



Federalism rides the rails in India

India's states and central government battle over railway jobs at one of the largest passenger rail carriers in the world.

BY *PRASENJIT MAITI*

Indian Railways were founded 150 years ago under the British Raj to strengthen “the Jewel in the Crown”, as the British then called India. Today, Indian Railways has 100,000 km of track, a workforce of 1.65 million, and carries 13 million passengers a day. Yet 55 years after independence, Indians are struggling over the future of this jewel.

The Government of India's controversial decision to add seven new railway zones on October 1, 2002, to the existing nine zones has provoked renewed tension between neighbouring states. The decision also raised tensions between the states and the “center”, as Indians call their federal government. Add a Railway Minister, Nitish Kumar, whose home state of Bihar stands to gain from the decision, and a Marxist state government in West Bengal that stands to lose, and you have a recipe for conflict.

The tension has even threatened the stability of the National Democratic Alliance government, led by the Bharatiya Janata Party. The Trinamul Congress, a regional party in the ruling coalition in Delhi from the state of West Bengal, protested strongly against the Railway Ministry's decision to split Eastern Railway. At present, Eastern Railway comprises the states of West Bengal, Bihar and Uttar Pradesh. The Trinamul Congress threatened to leave the coalition government if the status quo was not restored.

The decision to split

The decision to add seven new zones goes back to 1996. Then railway Minister Ramvilas Paswan, an MP from Hajipur in North Bihar, said it was necessary for the sake of “efficiency and decentralization”. This was during the short period of the unstable United Front coalition government and the decision was not implemented at the time.

The Trinamul Congress alleges that the BJP and the Samata Party revived this long-forgotten decision to win votes in the forthcoming Bihar state elections.

Bihar would gain from the split, as railway revenues earned from coal freight would now be sent to Hajipur, a city in Bihar state and headquarters of the new zone. Calcutta, the metropolis of West Bengal state, would lose. After a mass transfer of railway employees from Calcutta to Hajipur, the Government of West Bengal would lose both sales and commercial taxes. The West Bengal economy would no longer have those railway workers spending their wages in Calcutta. The Trinamul Congress leader and ex-Railway

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Indian Railways: a giant at 150

- Largest railroad network in Asia
- Second largest in the world under one public sector agency
- 63,000 km of routes (110,000 km of track)
- 8,300 locomotives
- 39,000 coaches
- 350,000 freight cars
- 1.65 million employees
- 11,000 trains a day, including 7000 passenger trains.
- 376 million tones of freight traffic in 1992-93
- 4.2 billion passengers in 1992-1993.
- 13 million passenger trips daily.

Minister Mamata Banerjee accused Indian Prime Minister Atal Behari Vajpayee of having “ditched” West Bengal in the process of creating the new railway zones.

However, the BJP and its more prominent allies, such as Railway Minister Nitish Kumar's Samata Party, where the policy to split the zones originated, said they would not yield to what Kumar called Mamata Banerjee's “politics of blackmail”. It should come as no surprise that Kumar is from Bihar state.

Growing opposition

The Communist Party of India (Marxist) and its ruling Left Front allies in West Bengal called the decision “more political than administrative”. The Left Front claims that federal decisions such as merging the revenue-rich Dhanbad division of the Eastern Railway into a new zone would lead to considerable revenue losses for West Bengal. Such a move would worsen fiscal relations between the Union and the state governments.

The two left wing parties also severely criticized the decision to transfer both the Eastern Railway and South Eastern Railway headquarters from Calcutta.

The Chief Minister of West Bengal, Buddhadeb Bhattacharya, requested both Railway Minister Kumar and the Deputy Prime Minister, Lal Krishna Advani, to reconsider their decision. An all-party delegation also met with Prime Minister Atal Behari Vajpayee at New Delhi to plead their case. Mamata Banerjee even called a 24-hour Bangla Bandh (strike), protesting against the Center's “stepmotherly attitude and passivity of the state government.”

The parties opposed to the split are divided. The Communist Party of India (M) rejected Mamata Banerjee's call for a

united struggle against the coalition government, demanding Banerjee should first quit the governing coalition. The Communist's West Bengal State Secretary Anil Biswas said:

"Mamata Banerjee should first make her stand clear and come out of the coalition."

