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Our terminal illness

Abhijit Banerjee
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It is hard for any patriotic Bengali to travel from Calcutta's old airport to Bangalore's shining new one without experiencing a few moments of naked jealousy. It didn't help that the belts that are supposed to carry the baggage into the airport's belly and thence onto the plane were broken and the infinite lines wrapped around each other in elaborate jalebi patterns, creating opportunities for creative readings of history by some ("I have always been standing here") and heart attacks for others.

When we finally walked into the preternatural hush of Bangalore's swank-spot, my travelling companion — who isn't known for her pro-market views — shook her head and said, "How did we (Calcuttans) end up where we are?" The answer, of course, is for the same reason why Air India still exists, despite the fact that I can't step into an Air India flight without feeling the way the people of the village in Washington Irving's story must have felt when Rip Van Winkle, having slept through the last 20 years without realising it, walked in. I want to tell the staff about how the world has changed, except that it seems a little cruel, given that they seem so resolutely committed to not finding out.

If there ever were good reasons for the government to own things like airlines or airports, it's been some years since they stopped being even remotely plausible. We certainly have a private sector that has the capital and the management capacity, and while this may not have always been true, it's worth recalling that the Tatas started Air India. There may be places where there is a military or social or political argument for maintaining a higher level of services than what the market would bear. But the obvious solution is to have private players bid on the least amount of subsidy that would take to get them to provide necessary services.

As for the primal fear of ending up with a monopoly of some kind, the evidence seems to be that while there are indeed some advantages to being big and, therefore, some tendency towards concentration in the airlines industry, there are also advantages of being small and nimble.

The pattern we see the world over is that of a few large carriers that 'serve' the world, offering connectivity across the world to those who are willing to pay for it, and a bunch of 'no-frills' airlines — Ryanair, Easyjet, Air Asia and South-west are well known examples — that offer much lower fares to the young and the patient on the most popular routes. We seem to be headed in the same direction with the new crop of low-cost airlines.

As for airports, there needs to be an effective regulation — it'd be a bad idea, for example, to allow Jet Airways buy airports and decide who gets to land there and at what price. However, we have probably already figured out how to make that work, given that nobody is suggesting that it's a major issue with the airports already privatised. Moreover, the fact that these new airports double as shopping malls makes it less likely that they will raise the landing fee too high — after all, if people don't fly, the mall will be empty.

I think it's clear that public ownership in air transportation in India (I should make it clear that I am not arguing for across-the-board privatisation of the transportation sector — the experience of railways in Britain is a lesson in how privatisation can go wrong) is a purely political gesture. There is clearly a small group of people in the government that's not insensitive to the advantages of owning things like airlines, and are, therefore, happy to side with the institutionalised Left, which desperately needs these trophies to convince themselves — and their ideological allies in the chattering classes — that they remain at the

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Never mind that Air India's monthly cash deficit of Rs 400 crore is, for example, enough to pay for private tutoring of every one of the approximately half crore children who take the Class 10 exam every year, at the not ungenerous rate of Rs 800 per month. What do you think an average parent cares more about — a national airline, protecting the jobs of a relatively small number of well-paid airport and airlines employees or the hope that their children would actually master English and Science and Mathematics? When will 'people's parties' actually start making common cause with the people?

Abhijit Banerjee is Ford Foundation International Professor of Economics and Director, Abdul Latif Jameel Poverty Action Lab, MIT

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Manoj 1 month ago

Congress Party privatized airports wrongly. Ie, the Delhi Airport has been given the right to refuse another airport being built within a 150km radius! That is ridiculous and anti-competitive. The people of Noida want an international airport, the people in Haryana want an international airport, but right now, as the law stands, GMR is able to prevent the construction of competing airports within 150km of itself.

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mike vig 1 month ago

Thats a positive thinking and this on-going mentality of the government to own and operate everything has to go. The longer it takes to stop, deeper the corrosion. If we had allowed private participation and ownerships in the 60s, they would be better equipped and experienced by now. But if the private partners means limiting it to Tatas, Birlas or Ambanis, thats a problem too. We need new players.

