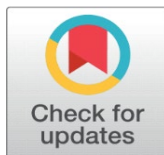


AVIATION IN INDIA: A HISTORICAL OVERVIEW

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ABSTRACT

The history of commercial aviation transport in India started under British rule in the late 1920s. Soon an Indian entrepreneur J.R.D. Tata ventured into commercial aviation to promote Tata Airlines in 1932. In the inter-war period between World War I and World War II, the British Imperial Government viewed air transport as a strategic asset and enterprising promoters (both Europeans and Indians) saw an opportunity for profitable investment. The interests of imperial state and finance capital converged in the emergence of air transport in Asia as elsewhere. After India's independence from colonial rule in 1947, there was a shift in government policy toward economic protectionism to shield Indian aviation industry from foreign competitions. Republican India nationalized the aviation industry in 1953. In so doing, this study adds to the existing scholarship related to the business history of South Asia and transport history.

Keywords: Aviation, Business History, Airlines, Air Transport, Nationalization

1. INTRODUCTION

Transport system remains a vehicle of historical dynamism through the expansion and intensification of the traffic of goods, people and ideas across different regions. Transports not only shape history; they are, in turn, shaped by history. Fernand Braudel (2002) has recognized the importance of transport (especially water transport) as the narrative framework for his classic work on the history of the Mediterranean world. Even before the advent of air transport, improvements in the transport systems facilitated the development of powerful world empires. Recent scholarships have drawn our attention to the growing interest in historical enquiries into Indian business. The issue covered ground research in business history such as trading firms in the nineteenth-century, evolution of multinational enterprises, and the entry of Indian entrepreneurs into large-scale industries. More recently, aviation has been studied as part of business biography from the perspective of management studies by Shashank Shah. The entrepreneurship of J.R.D. Tata in launching a successful private airline called Air India International (the Maharaja) at the time of India's independence but the nationalization of this successful aviation company was grounded as the Indian government of the day 'maintained that nationalization would bring order to the industry.

J.R.D. was gradually removed from the chairmanship of Air India and it was fully managed by the bureaucrats. Shah did not have time for a fuller discussion of the aviation industry since his primary concern was to document the business biography of Tata group as a whole. The history of aviation industry in India began in the late colonial period as a private enterprise before it was nationalized in 1953. History repeated itself in 1991 when India opened itself to private investment in key sectors of the economy including commercial aviation industry. In fact, more recently, the national carrier 'Indian Airline' was sold back to Tata Group which have left aviation industry in the wake of nationalization.

2. HISTORIOGRAPHY ON AVIATION

From the early twentieth century, the introduction of aviation technology altered the geopolitics of imperial powers. Air power has greater potential than sea power and land-based empires. P. J. Hugill (2018), Priya Satia (2006) and Jenifer van Vleck (2013) have contextualized air transport within the framework of global geopolitics. Hugill argues that the rapidly changing transport technology (especially in combat aircraft) of the first two decades of the twentieth century shifted the balance of power. Embracing tactical air power became a well-developed practice towards the end of World War I. Proponents of air power began to talk about its geopolitical impact in the near future. They highlighted the cost-effectiveness of embracing air power for patrolling the frontier regions, inland trade routes and maritime commercial highways. During the World War I, Britain had opted for aerial bombing in Iraq to execute the unreachable resisting nomadic tribes. More recently, Jenifer van Vleck highlighted the role of aviation in the rise of American global prominence. She argues that commercial aviation often acted as a facilitator for America's foreign policy. Airplanes came to be perceived as a symbol of national power & greatness that promises the spread of American influence without actually conquering the territory.

The linkages between air transport and imperialism have been well established in the historical literature of air transport. Robert McCormack (1989) and Gordon Pirie (2017) made such a study in the context of African imperialism; Marc Dierikx (1991) did a similar work in the context of Southeast Asia and Australia. McCormack argued that European empires were keen on developing commercial aviation networks throughout Africa in order to consolidate their respective empires. Pirie has foregrounded the link between air power and imperialism. He looks at aviation as a vital tool and agent of the British Empire in Africa. Dierikx provided a comparative study of Anglo-Dutch political relations in Southeast Asia and Australia. He contended that Britain and the Netherlands tried to elevate their imperial prestige by setting up commercial air networks throughout the empires.

Air transport not only served imperial interest, it was a neutral tool that also equally served the interest of anti-imperial nationalists. The linkage between air transport and nationalism has been explored by Edward M. Young (1995) in the context of Thailand. Young associated airplanes with national identity and nation-building while analyzing the development of aviation in Thailand. And more recently, Aashique Iqbal's work (2023) which explores the role of aviation in India's transition from colonial entity to a republic, argues that aviation was essential for securing and legitimizing the new modern nation. The author highlights aviation's critical influence on modern South Asia, particularly its role in enabling the Indian state to navigate the crisis of partition and during the Kashmir conflict.

