

Against the Pro Corporates, Communal and Anti - People Policies of the BJP Government
Convention Against Privatisation of Electricity and Railways
18 July 2023, HKS Surjeet Bhawan, New Delhi

Note on Railways

Stop Privatisation of Railways

Indian Railways is the lifeline of our economy. It is an integral part of the economic and social life of large sections of our people. It reportedly runs 13452 passenger trains which cover over 7300 stations across the country. Around 2.40 crore passengers travel in these trains every day. In addition, Indian Railways also runs more than 9141 goods trains, which transport 1.42 billion metric tonnes of goods including food grains and other goods essential for the common people, agriculture and industry.

The Modi led BJP government now wants to dismantle this public transport system, which has been serving the common people of our country, particularly the poor and toiling masses as well as the national economy. It has decided to hand it over to the big private corporates, who have not invested anything in building this infrastructure. They will be enabled to use the Railways built with people's money to fleece the people and make fat profits.

Privatisation is an important component of the neoliberal regime. It is not just the *public sector enterprises* that are sought to be privatised. Essential public services like health, education, transport etc and natural resources like land, mines, forests, water bodies etc are all handed over to private corporates. For governments committed to neoliberalism, satisfying corporate greed assumes priority over ensuring the *basic needs of the people*.

This is what we have been witnessing since the official advent of neoliberal policies in our country in 1991 when Manmohan Singh was the finance minister in the Congress government led by PV Narasimha Rao as Prime Minister. Though successive governments that came to power since then have been implementing the same policies, the Modi led BJP government is marked by its aggressive pursuit of neoliberalism.

The attempt to privatise Indian Railways is part of this neoliberal process. The Modi government is going ahead with splitting the Railways vertically and horizontally, as per the recommendations of the Bibek Debroy Committee, which it appointed soon after coming to power. This is meant to facilitate piecemeal privatisation. It has also announced 100% FDI in almost all the activities performed by Indian Railways – construction, operations, maintenance, rolling stock, dedicated lines, train sets etc.

The Modi government has also made the Railways one of the main targets for its asset monetisation project under the National Monetisation Pipeline. The existing assets of the railways – railway stations, the railway land surrounding the stations, the railway tracks, the trains, the goods sheds, the railway colonies, the railway stadiums etc will all be handed over to the private players on long term lease.

The Conspiracy : To Split and Sell Indian Railways

The unbundling of the Indian Railways and separation of the roles of policy, production, regulation and operation to promote privatisation, the core strategy of the ruling class, will be disastrous for the nation. It will destroy the synergy that is required between these processes for the proper and safe functioning of such a big network of the Railways as ours. It will compromise the safety of the passengers and the employees and endanger their lives.

The most important aspect in the smooth running of such a big network of railways as in our country is that every single activity has to be carried out in maximum coordination and combination with the other. It is obvious that this synergy will be lost if these functions are split and handed over to different entities having

no coordination with one another, and sometimes even competing with one another, particularly when they are run by private players.

But, the Modi government is obviously not concerned about the safety of the people. It is more committed to serve its corporate masters.

Dubious Arguments

To hide its real intentions and garner people's support for privatising the Railways, the government has been putting forward dubious arguments. It is misleading the people that privatisation will provide 'world class travel experience' and will benefit the common people; that private investment in Railways will generate employment.

These arguments are not supported by facts.

Impact on the People

Railway stations become inaccessible

Railway stations are being privatised in the name of developing 'world class' railway stations. The government has established the Indian Railway Station Development Corporation for this purpose. The entire station, along with the railway land around it, is handed over to the private company, which along with the IRSDC will develop the station.

Only railway tickets and operation would remain with the railway authorities. All the rest including sale of platform tickets, food courts, parking areas, advertising rights etc would be given to the private entities.

The private entities would be free to use the land for commercial purposes – construct hotels, shopping malls etc. What will be its impact?

- Lakhs of poor, most of them unorganised sector workers, who live in the slums near the railway stations will be evicted and become shelter less.
- No parking space for the poor rickshaw and auto drivers near the stations. They will lose their income
- Common passengers will also lose the convenience of finding affordable local transport closer to the station.
- Passengers, coming from distant places will not to be allowed to wait on the platforms. They have to wait only in the 'lounges' or 'concourses' by paying fees. They will be allowed on the platforms just to board the train.

Habibganj railway station (now renamed Rani Kamalapati station) in Bhopal has become the first private railway station in the country, which was redeveloped by the Bansal Group under a 99 year lease agreement. Gandhinagar railway station in Gujarat has also been handed over for redevelopment to a joint venture between Adani and Eldeco Infrastructure. They stand witness to what will be the impact of privatisation on the common people and the poor.

The Modi government has identified 400 railway stations to be developed into such 'world class' stations. Tenders have been called for redevelopment of several major stations including New Delhi, Mumbai, Howrah, Chennai, Bengaluru, Secunderabad, Vijayawada, Calicut etc.

Rail travel becomes unaffordable

Train fares: The passenger and freight charges will, henceforward, be decided on the basis of cost. At present, passenger fares comprise 53% of the cost with 47% of the cost being subsidised. This subsidy will ultimately be withdrawn, may be in phases. By this account alone, the passenger fares will almost be doubled. In addition, the passenger fares in Indian Railways will be increased to provide a 'level playing field' for the private corporates. Already in several stations the rate of platform tickets has been increased

to Rs 50. Indian Railways trains will not run one hour before and after the private trains in the same route so that passengers will be compelled to travel in private trains at prices fixed by the private companies.

In the 'Tejas Train', which is being operated by private sector through IRCTC between Delhi and Lucknow, the ticket fare is more by Rs 700 to Rs 900. The running time is only 10 minutes less and one stoppage extra. In the same train, the dynamic fare goes up to Rs 4,700.

