

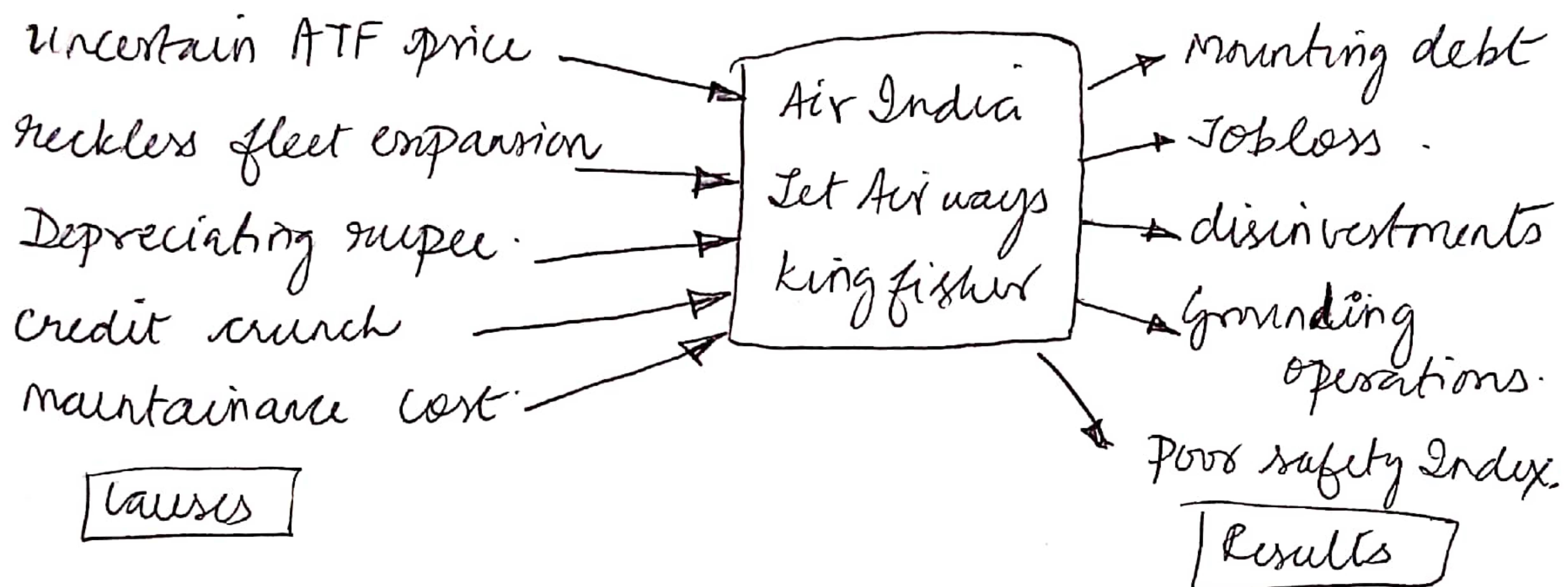
(1)

A cooperative federalism framework can provide the required impetus to the development of civil aviation sector. Examine.

Aviation sector growth has long time being associated with economic growth of a country. Global Aviation Summit 2019 highlighted the commitment to provide 'AVIATION FOR ALL' in 'Vision 2040' document by India. This was in the light of International Civil Aviation Organisation's (ICAO's) study that notes India to become 3rd largest in civil aviation by 2020.

CIVIL AVIATION IN INDIA

The scenario on the ground depicts a poor story.



This sizeable number of impediments due to internal factor calls for better policy coherence between Centre and State. This has aptly been demonstrated in Ude Desh ka Aam Naagrik scheme.

Cooperative Federalism is wing to civil connectivity

1) Reduce taxation on fuel:-

- a) Aviation Turbine fuel (ATF) cost is decided by market demand, supply.
- b) It forms 40% of expenditure for airlines, subjected to external vagaries of rupee.
- c) In accordance with Article 279, States under GST council, can push ATF under GST regime, which eliminates high VAT on them.
eg: In UDAAN, states charge VAT as low as 1% to attract services.

2) d) The revenue foregone is compensated by long term gains of econ development in region.

2) Development and management of airports:-

a) India has had 70 odd airports since Independence. Entire burden of maintenance on centre has shown poor performance.

b) States can be encouraged to manage themselves with help of AAI. This helps to solve infrastructure bottlenecks of land availability, clearance building rules etc;

example:- UDAW programme volunteered states have saved 24 unserved airports efficiently.

3) Incentives to state governments:-

a) Budgetary funding allocation, sharing viability gap funding, free of cost fire and security services by states, concessions on excise duty can encourage operationalising in remote areas.

b) States can be given the authority to cap air slots based on bidding to tackle infrastructure problems, matching market appetite.

4) Job creation:-

i) Shortage of skilled pilots has often affected SAFETY INDEX.

b) State governments can open pilot training centres, solving the unemployment scenario.

c) Convergence of Industrial policy in aviation with other federal services can supplement regional connectivity.

Thus cooperative federalism can help foresee the long term challenges of technology upgradation, usage of solar power, biogas fuel and incorporate in the vision: Flying for all.