Conclusions and Findings
CONCLUSIONS AND FINDINGS

The preceding chapters have covered the different aspects of the study. Apart from the critical examination of reports and recommendations of different committees and policy of government vis-a-vis civil Air transport, the genesis of the growth of Air transport in India and its socio-economic impact has also been analysed. The focus of the discussion has also been directed towards the problematic areas of the two Corporations and considerable attention has been given in critically reviewing the existing literature. Endeavour has also been made towards an analytical study of the growth of civil aviation during plan periods. Moreover, sufficient attention has been devoted towards the study of the various problems confronting the organisational structure of the two Corporations. Efforts here also been made for comparative evaluation of the performance of Air India and Indian Airlines Corporations. It has been noted that in the 40-odd years since air transport was nationalised, headlines like "Pilots threaten strike", "Engineers refused overtime, begin go slow" or "Chaos at airports" have been a familiar sight. Not a year has passed without either Air India or Indian Airlines facing action by one or other of their unions, sometimes with disruption of services resulting in stranded passengers and frayed tempers. Low intensity wars between unions and managements have continued in both airlines,
slowly eroding morale and efficiency with predictable consequences to their standing in the international league table. Singapore Airlines, Cathay Pacific and even Thai Airways, once on lower rungs than Air India, have climbed higher. The purpose of this chapter is to synthesize the various aspects of study which have been made in the foregoing chapters so as to provide an integrated view of the findings and conclusions of the study.

As has been discussed in earlier chapters the Air transport bears a close and complex relationship with all other sectors of the economy and acts as the prime mover of the development process. Socio-economic planning engenders structural changes in the economy, widely influencing the pattern of movement of people and goods and, hence, the nature and quantum of demand for transportation. Air transport planning has, therefore, to be integrated with overall developmental plans. As we have seen that India is favourably located for the development of air transport both internal and international. In the domestic field with its vast distances and good flying conditions during the major part of the year, there is great scope for this mode of transport in India. Almost all the important administrative, industrial and commercial centres of the country are, at present, connected by air. In international field too, India occupies geographically an important position in the air routes between the East and the West.

Civil Aviation came into existence in 1911 in India, but the real progress started only from 1920. It was during
the World War II and in the post war years that air transport made considerable progress. In 1950, the air transport enquiry committee known as the Rajadhyakha Committee was appointed. The committee after detailed study recommended the integration of all existing companies to avoid stiff competition and secure an efficient zonal distribution of work. Since the companies did not voluntarily integrate, the government had to nationalise civil aviation in India. In 1953, the Parliament passed the Air Transport Corporation Act, under which the Indian Airlines Corporation was assigned the responsibility of operating internal services and Air India International was empowered to run external services.

It is worth noting here that though air transport in India has contributed quite significantly to the growth of national economy but it appears that there remains much to be desired. The present inquiry which is principally based on the original sources and official records of Air India and Indian Airlines is an endeavour to screen the performance of Air India and Indian Airlines from the angel of operational efficiency, financial soundness and physical performance etc. Some of the principal findings of the study are given in the pages that follows:-

It does look from the study that after nationalisation very few steps have been taken to restructure the organisation on commercial lines, as a consequence neither the efficiency has improved nor the aviation administration has succeeded in effecting economy desired in Nationalized
Corporations like Air India and Indian Airlines. One important finding of this study is with regard to the industrial relations and work-culture within the two Air Corporations. As we all know that for an organisation to be successful, efficient utilisation of human resource is a must as on this source depends the productivity of its costly assets. The two Air Corporations have done a good job of the work position classification and job analysis. The recruitment and selection procedure of the crew and other technical and non-technical staff is strictly merit based and the training programmes are fairly rigorous and effective. Similarly, the two Corporations have given a very good account of themselves as regards to their employees in terms of pay, perks and other benefits. On the contrary, the employees especially the pilots and technical staffs have not responded to these benefits favourably. This has led to the situation where time and again the staff of both the Corporations resorted to agitational approach for the fulfillment of their demands which forced lock-outs and strikes many a time in both the Corporations, since there nationalisation. There seems to be a usual happening habit of labour problem cropping up as soon as the Air Indias' and Indian Airlines' positive image building exercises pick up. The recent technicians strike bears testimony to this fact. Operations of Indian Airlines were disrupted in 1992-93 owing to the 46 day strike by pilots, which started on December 10, 1992. During this period, Indian Airlines offered about 25-30% of the normal services and suffered a cash loss of Rs. 46.60 crores. The strike
was called off on January 24, 1993. The aftermath of the strike was that majority of the pilots lost their flight ratings as they did not fly for a long period during the strike. A deep probe has revealed that sound labour management relations have defied a solution all these years, because of the complexity of various issues involved. Absence of sound leadership multiplicity of trade unions, interference of political parties to gain partisan ends, which generally encourage litigation and managerial incapacities all these have contributed to the present state of industrial relations in the two Corporations.