Apart from air transport's entanglement with geopolitics, imperialism and nationalism, recent literature has begun to examine the historical impact of this mode of transport on the broader society. Marc Dierikx (2008) and Chandra D. Bhimull (2017) looked at how aviation intersects with society. Dierikx has shown us that the creation of new travel patterns by air transport (in the 1950s) contributed to the emergence of global societies. He further noted the changing social profiles of air passengers with the rise of air tourism in the 1960s. Likewise, Bhimull highlighted the experience of air travel by racially oppressed people in colonial Caribbean islands. Dierikx and Bhimull adopted the approaches of social history to study the history of civil aviation.

In short, an evolution of air transport has significantly shaped the geopolitical landscape, imperial ambitions, and nationalist movements across various regions. From the early inception of aviation by imperial powers to control and expand their influence to the ways in which it facilitated national identity and sovereignty among postcolonial states, aviation emerged as a pivotal force in shaping the modern world and its history. Recent scholarship has underscored the societal impact of air travel, reflecting the changing demographics of passengers and the experiences of erstwhile colonial subjects. Overall, the interplay between aviation and broader historical narratives has opened new avenues for understanding the complexities of global interactions in the 20th century and beyond.

This present article deals with a brief history of air transport in India from 1933-1953. The story of aviation started during the British Imperialist era and this phase came to close with the policy of nationalization in 1953 under the post-Independence protectionist regime. The project focuses particularly on commercial aviation. However, studied as an isolate and as infrastructure history, air transport history per se may look drab and boring. But the subject appears in the most interesting light if airline is seen from the perspective of social history, or if aviation history is used to understand both the movement of capital and entrepreneur culture. Policy changes in the aviation sector provide useful index to broader ideological shifts in political economy.

3. THE BEGINNING AND NATIONALIZATION OF COMMERCIAL AVIATION IN INDIA

Since its inception, air transport has acted as a wheel for long distant travel. In fact, the coming of air transport revolutionized the concept of time, distance, space and mobility. The aviation industry in South Asia which emerged in the 1930s began as airmail links. It soon came to be perceived as 'lifelines' for maintaining empires and their geopolitical interests. It intensified the movements of elites with executive and decision-making power. Later on, it developed economies of scale for ordinary fliers in the form of civil aviation. Governments (both imperial and national) and capital investors are important stakeholders in the establishment of capital-intensive aviation industry. The interests of states and global finance informed key decisions about the timing and location of the emergence of aviation companies.

By the late 1920s, the Imperial Airways (a nominally privatized aviation company in Britain) aimed to rival the expansion of KLM (Royal Dutch Airlines) and Air France in South and Southeast Asia. Consequently, Imperial Airways succeeded in opening its India route in 1929 by connecting London and Karachi (in present-day Pakistan). However, the air service east of Karachi was operated by a subsidiary company known as Indian Trans-Continental Airways (ITCA), partly owned by Imperial Airways and the British India Government. The ITCA in conjunction with Imperial Airways operated the trans-Indian routes connecting Karachi with Rangoon, Singapore, Kuala Lumpur, Penang, and Bangkok.

This historical development fomented the growth of commercial aviation in South Asia. In 1932, an Indian entrepreneur J.R.D. Tata ventured into commercial aviation sector by promoting an airline company known as Tata Airlines. A year later (in 1933), R.E. Grant Govan, a British industrialist based in Delhi initiated another aviation company known as Indian National Airways (INA). For most part of the 1930s and early 40s, Tata Airlines and Indian National Airways operated in the domestic skies mostly as an air mail. Both the airlines delivered mails for the imperial government. Tata Airlines opened its air service between Karachi to Bombay and connected to Colombo (Sri Lanka). Indian National Airways went on to dominate the air routes between Calcutta, Dacca and Rangoon. The coming of the World War II saw active participation of these aviation companies in the wartime operation such as supplying war materials to Iraq and movement of refugees from Burma (Myanmar).

The post-war period witnessed growth in the number of commercial aviation companies. New ventures in aviation by industrialists, princely state rulers led to the rise of airlines such as Bharat Airways founded in 1945 by G.D. Birla and Deccan Airways founded by Nizam of Hyderabad in 1945. Other commercial company include Himalayan Aviation, Kalinga Airline, Air Services of India, Conversely, Tata Airlines decided to become a joint public company in 1946 (and was renamed as Air India). Two years later in 1948, Air India International was formed to operate in international routes. Air India International became the first Asian airline to start a regular service between Asia and Europe (connecting Bombay with London, Rome and Paris). Air India has to face stiff competition from Pan Airways (Pan Am), Air France, KLM (Royal Dutch Airlines) and British Overseas Airways Corporation (BOAC, later renamed as British Airways); these airline companies had resumed their normal services to India after the war.

