he is benefited by the airport in any form. Many airport related problems arise from a lack of understanding by the community and its leaders, of the airports value. Most opponents believe an airport is just for the rich and therefore frivolous, expensive and expendable. It’s the airports job to carefully educate these people on the value of the airport and general aviation to the local community. The “my airport” feeling should come to each individual of the local community. This is not an easy task. This requires a thorough, planned and coordinated effort by the airport management.
SOLUTION - A NEW APPROACH:

THE AIRPORT-COMMUNITY MATRIX

Airport and local community relationship varies from airport to airport, region to region and country to country. The relationship depends upon the ownership pattern of the airport, importance of the airport, culture of the area, type of government and its policy etc. however, in order to initiate and sustain a long term community engagement programme, two of the most important sets of variables are demographic details and the psychological profile of the community. A community mapping based on these two fundamentals needs to be done first.

Demographic Profile:

The demography of a community is intricately associated with the needs of the community. The demographic profile of the community also indicates needs that might not yet be expressed by the community, but are perceived by those observing it. These needs also act as navigators for airports to design their community initiatives. It is non-negotiable that community initiatives be carried out in conjunction with the need of the community for them to be accepted and successfully implemented. Any programme that does not intend to positively impact the demographic features of the community will not be accepted in the true sense by the community. An airport that aims to initiate a relationship with its community cannot be blind to some of the most pressing issues plaguing it. Devising a programme around the community’s needs will go a long way to ensure the community’s support and loyalty to the airport.

Some of the demographic details that need to be understood and plotted are:

<table>
<thead>
<tr>
<th>Demographic Variable</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>If unemployment/Disguised unemployment/underemployment is rampant in the community, the community programme of the airport must seek to address this. The construction/expansion of an airport must seek to engage local talent wherever possible to improve the employment situation in the community.</td>
</tr>
<tr>
<td>Income levels</td>
<td>Levels of employment directly impact the levels of income. The aim of the airport community Programme should not merely be restricted to ensuring the community stays above the poverty line, but to also improve the quality of life</td>
</tr>
<tr>
<td>Education</td>
<td>The levels of education are once again linked to employment and income. For a community where literacy levels are low, it is important to engage them in a meaningful education programme. This will not only improve their future employment prospects but will also make them active and contributing members of the community</td>
</tr>
<tr>
<td>Health</td>
<td>The health indicators and the attitude towards health in a community would determine the strategy and levels of intervention required. The health of the members of the community affects not only their quality of life, but also their abilities to sustain gainful employment.</td>
</tr>
<tr>
<td>Gender Dynamics</td>
<td>Women should be equal in the decision making processes that take place in a family as well as community. In countries like India, women are still fighting the battle to be considered equal to men at various levels. It is important that an airport address the needs of this section of the population to move towards more equality in its community.</td>
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</table>
Dynamics of Caste and Religion

The needs of different sections and members in a community are determined by a number of other factors, including caste and religion in some societies. Therefore, a seemingly homogenous community with respect to most variables might have strong heterogeneous groups within. It is important that the airport be aware of these undercurrents and ensures that no bias/prejudice is reflected in its community initiatives.

Psychological Profile:

The psychological profile of the community is the second pillar of the Airport-Community matrix. While the demographic profile of the community will throw light on what are the needs of the community, the psychological profile will determine how the community will respond and react to any interventions undertaken by the airport. It is very important to pitch the interventions in line with the psyche of the community. This will not only help the management gain the trust of the people, but will also determine the content of the programme and the time it will take to achieve the desired impact.

Psychological Profile of the Community

<table>
<thead>
<tr>
<th>Variable</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Openness to new developments</td>
<td>Many people and communities are rather set in their ways of thinking. This makes them resist any kind of change and perceive change in a negative light. This will also affect the support that the community will lend to any new initiatives, including the construction of an airport. The airport should be aware of the resistance it is likely to face and community engagements act as a wonderful way in ebbing many of their misgivings.</td>
</tr>
<tr>
<td>Identification of Community Leaders</td>
<td>There are key community leaders in every community. The other members of the community look up to them and seek their guidance in making important decisions. It is important that the airport identifies these leaders and shares a good rapport with these representatives so as to influence the community in a positive way.</td>
</tr>
<tr>
<td>Proactiveness</td>
<td>While the airport is a key stakeholder in the community initiatives, how proactive a community is will determine the impact and the rate of the impact in the community. If the community is proactive, it can further the process of being partners in decision making processes involving the community. It is also greatly beneficial from a point of view of sustainability of the programme.</td>
</tr>
<tr>
<td>Opinion about the airport construction/expansion</td>
<td>It is important to know what the community thinks of the airport itself. How the media, the state and other agencies have shaped the understanding of the airport is also of significance. This will not only give the management a heads up in terms of what to expect, but will also enable them to address the concerns of the community positively.</td>
</tr>
</tbody>
</table>

