

# THE HINDU BusinessLine

We are like this only

D Suba Chandran



Grounded: Mismanagement and corruption is killing the PIA

*The fall and fall of Pakistan International Airlines has lessons for the rest of South .*

Pakistan International Airlines (PIA), once a "great people to fly with," is today ground. For the South Asian society based on emotions and honour, from flags another issue. It is always about national pride and honour.

While Lufthansa and Singapore Airlines are a matter of pride for their respective Lankan Airlines (and to an extent the small Druk Air of Bhutan), the South Asi: a subject of jokes and ridicule.

While the Air India, the largest of South Asian national carrier and the Biman c the PIA seem to be flying further into rough weathers.

While some of PIA's problems are common with the other national carriers in S (with some political patronage), others are unique to Pakistan and makes the b:

Losing the edge

When compared to some of the other regional airlines, the PIA did/does have f

problems are not insurmountable. For example the domestic competition from India. Jet Airways and IndiGo are a serious competition to Air India – both at I For PIA, the domestic competition is not as tough, despite Shaheen and Air Bl the international level is also not specific to PIA.

The primary question here is – if other national carriers could manage those is PIA? Is the PIA beyond redemption? Are there regional lessons to other nation: With the entry of airlines from the Gulf – from the Emirates to the Qatar Airwa Pakistani flyers with much better service and an attractive frequent flyer schem The crew, on board entertainment, food and ground services – Emirates and C competition to international brands such as the Lufthansa and Singapore Airlii Pakistanis travelling to the Gulf countries and those flying to UK, Europe, US a destinations) prefer the Dubai/Doha transfer.

The PIA not only has to compete with these regional hubs for long haul direct fl continent, but also with leading European carriers such as the British Airways. eroding.

And there is more

But the above is only one part of the story. An important problem dogging PIA it's Endgame. A series of announcements, discussions and resolutions within a confusing signals. Consider the following during the last two years with the Sha

The same Prime Minister who made a lofty promise a year earlier on restoring instrumental in introducing and passing a resolution on PIA's privatisation.

When the workers resorted to strike few weeks earlier in 2016, he evoked Esser it (with the killing of couple of workers).

PIA's third major problem is within – related to management and professional huge debt and continuing losses. According to reports, it is around 300 billion around 20 to 30 billion rupees.

The debt and continuing losses is only a symptom of a larger problem. Today, t level management of the PIA is run by those who are "appointed" by the ruling been used as dumping ground for the parties in pushing their own men and exj As a result, the PIA has a staggering ratio of more than 375 workers to each air responsible for making PIA's top management unprofessional.

Corruption within and outside also is killing the PIA. If "world class managem inject money in the airline" are required as reported, is the political establishm overhaul? Or, is it a rhetoric, to make more money for the few in the name of pi

Fourth problem is related to PIA's staff. Passengers complain of the unprofessionalism – from the pilots to ground staff. From the late arrival of pilots and crew members, to the clearance by the work force at the ground, attitude of those who deal with the passengers, all trouble the day to day functioning.

Worse, from trafficking in goods to people through the aircrafts, there have been instances involving some staff members.

So it is just not political interference, but arrogance and falling standard in work. I wrote recently: "Somehow, PIA's 18,000 employees feel it's their God-given right to be on a hostage."

### Lacks transparency

With this work culture and attitude from top to bottom, even if there is a "strategic support" in reviving the PIA, what will he demand? Is he bound to cut size, reduce quality?

Finally, the State is bulldozing towards what it wants, with less transparency. To make the venture profitable in few sectors, what is important is a transparent process and workers.

The State in Pakistan seem to be playing its cards close, and worse, using a heavy opposition. There is no level playing field for the workers vis-à-vis the state.

The weak labour unions and the disappearance of the Left from Pakistan's politics are a loss for the workers. For them it is a losing game, unless they resort to violence, thus creating a vicious cycle.

Will the PIA return to become a "great people to fly with" depends not just on fares but on prices. There are structural, governance and attitude problems. Rest of South Asia can learn from this.

*The writer is professor, National Institute of Advanced Studies, Bangalore*

(This article was published on February 17, 2016)

---

Printable version | Feb 18, 2016 2:55:56 PM | <http://www.thehindubusinessline.com/opinion/we-are-like->