

UCCI Debates Privatising CAL

Emotions ran high during a recent University College of the Cayman Islands (UCCI) academic discussion surrounding the privatisation of national flag-carrier Cayman Airways.

Representing UCCI's international marketing, strategic planning, air transport management, advanced communications in the workplace, history and government of the Cayman Islands classes, the 40-plus attendees listened intently as UCCI Air Transportation Management Lecturer Edward Jerrard proposed, and former politician, turned talk-show host Gilbert McLean opposed, the topic.

Noting that a prime UCCI objective is to help students develop their critical thinking skills, Director of Graduate Studies and Executive Training Dr. Carolyn Mathews explained "We intentionally select contentious topics that encourage students to ask questions and challenge established opinion.

"We want our students to be thinkers," she continued. "We want them to understand that university education goes beyond preparing a skilled practitioner and develops skills of critical analysis. That way, students go on to become society's problem solvers."

Mr. Jerrard based his privatisation proposal on the changing nature of the airline industry, citing the link between alliances and profitability; and between privatisation, liberalisation and success.

"Airlines are service businesses," he argued. "To be successful they must be effective in attracting and retaining their customers, as well as in managing their fleet, people and finances."

He noted, however, that privatisation does not mean a complete absence of government involvement since essential services such as evacuation during natural disasters, would still need to be subsidised.

Presenting his argument against privatisation, Mr. McLean challenged the belief that privatisation equals profitability. He reminded the students that very few airlines operate profitably – including those that have been privatised.

"The assumption that the 'private-sector does it best' has not been adequately tested," he argued.

Mr. McLean cited the recent US Government bailout of major US banks and the automobile industry as examples of private sector mismanagement. He also noted

government's commitment to all three islands: "I doubt a private owner would take on the Sister Islands' airports since they are less than profitable."

Following the presentations students eagerly asked questions and challenged the positions of both speakers, although the most vocal wished to see Cayman Airways remain a government-owned company.