

## Indian Railways, the Behemoth and the Way Ahead

“Railroads...are positively the greatest blessing that the ages have wrought for us. They give us wings; they annihilate the toil and dust of pilgrimage; they spiritualize travel.” – Nathaniel Hawthorne. A train whether on a television, postcard, newspaper or on the platform arouses curiosity, reflects energy and movement. Indian Railways or Bharatiya Rail has a crowning glory, incredible power of attraction and strength. This iconic organization is the greatest hallmark of Indian culture, beauty, technology, expertise, its vastness and India’s pride “Unity in Diversity”. The Indian Railways (IR) is the national transporter of India and the largest employer in India. With a workforce of about 1.4 million, it is the 8<sup>th</sup> largest employer in the world. IR is the 4<sup>th</sup> largest rail network comprising of more than 65,000 route kilometers, with only the railway networks of USA, Russia and China bigger than it. But unlike Indian Railways they do not support 1.1 million pensioners.

It is quite surprising that such a colossal organization spread over the entire country is operated by a single management. Most of the other large railway networks are operated by different companies. These private companies administer smaller areas. Nor do the other large railway networks have to work under various socio-political conditions. The complexity and diversity of this 162 year old behemoth is again fuelled because it is the only railway network in the world that has 100 hospitals, employing 50,000 medical staff and administering 750 educational institutions. The Indian Railways comprises of more than 59,400 Broad Gauge (5 feet, 6 inch) route kilometers, about 5,000 Meter Gauge (3 feet, 3 3/8 inch) route kilometers, and about 1,500 Narrow Gauge (2 feet, 6 inch or 2 feet) route kilometers totaling up to more than 65,000 kilometers. Indian Railways’ total length of track is more than 1,15,000 kilometers.

IR is an inevitable asset for the all-round development of India. The renowned travel writer Paul Theroux said “India works because railway works...” It runs 12,000 trains, carrying over 23 million passengers every day, connecting more than 8,000 stations across the country, which makes IR a tremendously successful organization. In the financial year of 2012-13 it joined a select club of countries with an originating freight loading of 1 Billion Tonnes Plus, comprising of Russian, Chinese, and United States Railways. That year, IR had an originating freight loading of 1008.09 million tonnes. Railways in India are considered as the cheapest, safest, and fastest mode of travel. After the establishment of the Railways in 1853, not only it gave rise to the economy but indeed changed the cultural landscape of India binding varied religious, linguistic communities and overcoming geographic isolation. The relevance of IR is not limited to India, but the landlocked Himalayan countries of Nepal and Bhutan depend on it for the transportation of food grains and other essential commodities. A train coach is perhaps the best yardstick of India’s “Unity in Diversity”. Here, people crisscrossing various religious, social backgrounds sit together, chat together and no doubt have a fantasy for each other’s tiffin.

In spite of its dedicated service to the nation, IR has always remained a soft target for protestors, agitators, anti-social elements and some cheap politicians. During the last 66 years, while the freight loading has increased by 1344% and passenger kilometers by 1642%, route kilometers of IR has grown by only 23%. This unequal growth pattern has not only congested the network, affecting the speedy movement of goods and passengers, but has also led to an erosion of railway’s share in national freight

and passenger traffic to the roadways and airways. But railways are more economical and environment friendly for bulk transport. Currently most of the sections are running at 100% and above line capacity and some even at 150%. The congestion of the network has also led to safety risks. In this regard, the wise decision of the Hon'ble Railway Minister Suresh Prabhakar Prabhu to not introduce any new trains except few special category trains, leaving behind the political interests in this year's Rail Budget was praiseworthy. The inability of IR to accommodate more trains or increase the speed of the trains, which has congested the network, is largely due to under-investment. On the top of that, IR has to perform various social obligations. It needs to construct many new lines which are unprofitable and is running various trains on many unprofitable routes. Surprisingly, in most of these unprofitable routes, IR does not even meet its operating expenses. Also, it offers concessions across various categories of passengers and subsidized fares on lower classes, as part of its social service. A careful assessment in this regard is required to wipe of some of these obligations, which are not benefitting the poor. Despite its social obligations, the capital invested by the Ministry of Finance is referred as capital at charge, which means IR is expected to pay a huge some of dividend to the Central Government. Although there are huge prospects of revenue generation, if new trains are introduced on HDN (High Density Network) routes such as Delhi-Mumbai, Delhi-Kolkata, Chennai-Bengaluru but due to lack of investments, it has not been possible. It is important to note that IR is the only Central Government body to fully meet its expenses of successive pay commissions out of its internal resources without the support of the Government.