Another important fact which emerged from the study is that our cost of fuel is much higher in comparison to fuel cost of other countries' airlines. It is observed that aviation fuel picked up from India costs 30% more than abroad. And since 45% of Air Indias' fuel is bought in India, it runs a much larger handicap than other airlines, the higher cost translate into a total higher bill of about Rs. 100 crore a year—for Air India alone and not to speak of Indian Airlines which bought almost entire fuel in India. Furthermore, the two Corporations import all the aircraft and equipment from abroad, hence the combined costs of fuel consumption and import of aircraft and equipment puts a great strain on country's foreign exchange resources.

One key reason which the study has noted about the mess in Indian Airlines is that as much as 30% of the routes it plies is unviable. The introduction of numerous short-distance flights are not only non-remunerative but they also
do not help in substantial savings in journey time. For example, on the Delhi-Agra route, Indian Airlines earns around Rs. 26,000 for a 40 minute flight, at a high passenger load factor of 80%. That is not enough to even cover the fuel bill of around Rs. 33,000—not to mention expenses like catering, landing charges and cost of crew. And to add fuel to the fire is the ruin and exploitation of air transport at the hands of ministers and MPs. It is observed that every Civil Aviation Minister starts his tenure by linking New Delhi with his constituency without pondering a while over the viability of that route and flights. The irony of the situation is sheer hypocrisy at the hands of Ministers when they declare that they would not allow the domestic carrier to spread out to new areas and that it should concentrate instead of improving its existing services, but at the very first opportunity they direct Indian Airlines to start its services to their constituencies linking with New Delhi without taking into account the economic viability of that particular route. For the sake of the survival of Indian Airlines, this practice needs to be stopped. Another example of whimsical and unmindful decision was an African Safari. Interestingly 70 odd MPs cutting across the party lines were picked up for jamboree to south Africa on the occasion of the inaugural of Air India flight to the hitherto forbidden land, all in the name of getting acquainted with the work of the Ministry and to get a chance to familiarise themselves with Air Indias' destination and its new business. But the real motive was the free joy ride at the cost of Air India Corporation, but
thanks to the Maharashtra earthquake, Air India saved about 40 lakhs with the cancellation of this adventurous joy ride. Similarly Aviation sector is infamous for its extravaganza instead of putting more money in its expansion programme it spends huge amount on the occasion like the introduction of winter schedule etc. It is not the cost of fanfare, which can not be inconsequential given the wining and dining that mark such occasions, that one demurs but the sheer irrelevance of making an event of what is probably a routine affair.

With regards to tourism, Civil Aviation Administration has done a remarkable job in terms of carrying heavier passenger loads to and from India. It earned the much needed foreign exchange and has endeavoured to project the image of our national heritage in remote corners of the world. It has carried larger number of foreign passengers to the far off places of the country and has thereby contributed to the development of several ancillary industries, allied to tourism. Air India got a place in Guinnes Book of World Record by evacuating a record number of passengers during the Gulf war. The study further reveals that the ratio of foreign exchange earning of Indian Airlines is much low in comparison to Air India. The foreign exchange generation of Indian Airlines is even not sufficient for the purchase of air craft, spare parts and fuel. One distressing point which the study has come to our notice in this study is that though both the Civil Aviation and Tourism work under the same Ministry, there does not
seem to be a good coordination between aviation administration and tourist authorities. As a result thousand and thousand of tourist overfly India every year because of this lacuna. The Civil Aviation in India has done little to cater to the needs of that average middle class foreign tourist, who forms the back-bone of tourist industry in countries like Singapore and Spain. Long range planning in terms of efficiency and economy seem to have been neglected and country's interest have suffered because the aviation administration has not cared to gear itself up to aviation-cum-tourism development programmes.