Like Reply

Ldbhatia 1 month ago

I quite agree that there is no need on earth for the government to own airlines and airports. In India our government or public sector employees create privileges for themselves when they work in a government undertaking. There is sloth, rank inefficiency because the employees know that is nothing like hire or fire as it prevails in other countries. Duds and dead wood are tolerated in the name of security of service. The result is that a government undertaking like an airline which demands a high level of efficiency and courteous service becomes a permanent loss-making unit, putting financial burden on the scarce resources of the government. People travel by Indian Airlines and Air India as they have monopoly on certain routes and provide Indian

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food to those who cannot relish any other kind of food. Our airports are beginning to have modern amenities because they are being managed by private parties now. It is time the government made it clear to the airline employees that it would no more foot the bill for their wayward ways. Both the airlines owned by the government are beyond economic redemption and no amount of capital infusion would make them economically viable. Private airlines are bound to grow what with the revival of economy leading to more and more people travelling by air. The sooner the two government airlines are handed over to the private sector or allowed to fade away, the better it would be for the country and the travelling public. .

Like Reply

ck 1 month ago

At any given opportunity, I would prefer to use Air India when flying in and out of India and trust me I tried my best as I grew up with the image of Maharaja. While all is not good with Air India, all is not bad as well. If only it can get more efficient....like offering on line ticketing where it does not ask for an address for the ticket to be delivered to, where it can allow for upgrade of seats; where it provides a time table of the days it flies for easy understanding....I have found the cabin crew by and large courteous and their attire lovely...you can say I am still stuck in the the 80's no problems...I love its logo, its colors and want to feel proud to say I am traveling Air India, but I have not been having too much luck. I admit it runs on non-profitable areas and brings in diplomacy gains etc., all I would ask is that it looks at itself more critically and shrugs off its complacency. Maybe it needs some fresh blood to get more efficient. Is that too much to ask for? Because the day it does that, a lot of us would make it our preferred flier than the foreign ones we are forced to....

Like Reply

Ashu Gandhi 1 month ago

The biggest two Private Airlines both owe more than a thousand crore rupees each , to the Government Oil Corporations. Isn't that a subsidy ? Moreover if Rs 400 crore is enough to tutour half a crore children, do you think the Government lacks the funds to do that? The suggestion is very naive and immature. And for that matter how many times has the private sector contributed the same amount till date for education? Compare that with the Tax they avoid paying to the government. That could not only educate 5 crore children throughout their student life, but the same number of citizens could get health care too. And to say that government sector employees are well paid and pampered couldn't be farther from truth. With private companies paying almost three times over, and providing growth opportunities to deserving individuals, Government and Public Sector lag far far behind. Air India and Indian Airlines have employment reserved for the socially backward classes, cover far flung and unprofitable , but socially obligated routes (like North East), promote commerce and growth to those economically backward states through connectivity. They provide Aircrafts to VVIPs ,pulling them out of their regular schedules and thereby reducing profits. Air India connects to countries and cities where there might not be profit or load factor for the initial few years, but to promote connectivity, growth, and for diplomatic reasons they still do it. That brings in tourism, commerce, goodwill and intangible benefits to the nation as a whole. As an conscientious employee of one of our National Airlines I can assure you that these companies employ one of the best talent in the markets, and a majority of them go beyond their call of duty, day in and day out. And most of the NRI's and people of Indian origin prefer to send their aging parents or accompanied /unaccompanied children to and from India on Air India. From far flung villages of Punjab to the Cities of Andhra. Because of trust and faith in these employees. Competition is good and welcome, but it has to be fair competition on level playing field. You can't win a race with your hands tied behind you. No matter how good an athlete you are. Merely judging an organisation on its balance sheet is akin to buying a computer for its colour. It seems to be a favourite pastime for some people to sit back and criticise without having a grasp of the whole scenario. We stay in India and contribute to the nations' growth silently, despite a large number of us having umpteen opportunities to go abroad and lead more comfortable life. Even if we do leave, I doubt if we would return to criticise our own country to prove our intellectual superiority. We are the silent soldiers in Nation Building, and are proud of that. Who is more patriotic ? I leave it upon you.

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