In the last paragraph, I have tried to describe the problem of underinvestment as the major hurdle for the progress of IR. But according to me, the other major hurdle is the entrenched mindset of many of its officials. Here I am referring to the group of people with "nothing will change" culture. After the coming of a new government at Centre, this culture is eroding. One of the greatest strength of IR is the sense of pride the employees have as being railway employees in spite of the demoralization due to this nothing will change feeling. Throughout its journey, only those projects have succeeded fully, which were owned by the majority of IR staff, including the front-line workers. In an organization like Indian Railways developing change strategies are often considered impossible. And also around the world changes in large state-owned organizations are considered tough and a difficult job. A number of committees and even eminent economists and administrators that were set up in order to improve the performance of IR recommended some radical changes such as restructuring the organizational structure, downsizing the workforce, outsourcing non-rail related activities like hospitals and schools, hiking passenger fares etc. These are conventional approaches to revive a sick organization. But the case was different with the vast and sophisticated Indian Railways. Successive governments rejected the proposals, as they would lead to angry reaction from the public. Any change agenda in IR cannot be successful which does not take into account IR's service to the India's common people. Most of the general people have failed to acknowledge its unquestionable commitment to the common man. It needs to develop a business savvy mindset, but at the same time keeping its commitment intact. Core strength of IR is its capability during disasters. An illustrious example of it was the aftermath of July 11, 2006 bomb blasts in Mumbai. In less than twelve hours, the officials revived the suburban railway network of Mumbai. Its infamous officials and engineers can be counted to make sacrifices to ensure that the lifeline of the nation is not disrupted. It is sad to note that despite being the largest organization in the country, premier

institutions of India, the IITS and IIMs do not offer technological and management courses on railways. This is depriving IR from the service of India's brilliant and innovative youths.

I think for the success of Modi Government's illustrious commitment to transform IR, it must take into account the major renewal of IR between 2000 and 2008. During this time frame IR's cash surplus before dividend dramatically increased from Rs.1,071 crores in 2000-01 to about Rs.25,000 crores in 2008-09. Surprisingly, this transformation was possible without any conventional radical surgeries that are usually taken by other sick organizations. India cannot progress, if IR cannot play its pivotal role in this transformation. Even though 66% of IR's revenue comes from freight operations, it does not receive its due attention. The Dedicated Freight Corridor project, introduction of time-tabled freight trains, reducing the turnaround time of goods trains, development of freight terminals needs to be prioritized. As both short and long term measures IR should focus on developing safe, eco-friendly, profit making rolling stock for both passenger and freight operations, upgrading its infrastructure, optimum utilization of its resources, alternative financial options and zero corruption, which if not followed strictly than all other change agendas will be definitely unsuccessful. Aspects like speeding up trains, world class stations, customer satisfaction and also working conditions of its employees need urgent attention. It has been found out that the AC 3-tier coach is the only profit making coach in IR. More AC 3-tier coaches need to be attached to existing trains to generate revenue from the passenger segment. IR needs to improve its parcel services, commercial utilization of surplus land and renewable energy generation to earn more revenue. Moreover, it should go on at the pace it is upgrading the passenger amenities and give attention to customer engagement especially in the freight business. Addressing weaknesses in an organization of such sheer size and age is a tough job and may not lead to success. Therefore change agendas must focus on leveraging the strengths and expertise of IR. Major changes cannot be made on one day in an organization like IR, but through incremental changes and pilot projects. Although decision making on critical subjects and projects is slow in IR, but it is a robust system which takes into account all aspects. It has very less chances for failures. Decision making of IR is superior to any other government organization in India. There is a 'system of checks and balances' and IR is very conservative in case of safety of its customers. Some little modifications of the procedures can make the system even better. According to me, there is lack of inter-departmental collaboration in IR, which is hampering its efficiency. Also inter-zonal operations like rake and locomotive sharing, training seminars, etc. should be made more flexible. Indian companies and government organizations have a lot to learn from IR for their own rise and also for their contribution to India's economy.

Instead of just sticking to operational aspects of running trains, the leadership must be preoccupied with big visions and challenging projects. With dedication of its employees, fostering positive emotions, a sense of perspective, result oriented mechanisms, innovative and business savvy approaches, there lays a bright future for Indian Railways which will ultimately revolutionize the concept of Developed India. The future of Indian Railways is the future of India, as it is the microcosm of India's development. "Railways, perhaps along with post offices, are the only two institutions in India with a deep network which if tapped judiciously can create substantial improvements in the hinterland. Railways was always considered only as a mode of transport in our country, we want to see Railways as the backbone of India's economic development." – Shri Narendra Modi, Prime Minister of India

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