Yet another significant finding of the study is with regard to problem of safety and dismal conditions of aerodromes in India. Non-adherence to laid down norms and procedures, lack of training and experience by pilots assuming control of different version of aircraft after only minimum flying of 250-500 hours and indiscipline are some of the key causes for accidents in India. It may not be out of place to note that "India and Colombia are two of the most dangerous places in the world to fly". Similarly our accident rate is 10 times higher than the worlds' average. In the light of the above records, the natural conclusion is that our safety record is very abysmal and our air worthiness is suspicious, under the circumstances, it is not attractive for the passengers to try their journeys through Air India and Indian Airlines. To put it differently, it may safely be said that safety will be the clincher on who will manage to stay airborne in India's airlines industry. Other area that needs immediate action is the modernisation
of airports. We are moving towards 21st century and with that in the era of science and technology in which modernisation and replacement of old aircraft with the new one is the name of the game, and nobody would question the replacement of old fuel-guzzling aircraft with fuel efficient one. But one may air a word of caution that getting new planes is one thing while getting the best out of them is quite another. The crucial point is whether the latter is feasible given the woeful inadequacies of our airports. Our four international airports have been put in the "high risk" and are no match to their counterparts abroad. Hardly 25 of the 89 airports in Indian Airlines network can offer anything close to the prescribed safety standards. The remaining ones are out of bounds for the present generation of aircraft, not to mention the "Queen of the Skies", and sophisticated one we have started acquiring. This lacuna is largely man-made. Airport development has suffered not solely for paucity of funds but because allocations have either been misused or badly invested. There are duplicity of agencies involved in the running of air transport, often willfully working at cross purposes. The resultant lack of coordination is at the root of the present chaos in our airports.

A special affliction seems to have gripped the Air India and Indian Airlines Corporations. There seems to be the rule of adhocism and most of the time the two Corporations remain rudderless and headless. Similarly political interference is a general phenomena in India but
in the case of Aviation sector it looks to be very strong and special. It is so deep rooted that the very existence of the airlines are at stake. Almost all the decisions including the fixation of fares and roots are taken by the Minister and most of the time the two Corporations remain headless because of the political meddling. Furthermore, with the imposition of the burden of the new defunct Vayudoot thrust on the Indian Airlines Corporation, the financial health of IAC is in danger. There seems to be urgent need of improvement in service and punctuality, modernisation of fleets and change in attitude and work culture. But Air-corporations have failed on this count simply because of the political interference. It has been seen that both Air India and Indian Airlines are a mere appendage of the Civil Aviation ministry which takes all the decisions for them. The continuing delay in clearing the Air India's proposal to buy four Boeing 747-400s submitted months ago is just an example of the kind of consequences which follow from this. At the last good sense prevailed and the first Boeing 747-400s out of the four has joined the Air India fleet. Indian Airlines has to put up with much worse situation. The circumstances in which the A-320s were grounded and are now being reinducted is an example in itself. In such a abysmal conditions one can hardly hope any attitudinal change when the management are kept on such tight rope. The study also points out that sometimes, the persons having no expertise in the management of transport system, were made chairmen of the Corporations. And it is anybody's guess as to what could be the efficiency of such
persons. Now it is abundantly clear that the two aviation Corporations of India, which are supposed to be autonomous, self governing and administratively viable units in their internal working are not enjoying that much internal freedom as they appear to be to the casual observer. In their routine operations they are only working as subordinate agencies and are also handicapped in seeking clearance even on small procedural matters. The inquiry significantly observed that as nationalised Corporations they have by and large operated as subordinate offices of the Union Government. Yet another shocking finding of the present study is that unreliable flights, terrible customer service, and belligerent unions had shattered Air Indias' and Indian Airlines' lofty image, turning it into a down market. The chief reason attributable to this state of affairs is that the employees of the two Corporations are working aimlessly. No employee of the two corporations has familiarity with the corporate mission, their objectives, and their plan of action.