Like in the airlines at present, passengers have to pay for preferred seat options; and also for baggage and cargo, if these are not included in the ticket fare. On board services like catering, bed rolls, wi fi etc all will be chargeable.

Bharat Gaurav trains: The Modi government has launched the Bharat Gaurav trains, theme based tourist circuit trains, which are operated by private companies by paying haulage and usage charges for using the trains. They fix their own tariffs and decide their halts, services, routes etc. Several Bharat Gaurav trains covering places of pilgrimage are being run by private companies in different routes. In the name of package they fleece the passengers.

Concessions: All concessions in fares to the senior citizens, children, physically handicapped, cancer patients, students etc will, naturally, be done away with by the private players. Passes will not be allowed. Already the concessions to senior citizens have been withdrawn.

Innovative Ways of Looting Passengers: Indian Railways has already set the laid the path for increased train fares in various innovative ways. The number of regular reserved berths has been drastically reduced. The number of berths under the tatkal quota has been increased. Further the Modi government has also introduced premium tatkal in 2014 where confirmed tickets are charged double the amount of tatkal tickets. In 2016, it introduced the dynamic pricing under which the fares are increased by 10% after every 10% of berths or seats are sold.

Space for Travel Squeezed: In addition to the reduction in the number of general reserved berths, the number of general compartments, for unreserved travel, has also been brought down. The poor, particularly the lakhs of migrant workers who travel from their villages to the far off states where they work or in search of work, are compelled to squeeze in the few overcrowded compartments. This is said to be one of the reasons for the huge number of casualties when train accidents take place. But the government is not concerned. 70% of the seats increased by the Railways in 2018-19 were in AC coaches while the demand for seats in sleeper coaches is far more.

Rise in Prices: The private players who use the tracks of Indian Railways for transporting goods will not provide any subsidy for essential commodities as is being done now by the Indian Railways. This naturally will reflect in the increase the prices for the common people.

Withdrawal of Services: The Bibek Debroy committee recommended that railways should close down stations that register 50% dip in ticket sales in a two year period. The government is reported to be also considering whether it should continue with small stations where there are only ticket sale and cleanliness activities. These measures will definitely deny and deprive hundreds of thousands of people in our villages and small towns of the train services on which they depend to go to the nearby towns and cities on their day to day trade and other requirements.

Loss of income for Railways, price rise for the people

Freight traffic is the major source of revenue for Indian Railways. It accounts for 65% of its total revenue and is vital for the economic and industrial progress of our country. Transportation of goods by train costs 72% less per tonne than by road. Indian Railways has been surpassing its own targets of carrying goods and revenue earning. The gross freight revenue in 2021-22 was 15.7% higher than that in 2020-21. Nearly 3 lakh head load workers are employed in loading unloading activities in the Railway goods sheds.

But this transport system is now set to be ruined to suit the interests of the private contractors. Through NMP 256 goods sheds are sought to be leased out to facilitate profits to the consignees and private operators. The dedicated freight corridors, which carry 70% of goods trains, are also targeted to be handed

Transportation of food grains procured through FCI is being handed over to private transporters pushing additional costs on transportation. The food grains are stored in private warehouses at a higher cost by keeping the government infrastructure idle. It is ultimately the common people who have to bear the burden of the increased costs by paying higher prices. At the same time the loading unloading workers will be subjected to higher exploitation.

On the railway employees

To cut down the number of employees was one of the first decisions under the neoliberal regime. Accordingly the number of posts in the Railways has been brought down drastically. Permanent jobs are being replaced by contract jobs. Work is being outsourced. More than 3.1 lakh sanctioned posts, including those related to safety category like track maintenance, signalling etc as well as of loco pilots, are kept vacant. The workload on the employees has hugely increased. The loco running staff are compelled to work for 14-16 hours, often continuously on night shifts, without adequate rest. This results in huge stress increasing the risk of accidents.

While the number of permanent posts is being drastically cut down, the number of contract and outsourced workers and employees has increased in all categories. Contract workers without proper training are deployed in safety related jobs putting into risk their lives as well as the lives of the passengers.

The contract workers are subjected to severe exploitation by the chain of contractors and subcontractors. Contractors are hiring fewer numbers of workers to save money thus increasing the work load on contractor workers. Unionisation is not allowed. Workers are sought to be removed from service once the contractor is changed. All their statutory rights are violated with impunity

On the Nation:

The privatisation policies of the Modi led BJP government are not only devastating to the common people and the railway employees. They are destroying the existing manufacturing capacities of our railway production units, which are termed the gems of the Indian Railways. Despite having the proven capacity to produce the diesel and electric engines and all types of coaches required by the Indian Railways, orders for production are not given to our production units but given to private companies including big foreign companies, at a higher cost. Our self reliance and production capacities developed through the hard work of our workers and employees over decades are being destroyed to benefit the big foreign companies like General Electric, Alstom etc. It is deliberate sabotage of our national interests and blatantly anti national.

Thus, it is clear that privatisation of railways is disastrous for our people, for the railway employees and for our nation as a whole. But the Modi government committed to neoliberalism has been consciously adopting policies to discredit Indian Railways, promote its privatisation and facilitate handing this to the big private corporates. The working class and the toiling people, who build the nation and create the wealth of the nation, cannot remain silent spectators and allow such destructive policies to be carried out.

This National Convention Against Privatisation, focussing mainly on electricity and railways calls upon all sections of the society, particularly the workers and other toiling people to join together and oppose the anti national anti people privatisation policies of the Modi government. It calls upon the CITU and all its committees, cadres, activists, members and supporters to take up an intensive and extensive campaign against privatisation of railways culminating in massive demonstrations across the country including before the railway stations and railway administrative offices.