Each of these variables needs to be plotted on a scale of 0-10. The range should be specified as 0-4 being low, 5-6 being Medium and 7-10 being High. For the purpose of this paper, medium has not been treated as a separate category. Statistically too, medium tells us little about anything. 4 tend towards low and are therefore included in the low category, while 6 tends towards the high category and is included in the high category.
Demographic Profile Score | Psychological Profile Score
---|---
0-24- LOW | 0-16 Low
30- Tending towards low | 20- Tending Towards Low
36- Tending towards high | 24- Tending towards High
42-60 HIGH | 28-40 HIGH

THE AIRPORT-COMMUNITY MATRIX

<table>
<thead>
<tr>
<th>Demographic Profile</th>
<th>Psychological Profile</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGH</td>
<td>HIGH</td>
<td>Community A</td>
</tr>
<tr>
<td>LOW</td>
<td>LOW</td>
<td>Community B</td>
</tr>
<tr>
<td></td>
<td>HIGH</td>
<td>Community C</td>
</tr>
<tr>
<td></td>
<td>LOW</td>
<td>Community D</td>
</tr>
</tbody>
</table>

Four communities have been plotted according to their scores on the matrix. It will be relatively easy to design programmes for community A, since their acceptance of the airport as well as demographic profile rank high. This community is essentially an evolved community that also sees the benefits of having an airport in their vicinity. Any additional initiative that the airport might take will only add to their appreciation of the airport. The focus of a community initiative in such a scenario should be to ensure that this peaceful co-existence is sustained. The airport should make an effort to know and understand the members of the community well and engage with them at various social levels.

Community B is a community that ranks high on demographic details, but low on the Psychological profile. This can mean that the community is not open towards new developments and prove to be challenging. Since the community is already doing well on the demographic parameters, it would be challenging to engage them in something meaningful, from which they stand to gain. Taking pro-active measures to ensure the community that enough will be done to contain the noise and sustain the environment is a good start. In case any members of the community will be required to resettle, fair compensation would need to be paid. A thorough need assessment of the community as a rapport building exercise should also be considered so as to understand their expectations of the
airport. The airport can also look at providing certain facilities to the residents of the nearby communities- for instance a convenient place to shop, make certain exclusive retail products available to them etc. Needless to say, the security at the airport should not be compromised. The logistical implications of these needs to be understood and planned before embarking on this exercise.

Community C has a low demographic profile, but a high psychological profile, implying their openness towards the airport construction/expansion. Once again, a thorough understanding of the needs of the community needs to be achieved. Since the community ranks low on the demographic profile, many of the issues that need to be addressed become apparent. The airport can invest in a training centre, which will train members of the community, thus addressing the issue of employment. Women should also be encouraged to apply for jobs at the airport, which will over the years along with other measures help develop gender parity. Non-Governmental Organisations (NGOs) working in the vicinity of the airport can be tied up with to start generating a positive image in the community. A clear choice needs to be exercised by the airport management regarding which are the pressing concerns that would need to be addressed. In many of the developing countries, addressing issues of primary education, providing basic sanitation etc. is the duty of the government. The airport authorities need to take a stand on whether they wish to address the issues directly or through lobbying with the state. Since the community is an open, accepting community, a rapport should be built, and the relationship reinforced by involving members of the community in the various decision making processes regarding the community programmes.