Another significant observation of the present study is the deplorable and inordinate delay in laying annual reports and auditors accounts of Air India and Indian Airlines on the table of Parliament. Sometimes, even after several reminders the furnishing of the reply on the recommendations of Parliament Committee takes four to five years. This obviously reflects that the ministry pays scant attention to the committees' direction requiring certain information within the specified period which is a dangerous signal for the two Corporations.
When the Ministry of Civil Aviation was created in the early 60s, its responsibility was to lay down and overall policy for the coordinated development of Civil Aviation, including an effective regulatory system, airports and other infrastructure. The two airlines were to be left alone to manage their affairs as autonomous Corporations. In practice, however, things began to develop along different lines. As long as Mr. J.R.D. Tata remained chairman, Air India escaped the heavy hand of the government. No Minister of Civil Aviation dared to ask Mr. Tata to make trips to Delhi to explain his policies, he run the airline more or less like a private enterprise. And Air India became a model public enterprise.

Indian Airlines, on the other hand, located as it is within shouting distance of the Minister, found itself losing control over its affairs right from the start. It never had a chairman to match the stature and prestige of Mr. Tata. Once Mr. Tata was removed in 1978, Air India fell into the net. The power to appoint chairman and managing directors (now even directors) is a powerful tool in the hands of the Ministry. The Minister became the super chairman, all but in name. He spoke like one, without having to necessarily acknowledge his role.

Now the questions are: Are the unions too strong and therefore to be blamed for the present imbroglio? Can successive managements absolve themselves of the responsibility? Or is it the system, the overall philosophy
of the lack of it, of how to manage public sector that is the root cause of the present ills of Civil Aviation in this country.

### TABLE - 34

Comparative Profitability of Air India Corporation and Indian Airlines Corporation

(Rs. in lakhs)

<table>
<thead>
<tr>
<th>Name</th>
<th>Capital</th>
<th>Net</th>
<th>NP/CE</th>
<th>Interest</th>
<th>Gross</th>
<th>% GP to Depreciation</th>
<th>Gross</th>
<th>% GM to employed profit (%)</th>
<th>provision</th>
<th>CE and DRE</th>
<th>margin CE</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIR INDIA:</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1991-92</td>
<td>261629</td>
<td>14589</td>
<td>5.58</td>
<td>12479</td>
<td>27068</td>
<td>10.3</td>
<td>20040</td>
<td>18.0</td>
<td>47108</td>
<td>18.0</td>
<td></td>
</tr>
<tr>
<td>1992-93</td>
<td>256551</td>
<td>33314</td>
<td>12.99</td>
<td>10361</td>
<td>43691</td>
<td>17.0</td>
<td>18463</td>
<td>24.2</td>
<td>62154</td>
<td>24.2</td>
<td></td>
</tr>
<tr>
<td>INDIAN AIRLINES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991-92</td>
<td>238786</td>
<td>-19885</td>
<td>-8.33</td>
<td>18795</td>
<td>-1070</td>
<td>-0.4</td>
<td>17990</td>
<td>7.1</td>
<td>16920</td>
<td>7.1</td>
<td></td>
</tr>
<tr>
<td>1992-93</td>
<td>257228</td>
<td>-19516</td>
<td>-7.59</td>
<td>18158</td>
<td>-1333</td>
<td>-0.5</td>
<td>19785</td>
<td>7.0</td>
<td>18132</td>
<td>7.0</td>
<td></td>
</tr>
</tbody>
</table>


After critically examining and analysing a considerable amount of data available on Civil Aviation sector in India and probing some of the problematic areas of the two corporations, the present study extends some solid suggestions for improvement in the standards of efficiency and economy in Air transport sector in India. Majority of the suggestion came from a thorough analysis of the data collected for the study. Some of them projects the established opinion of knowledgeable persons holding responsible positions in the aviation sector whom the present investigator had the opportunity to interview and discuss some of the very important areas of Air transport.
during the course of this research. The following suggestions may be recommended for the overall improvement of organisation and working of Air India and Indian Airlines Corporations.