The post-independence period saw attempts by newly born Indian state to bring commercial aviation companies under state control. The nationalization question had already been discussed at a Civil Aviation Conference held in February 1947 at Delhi. The nationalization project was deferred at the end of conclusion as industrialist G.D. Birla argued that 'nationalization of air services at this stage would hamper expansion of the industry which was so much necessary.' However, since Republican India was eloquent in her advocacy of a socialist state model after independence, commercial aviation companies were finally nationalized in 1953. In the 1950s, India's first Prime Minister Pandit Jawaharlal Nehru was eloquent in his advocacy of the Soviet model of centralized five-year plans for Indian economic system. Within the same rank of the party, Chakravarti Rajagopalachari (also popularly known as Rajaji) became the last man standing who opposed this model for more market-oriented type of economic model driven by private sector rather than the Government sector (at present this kind of economic ideas is been termed as neo-liberal ideas). The battle of ideas boils down to the choice between Nehru's model of nationalization and Rajaji's model of privatization. And the outcome of these debates would determine the future of millions of Indians. Nehru argued that the commanding heights of the economy should be in the hands of the State. This led to the establishment of Planning Commission in 1950 with Nehru as the Chairman. Some of the main functions of the Commission included making assessment of all the resources of the resources; formulating plans for the utilization of the resources and determining priorities for government sponsored programmes. In reaction to increasing influence of Nehruvian Socialist economy and statist outlook, Rajaji went to form a separate political party known as Swatantra (Freedom) Party in 1959. Rajaji believed that Nehru's economic policy (described as license-permit raj) would ruin India's individual spirit of enterprise. The price for planned economy was

very heavy. Nehruvian model led to very slow annual economic growth rate what is famously termed as the Hindu rate of 3.5 % per annum.

Therefore, in the history of Indian aviation, the period between 1947-1953 witnessed a long period of nationalization projects by the Indian state. The take-over of aviation began with Deccan Airways (owned by Nizam of Hyderabad) in 1948 after Hyderabad was integrated into the Indian Union. Negotiations were also initiated with all the existing airline companies including Indian National Airways (INA), Bharat Airways, etc. These airlines were compensated and integrated into one under state control. Thus, this nationalization project was particularly aimed at consolidation of all the existing airlines into a unified airline system under state control. The state favoured the nationalization policy by arguing that it was done to eliminate inefficiencies associated with competition among multiple airlines, and fragmented airlines leading to poor service delivery. Finally, the Indian Government of the day passed Air Corporations Act, 1953 announcing the nationalization of commercial airlines. The nationalization of airlines provided the government with centralized control over running and management of aviation in India. The aviation industry in India was divided into two segments. Indian Airline handled all domestic traffic and some selected routes to neighbouring countries like Nepal. In contrast, Air India International, as the name implies, was responsible for all international routes. These two national carriers were expected to promote a sense of national identity and unity. Nationalizing airlines allowed the Indian state to ensure that aviation assets which was considered strategic were utilized for the nation's sovereignty and defense objectives.

Only recently, India was able to discard the Nehruvian model of economic development. In the light of adopting new liberalization policy in the 1990s, India has reluctantly experimented with proven models of market competition rather than state intervention in the economy. In 1991, the Government of India deregulated the aviation sector after the Air Corporations Act of 1953 was abolished, allowing limited opportunities for private airlines. Between 1991 and 1994, the private players in aviation were allowed to run charter and non-scheduled air services which came under 'Air Taxi' scheme implemented by Government of India. However, this regulation was repealed in 1994, marking the beginning of a new era in the Indian aviation industry, as private player could now fully participate in the market. Following this, in 1995, a private aviation company called 'Jet Airways' became the first to be granted a scheduled airline status and to operate in the Indian skies. This marked a renewal of the Indian commercial aviation market, considering since 1953, Indian Airlines had monopolized the domestic segment. Needless to add, more recently in 2015, after many decades India finally abolished the aged-old institute of Planning Commission – the legacy of Nehru's idea of economic policy. And in recent years, the Government of India shows new signs of interests for disinvestment and move towards more market-oriented type of economic model driven by the private sector rather than the Government sector.

4. CONCLUSION

In retrospect, this brief history on commercial aviation is an attempt to fill a gap in the literature of civil aviation in the context of South Asia from the 1930s to the 1950s. The history of air transport started in India during the late colonial period with the launch of Imperial Airways, Tata Airlines, and Indian National Airways. Initially, there were three players in the market and the aviation industry got more competitive with seven players after the Second World War. In the post-independence period, India embarked on a protectionist policy and nationalized the aviation industry in 1953. After the recent reforms of the India economy, private competition was encouraged again. More recently, it was even proposed that the national carrier will be sold to Tatas which have left aviation industry in the wake of nationalization. The renewal of Tatas recent interest in aviation gave a sense of déjà vu to the historian of air transport.

CONFLICT OF INTERESTS

None

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None

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