Community D fares low on the demographic features and also demonstrates some resistance to the airport construction/expansion. This is a particularly challenging group to deal with. While the issues that need to be addressed are apparent based on the demographic details, the first and foremost engagement required with the community is that of building trust and a positive relationship. An amicable and congenial relationship with the community is important for the growth of the airport and for this reason alone, it is worth going the extra mile. The exercise should begin with conducting a meeting with the community, enumerating the advantages of having an airport in the vicinity. The number of jobs created and its effects on the incomes and standard of living of the community, education of the children in the community should be enumerated and shared. It will also help to allow the community to voice their fears and do one’s best to quell them with reliable data. While it is important to admit that some changes in their lives will definitely occur due to the airport, all the extra efforts that the airport is willing to put in to counter some of the unwanted effects should be made clear. (Pollution, sound and use of common resources to name a few). While it might take some time to convince the community, it is definitely worth the effort in the long run even from an airport business point of view. Once the community is convinced, based on the needs identified, specific programmes to impact employment, incomes, gender parity, education etc. should be devised. The community will feel empowered only when it partakes in the decision making process related to community and are in the know of developments at the airport. Attempts should be made to ensure that the community doesn’t feel alienated at any point in time. For instance, the locals play an important role and are often present on the management board of many airports in the United States of America. They have a good community relation going
and all decisions regarding the airport are taken only after consulting the community. The people have a feeling of the airport as their own. Any expansion or change in the airport business is discussed among the community, debated and a commonly agreeable decision is arrived at. All activities at the airport are with the knowledge of the local community.

Now that the type of community around the airport has been identified and the right programme for positive community development is decided, focus has to be made on how to reach out to the community. Who is the right person to carry out the programme so that the initiatives reach the target audience and also meet the objective of a local community specific development programme. The right people for the job are the CSR team under whom a group specifically for local community development can be formed in the lines of an airport support group. When forming the group it is imperative that persons, who are genuinely interested in their airport and its development, be brought in as this call for lot of dedication and passion. The action group should be open to who can play useful roles.

They can be from:

- Station based airlines or frequent user airlines
- Concessionaires
- Influential members and elders of the local community
- Leaders of business community

The next step is to give a name to the group. The name should reflect the regional aspirations, reflect the essence of the area and the common man from that area should be able to relate to. At a minimum the airport support group should have at least a political action committee, a safety committee and a public relations committee so that by breaking tasks into smaller groups, more can be achieved in less time while taking advantage of specific targeted expertise necessary to achieve the goals.
**The Airport Support Group**

**Political action group:**
This group will be responsible for interacting and convincing various political and business groups. Invite them to all meetings with the community and enlist their support to the group. Their presence lends credibility. This group should be aware of the review of airport master planning efforts, airport development projects, and environmental impact and noise abatement studies. This includes participation in meetings. The committee monitors political events of major impact to the airport.

**Safety group:**
This group is responsible to work closely with the airport safety wing and the community. Safety is usually the major concern to the community. This includes all phases of accident prevention, noise related issues undertaken at the airport. Give wild publicity to the same. The committee should sponsor safety seminars in that area.

**Public relations group:**
This is one of the most important functions of the committee. They are responsible for the wide publicity of the activities undertaken by the group not only in the committee but also at the airport and its business. They are responsible for the convening and conduct of the meetings between the airport and the local community. A free newsletter to be published and circulated among the local community, airport and business community in the local language and English listing all the benefits of the airport, activities of general and community specific in nature, meetings and its outcome. The expense of publishing and circulating can be recovered by selling Ad space to the local businesses. Other activities include public relations, speakers, newspaper articles, commercials, literature etc. to publicize the airport benefits. Ensure that the airport web site has an exclusive section about the airport support group activities under community development section. Other activities involve the encouragement of aviation
education and training and providing speakers at schools. The committee might collect aviation publications for donation to the local school libraries.

The airport support group should advise the management of the airport on certain actions which may need policy change, financial implication and sometimes operational changes.

Two of the common issues faced by the community owing to its proximity to the airport and the possible solutions to them are discussed as under:

**Noise Pollution**
Aircraft noise is the major case of noise disturbance to residents living near airports. The drone of an airplane overhead may be music to our ears, but for the slumbering non flier next door at late at night can be hell. Aircraft noise not only occurs from take-off and landing, but also ground operations including maintenance and testing of aircraft. Another source of noise pollution at airport is the operation of APU’s by airplanes. Noise can also have ill effects on the health of human beings. Other noise and environmental concerns are vehicle traffic causing noise and pollution on roads leading to the airport.