To begin with a common goal, a common resolve to solve problems, a common commitment and a new sense of direction are absolutely necessary if we are to satisfy our customers in the organisation, and our consumers who fly with us, in a manner superior to the ability of others to do so. It is rightly said that employees in an organisation is like a chain and the strength of a chain is equal to its weakest link. While individually an employee may be good, they have to perform as members of a team.

In order to bring efficiency in the organisation of Air India and Indian Airlines, there is need of revamping them on commercial line, simultaneously administrative planning of aviation administration must be coordinated at each level. The 21st century will bring in a concept of very complex system of organisational management. The scenario projection of both Air India and Indian Airlines indicates big increase in every field of the organisations' operation. The fleet size, volume of traffic, level of monetary parameters, hugeness of infrastructure, manpower etc. are expected to be of such a magnitude where the means to manage would have to be developed in resonance, both in quantity and quality. The study fore-see very rapid and far reaching changes in the eco-political environment in the twenty first century. So some of the suggestions of the
study are that both Indian Airlines and Air India should have to be organisationally adoptive and both the organisation and management should gear itself up for the cut-throat competition in the years ahead. Moreover, managerial effectiveness would have to be enhanced to handle the capacity, hugeness, and diversity in technological and managerial skills in the organisation. Requisite changes in managerial cadre structure, compensation policies, thrust towards managerial and technological professionalism, objective oriented training programmes are some of the aspects which need to be emphasised for development of their managerial quality. Project organisation needs to be strengthened for continuous execution and monitoring of infrastructure development in tune with fleet plan. Appropriate organisational level has to be determined and invested with necessary authority and skills to enable project execution without time/cost over run. Likewise, for enhanced operational efficiency, a wider distribution of delegated authority for decision making will be necessary, especially due to major expansions in the organisation. Decentralization in terms of authority accompanied by accountability will need to be emphasised upon for various levels in the organisation to achieve better results in line-oriented decision making activities. For the proper management of the large expansion of the organisation of both Indian Airlines and Air India as anticipated in the future, a two directional approach need to be adopted.

Another important suggestion of the study is with regard to the industrial relations within the two
corporations. While the two corporations are noted for their progressive personnel policies and have done a relatively good job of recruitment and retention of the best personnel available. But recent few years have witnessed very volatile industrial relations in the two Corporations. Therefore, the study suggests that the personnel policies of the two Corporations should be directed towards building up harmonious relationship and healthy environment which aimed towards efficient functioning at all levels. The major policies related to recruitment, promotion and staff welfare and certain crucial aspects of the policies shall be formulated for consistent long term implementation and should not go for short term benefits only. To ensure discipline, dedication and achievement, the following steps need to be taken: - Discipline must be improved/maintained by laying down desired norms of behaviour. And any deviation from the established norms must be checked and there must be systematic and sustained efforts to deal with deviations. There must be emphasis on rationalisation of work practices to enhance utilisation of resources through work participation (Quality Circle). There is also a very urgent need of a move towards a more commercial style of functioning by simplifying rules and procedures and bringing in attitudinal change among the employees emphasizing results rather than procedures. As we have noted in our study that tendency of deserting Air India and Indian Airlines by the pilots is on the rise. Indian Airlines alone lost about 60 out of its 205 pilots in the last one year. With the induction of new fleet the airlines faces
the terrible prospect of not having enough pilots to fly them. For the survival of the Corporation this tendency immediately need to be checked. The technical personnel and specially the crew of the two Air Corporations may not be allowed to leave the ranks of Indian Airlines Corporation and Air India Corporation through signing specific service contracts for long periods, during which the flight of talent may be banned. A strange problem which the two Corporations face is poor labour and management relations which obstruct many a expansion and developmental programmes. The structure of linking productivity with wages and simultaneously linking wages structure with price rise and inflation in national economy may go a long way in reducing labour, management tension.