He added that Banerjee had earlier declined to join the Left parties when a joint delegation from West Bengal went to negotiate with the Prime Minister about the Eastern Railway split.

Rolling on deficits

A boost to opposition to the split came when six former Indian Railway Board chiefs requested that Prime Minister Vajpayee abort his government's decision to create the seven new railway zones. They called the decision to create the new zones "a populist, parochial and political overture," and predicted it would be "an operational debacle, a financial disaster and an administrative blunder." The former railway chiefs also expressed wonder at how the Indian Railways could possibly afford additional liabilities when it uses 60 percent of its revenues to pay salaries to 1,600,000 employees and spends 102 rupees for every 100 rupees it earns.

And Eastern Railway's books show that it has the largest losses in the country on a percentage basis, with an operating ratio at 129:100 - which means it spends 129 rupees for every 100 rupees it earns. Such losses have been called signs of public sector misgovernance, something that India's second generation of economic reforms is supposed to eliminate.

Zones for political reasons?

Moreover, even the Fifth Central Pay Commission, a board established by the United Front Government and recently criticized for recommending salary scales that were too high, recommended that Indian Railways reduce its manpower by 400,000. The former chiefs added:

"Since 1948, only three new zones have been created, one for strategic reasons (Northeast Frontier Railway) and the other two for operational reasons, but none on linguistic or political grounds."

But the former chiefs' arguments didn't impress Railways Minister Kumar. He says West Bengal has no reason to complain.

"It is not a state-centric division. Dhanbad includes four states — Jharkhand, Bihar, Uttar Pradesh and Chhattisgarh. Moreover, smaller zones mean higher efficiency," he explained.

In addition the headquarters proposed for Eastern Railways' new zone — Hajipur, a city of about 21,000 inhabitants — was

unknown even to senior railway staff. When Eastern Railway Financial Adviser and Chief

Accounts Officer, B.K. Banik, was asked about the location of Hajipur, he had to check his railway map first!



150th Anniversary train

Some have raised the question of the worsening law and order situation in Bihar, where there has been kidnapping of doctors and rigging of elections. How can India decentralize its railway administration and reflect the Indian ethos of multicultural and cooperative federalism without a safe and secure environment for the new railway zone headquarters?

The junior federal minister of railways, Bandaru Dattatreya, argues that the split would not undermine the interests of any state. "There is no need to politicize the issue of bifurcation. If at all there is any financial burden, it will be on the railways and not the individual states," he added.

This debate does not just break down on party lines. In a number of cases different state branches of the same party have opposing positions on the dispute. In the state of Jharkhand, the local units of both the BJP and the Samata Party sharply opposed the transfer of revenue-rich Dhanbad and Katihar divisions of Eastern Railway seeking to protect their own states' economic interests. In Bihar, however, those same parties supported this transfer (with an eye, no doubt, to the forthcoming state legislative assembly elections).

Implications for the future

The decision to split Eastern Railway has exposed the simmering tension that underlies India's federal politics in the new millennium. Local aspirations often run counter to policies of the central government. When making major decisions, party leaders are expected not only to act in an objective manner but also to be seen conducting public affairs objectively. Even veteran statesmen like Vajpayee or Advani more often than not appear to falter at this critical juncture. As a result, transparency as a value in federal politics has suffered in India.

If Indians want stability in government, regional parties such as the Trinamul Congress and the Samata Party will have to restrain their practice of jeopardizing coalitions over a single issue. They will have to remember that coalition members also have responsibilities and that they will be held accountable for the failures of government even if their party wins a tactical victory in the heat of the moment.

For their part, national parties such as the ruling BJP could draw critical lessons in federal politics from this controversy. They need to improve their leadership and organizational skills in such areas as dialogue and conflict resolution. (6)

Safety on Indian Railways

- Accidents decreased from 2131 in 1960-61 to 396 in 1997-98.
- An accident rate of 0.57 per million kilometers traveled in 1996-97
- 700 -800 fatalities annually.