**Solution**
1) Fly traffic patterns tight or high.
2) On take-off, reduce to climb power as soon as safe practicable.
3) Identify noise sensitive areas near the airport particularly residential and avoid low flight over these areas.
4) Encourage airlines to use GPU instead of APU and in return incentives like, credit points redeemable in other services or GPU service may be offered.
5) Avoid prolonged ground run and do them inside the airport area and away from the perimeter.
6) Send a copy of the noise abatement pattern established at the airport along with an explanation of its purpose to local newspapers.
7) Open a dedicated telephone line for noise related complaints, act on it and return back to the complainant with the result or explanation.
8) Plant enough trees and bushes where height restrictions don’t apply especially along the boundary roads carrying the traffic to the airport as sound mitigation measures.

**Expansion of the Existing Airport**
The construction of new airport or addition of runway to existing airports is often resisted by local residents because of the effect on country side, historical sites, local flora and fauna. Due to the risk of bird hits, large airports undertake population control programmes where they frighten or shoot birds.
Solution:
Plant more trees through voluntary programmes by airport staff, school children, youth clubs also encourage the airlines, concessionaires to involve them in the initiative. Relocate historical sites to viable alternate sites or to the museum, Work closely with environmental groups like wildlife experts, ornithologists and take their expert advice on keeping the flora and fauna to flourish without being a threat to aviation.

Apart from the above problems and solutions more visible contribution to the community around the airport needs to be taken up. The activities depend upon the result of the Airport – Community Matrix. Some of the possibilities are mentioned below.

- Airport sponsored special events to promote aviation in the community, dedication of new buildings, youth group activities.
- A town hall meeting to be conducted on quarterly basis between airport support group and community members where all problems will be discussed and any plan changes or development to the airport will be discussed and debated.
- Contribute to the local schools and youth who are tomorrow’s citizens. Some measures could be to contribute to the school library, award a tour of the airport with parents for meritorious students or students with highest attendance where drop out is a problem. Offer youth help in the form of scholarships, loans, vocational training and summer internships at the airport so that they are not only equipped with skills but their loyalty to the airport is assured. In countries where women don’t have much say in the community decisions, encourage them to join in social, cultural events, form help groups.
- Provide airport services like cargo space, cold storages to local residents involved in such business at concessional rates.
- Help the local municipal entities like police, fire service with available resources from the airport on mutual basis.
- Tie up with local NGOs and involve airport staff and their family members in local community development.
- Adopt and extend sustainable environmental ideas and practises to the local community like waste management, sewage water treatment, solar energy utilisation, good energy management practises like use of LED lights.

All community initiatives should have a fixed goal and time line. The sustainability aspect should be interwoven into every programme such that post the designated period, the community can take over the programme after a level of desired change has been attained. This will also allow the airport to target a range of issues and address new issues as and when they come up. On a global level a forum can be created for information sharing, so that every airport can put up the problems faced by their community and the solution adopted. Every airport group can learn, analyse and adopt the best practice suitable for their particular local community.
CONCLUSION:

Few industries can demonstrate the rate of sustained growth and investment shown by the aviation industry. In terms of economic impact, airports handle ever increasing numbers of passengers and cargo the world over. New airports are been built or existing ones are expanded to keep up with the traffic projection. At this stage or anytime in the future no airport can afford to abandon the plan for expansion. Often, plans of a Greenfield airport or expansion of existing airports are thwarted by the local communities for various reasons. It is of utmost importance that the local community support construction and expansion plans of the airport, even from a business point of view. In order for this to happen, various community initiatives need to be undertaken to build and develop a sustainable and mutually beneficial relationship between the airport and the community. The airport should engage the local community in such a way that every person of the local community should feel the airport as his own. The local community development by an airport should be carried out by forming a group to concentrate only on local community development. Before planning the development programmes a study or census of the local community on the lines of the Airport – community matrix should be carried out. The interventions made by the airport will depend upon two major variables- The demographic profile of the community and the psychological profile of the community. These can then be plotted on the Airport-Community Matrix to understand the current position of the airport in relation the community. The interventions designed based on the matrix will be more effective in achieving the desired results. The airport managements and communities all over the world are different in thought, culture, and ethics. It is therefore not advisable to have a common, blanket community programme, but understand specifically how the airport stands in relation to the community and proceed from there. This paper has attempted to provide such a matrix. It is hoped that community initiatives in the future will be able to make use of the basic structure of this matrix to devise effective and efficient community programmes, thereby sustaining the community, as well as the airport business. Lastly, a forum created globally for information sharing on the best practices in community development will help solve the problem faced by any airport globally.

“Community development should be more proactive, to do more than the minimum legal requirement imposed on the airport”
Airport Business and Local Community Development

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