In addition to the above, the bringing about a distinct and progressive change in the work culture of the corporations, working towards all goals in a time bound frame, ensuring that nothing comes in the way in getting the best, be it personnel or equipment and ushering in a dominant private sector ethos in the corporations by making every employee feel part and partial of the airline and work towards its overall betterment is essential.

As Air transport is a comparatively energy intensive mode of transport, and India being an importer of oil, cost of fuel of both Air India and Indian Airlines put a great constraints on the national economy and become a major issue of concern because aviation fuel picked up from India costs 30% more than abroad. One of the suggestions for fuel
efficiency is the induction of fuel efficient aircraft. In addition to replacement of old fuel-guzzling aircraft with fuel efficient one there are other measures through which fuel efficiency can be improved like:-

(i) **Flight operating procedures**
- Optimisation of flight levels.
- Optimisation of climb, cruise and descent procedures.
- Flight plan computerisation.
- Revision of instrument Approach procedures.
- Straightening of pre-determined routes to achieve reduction in flying time and air distances.

(ii) **Maintenance procedures**
- Aerodynamic cleaning.
- Compressor blade cleanliness.
- Instrumentation calibration.
- Engine/Aircraft performance monitoring.

(iii) **Ground procedures**
- Reduction in ground running of engines,
- Use of ground power units instead of APUS.

The concept of GNSS may save huge cost of fuel. A Global Navigational satellite system (GNSS) is being introduced world wide by utilising the formerly USSR - owned Global orbiting Navigational satellite system (GLONASS) and the US Owned Global Positioning system (GPS). This satellite system has immense financial implications. For example, just by being pre-warned about the weather along its route, an aircraft can cut down its fuel costs. It can
avoid a turbulent part of its journey, navigate through air currents more suitable for flying conditions, or even depart from its normal route and take a short cut after checking out the absence of aircraft in that particular air corridors. All this would save precious air-time and aviation fuel. It actually works: united Airlines of the US saves 1,00,000 (Rs. 31.9 lakhs) per annum because its 17 Boeing 747-400s use satellite communication technology. The introduction of this system in India will help immensely in reducing the cost of fuel.

Moreover realisation of fore structure needs to be undertaken particularly on short haul routes to make it cost oriented. It is advisable to adopt the long run marginal cost principle of pricing for domestic air services. Subsidisation of air services in regions other than the north east and inaccessible area is not desirable. In the same way improvement in productivity of air craft by improving maintenance schedules so as to reduce aircraft down time to the minimum and improving the turn around time at the aerodromes is necessary. Similarly the two Air Corporations can bring a sizable economy in their administrative field operations by continuously reviewing the methods of cost accounting and rigorously linking the cost with the results. There is need of integrating productivity objectives of the two Corporations with performance objectives and organisational goals. Making productivity efforts systematic and more effective appears an imperative need in the wake of the present global shortages of resources of all types. It is timely that Air
Corporations introspects and audit total efforts on productivity and evaluate the outcome with a view to identifying the factors impeding productivity improvement and take suitable corrective actions. Like other outputs, productivity performance also needs to be managed i.e., planned, controlled and appraised.

A new concept of technological advancement has been revolutionising the Civil Aviation sector all over the world. So the time has come that government in general and civil ministry in particular must restrict itself in taking uneconomic populist decisions at the cost of the two air Corporations. Otherwise, these populist measures will send the airline in red. Already the airline is over stretched with no corresponding improvements in consumer satisfaction or revenue. Over two-thirds of the airlines's routes are said to be highly uneconomic. Adding to them will have disastrous consequences particularly when the airline is finding it difficult to remain airborne.

