



## Privatization of 'Air India' – Good or Bad?

### Description

#### Background :-

- In June 2017, Union Cabinet approved the recommendation of NITI Aayog to privatize government owned 'Air India'.

#### Good :-

- Debt burden will be reduced. Currently Air India has more than Rs. 50,000 crores debt due to maintenance expenses.
- Privatization will increase competition and hence the quality of services will be improved.
- Air India's market share in Aviation industry is just 14%. So, it is not wise to spend Rs. 50,000 crore public money on Air India.

#### Bad :-

- Instead of privatizing, granting autonomy can lift Air India from losses according to employee unions. They opine that too much government control caused losses to Air India.
- Employee unions are arguing that privatization will lead to job losses especially for those who fall in the reserved categories as private sector has no obligation to follow the reservation policy.
- Air India has to clear the salaries due to its staff. Privatization move without clearing these dues will create uncertainty.
- As Indian government is maintaining BSNL as a National telecom channel & All India Radio as a National broadcasting channel, it should maintain Air India too as a National carrier.

#### Conclusion :-

It's better to privatize commercial things and government should concentrate on welfare schemes. In case of high price rises due to privatization, government can impose restrictions on rates.

**Afterwords :-** Do you think privatization of Air India is a good move? Express your thoughts in the comment section below.

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