As has been pointed out both the Air Corporations earn foreign exchange which is very vital for the Corporations as well as for the nation. But the ration of foreign exchange earning of Indian Airlines is much low and it even does not cover the cost of fuel and import of air craft and equipment. A beginning has been made by starting some international operations on select routes and as Indian Airlines already operates in the regional market with services to neighbouring countries. Concentration on the existing higher diversity routes and the development of an
enhanced marketing capability would enable Indian Airlines to retain and further improve its status vis-a-vis competitive carriers in these markets. As India enjoy vast international air traffic potential so without envisaging any detriment to Air India, Indian Airlines should consider operations to more regional international destinations. The development of the international sub-system should aim at increasing market share of Indian Airlines which will enhance the foreign exchange earnings of Indian Airlines and minimise the drain of foreign exchange caused by repatriation of sale proceeds by foreign airlines. The world scenario is changing, tourism is coming up as a highly potential industry of the future. In this changing situation the need of cooperation and coordination between the civil aviation authorities and tourism authorities is as strong as never before. This coordination is essential for increasing the traffic of both the Air Corporations and with that the much needed foreign exchange. Moreover, coordination between Air India and Indian Airlines through the concept of "Hubs and spokes", will go a long way in capturing the international traffics which ultimately will increase the volume of tourism in India as well as the foreign exchange. As we all know that a seat not sold is lost forever and in this cut throat competitive aviation market only those airlines which pick up and deliver customers to their final destinations will survive. For example, if some one in Salem (Tamil Nadu) wants to travel Salem (Oregon, US) any international airline can fly him from Bombay to New York. But only domestic airlines can fly
him out from Salem (Tamil Nadu) to Bombay, and from New York to Salem (US). So, international airlines operating in tandem with domestic airlines have an unbeatable USP with which to hook passengers. That is why there is need that Air India should use the metro as the "hubs" or collection centre, of its network. Feeding them from all over the country will be Indian Airlines domestic network, or the spokes. Another advantage of this system is that the hub and spoke network may prove entry barrier, which may force other foreign airlines to strike alliances with Air India if they want to offer the same facilities to their customers. And this will allow Air India to deliver and pick up passengers, through its partners' hubs and spokes, from cities abroad which it will not be able to fly directly.

Safety and security is very important aspect of civil aviation industry all over the world. Any compromise on this count will not be good for the health of this industry. Our discussion has conclusively pointed out that safety record of our two Air Corporations are not convincing. As for as flying is concerned the reputation of Air India and Indian Airlines have suffered and will continue to suffer unless the government breaks all barriers of trade unionism in the affluent community of pilots and rigidly apply training norms and procedures. As a first step there is a need of rigorous training of all the employees in general and the pilots and technical staff in particular. Any compromise on this count will push the airlines in gutter. Another important suggestion is the replacement of old and
dying aircrafts with the new one with more provision of safety and with that connected the modernisation of airports. We have seen that airports development has suffered not entirely for the want of funds but mainly because the allocations have either been misused or badly invested. There is duplicacy of agencies willfully working at cross-purposes. As a consequence lack of coordination is at the root of the present mess in our airports. For the safety sake there is urgent need of either modernising or scrapping off of these airports. New ones should be built up. Either way, it calls for a reorganisation of the agencies involved. To begin with, the International Airports' Authority of India and the National Airports' authority of India must be merged so that their expertise and resources can be utilised most effectively. As a second step, there must be planned development of airports on their potential for traffic and revenue generation. As for the massive investment indeed, besides budgetary and plan allocations, users, including passengers, must be made to contribute through airport tax as is done in many advanced countries. In this regard the help of NRIs' can also be taken and certain state governments have already started collecting funds from NRIs' for the purpose of airport modernisation. Other step of improving safety would be the introduction of FANs' the new air management system, which will make flying safer, faster and more cost effective. For, FANs' is a satellite-based system for effective communications and navigations, as well as the constant monitoring of the high ways of the air. It is not entirely
pie-in-the-sky stuff either, since India is a member
country of the ICO, an ambitious Rs. 1,000 crore plan to
modernise the country's aviation system has already been
drawn up - with FANs as the model. The most unique aspect
of this satellite based FANs system is that it makes air
travel much safer. Thanks to the system, the chances of
collision are reduced to a bare minimum. About hijacking
and other threats nothing special can be done except that
the security should be beefed up and special protection
force must be organised and be posted at all airports big or
small. One unique hazard of safety in Indian aerodromes is
the flying of birds and cow and bull grazing near the run
ways of the airports. Several accidents have taken place
because of this small but serious negligence on the part of
Indian aviation administration. The aviation administration
must take this danger to safety very seriously and special
steps need to be taken to eliminate or minimise these
hazards. The study reveals that much of the awe of Air
India and Indian Airlines is related with the political
meddling in its affairs. Both Air India and Indian Airlines
is in bad shape because it lacks team leader. Seldom has
there been full time chairman and Managing Director in both
the Corporations, which demoralises the employees of the
Corporations. This practice of adhocism and gross political
interference in the internal working of the two Corporations
must go immediately. There is need of strengthening the
post of chairman of the two Corporations and the incumbents
on the posts of chairman of the two Corporations should not
be changed too often to maintain continuity and effectivity
in aviation management. Similarly for the effectiveness of the management both the Corporation should be given free hand in their day to day workings.

One of the most serious flaw of the two Corporations which came into light through this study is that the employees of the two Corporations are demotivated and demolarised. They are ignorant about the plans, missions and objectives of the Corporation, which is an indication of the communication gap between the top executives and the employees. The study suggests the immediate restoration of transmission of the views of the top executives for Air India and Indian Airlines to every body in the airline. From this would flow the organisations' new goals, the steps to attain them and the new methods to be used. Another measure will be the improvement in the quality of the services Air India and Indian Airlines provided to their customers, and market them aggressively. Only this would bring back passengers to Air India and Indian Airlines, and will increase their profits in the short run. Similarly motivation of Air Indias' and Indian Airlines' managers and boosting of their confidence is necessary to help them overcome the present crisis. And the only way to do this is through the personal interaction of the top executives with each of the employee, assigning them specific task and continuously monitoring their progress.

Being the statutory Corporation both the Air India and Indian Airlines have to be accountable to the Parliament. But seldom these Corporations furnish complete information
to the Parliament in time. There has been inordinate delay in laying annual reports and audited accounts of Air India and Indian Airlines in the House. The ministry of civil aviation pays little attention on the committee's direction requiring certain information within the specified time. To overcome this serious problem, there is urgent need of evolving a system of the statutory requirements for laying documents before Parliament and the ministry must fulfill its obligation to Parliament by laying complete documents in time.

Today, for all the talk of liberalisation and modernisation, little scenes to have changed in practice. Instead of seizing this opportunity to free the two airlines from bondage, the government seems to intent on following the same old one step forward two steps backward formula. Picking up civil servants, however distinguished, to manage the airlines is not the answer. Aviation is far too technical and complicated a business to be learnt from files. Secondly, to make the same civil servant joint chairman of the two airlines and at the same time head the Ministry overseeing the affairs of the two airport authorities plus the DGCA, is asking far too much of any man, no matter how capable or brilliant. It seems that government is unaware of the changes its own policies have induced.

When privatisation is the current internationally acclaimed policy but the fact is that ownership has nothing to do with operating an airline, it is profitability and
efficiency which determine its viability and standing, as Air India demonstrated in earlier years.

It may be worthwhile for the government to try to free Air India and Indian Airlines of all the government controls, free to operate as they choose, without constant surveillance, not even by parliamentary committees. The prerequisite for this would be capable chairman and managing directors who are willing to accept responsibility and have the necessary professional background.

The same must apply to the International Airports Authority and National Airports Authority. With civil aviation expanding rapidly the Ministry must look at larger picture rather than tightly holding on to the reins of power. It should tackle the far bigger task of policy planning, strengthening the regulatory involvement and generally aiming towards creating a viable infrastructure which could provide a level playing field for all.

Now it is clear from the discussion in this chapter that both Air India and Indian Airlines have endeavoured to meet the needs of air transport and infrastructure in the country and despite of various constraints have served the country well. With the vast and rapid changes taking place, the global and domestic environments hold out strong challenges for the airlines, which have to be met by rapid consolidation, early upgradation, and timely modernisation as well as expansion.

New directions and purposeful diversifications should become the main planks on which the future plans of development of these corporations should be formulated.