

# Restructuring Railway Board

January 3, 2020

**Source:** *Economic Times*

**Manifest pedagogy:** Indian Railway and its legacy are both historic and contemporary in nature. In light of new initiatives, disruptions in logistics and aspirations of the nation at large it was imperative to bring in operational changes. The restructuring of the Railway board is one such transformative paradigm. (The restructuring gained traction after the train 18 controversy)

**In news:** Union Cabinet has approved restructuring of Railway Board

**Placing it in syllabus:** Railways reforms (explicitly mentioned)

## **Static dimensions:**

- Merger of railway budget
- Committees on railways

## **Current dimensions:**

- Restructured railway board
- Merger of cadres
- IRMS

## **Content:**

Merger of railway budget:

- **On 21 September 2016, Government of India approved the merger of the Railway Budget with the Union budget of India.**
- The committee headed by economist and NITI Aayog member **Bibek Debroy** had recommended that the British-era practise should be phased out.

- The decision of merger was taken keeping in mind the **long-term interest of both the railways and the country's economy.**
- On 25th February 2016, Suresh Prabhu became the last railway minister to present a separate Railway Budget in the parliament.
- On 1st February 2017, Arun Jaitley became the first Finance Minister to present a combined railway and general budget.

### **Reasons for Merger as per committee report:**

- As the **size of the Railway Budget had shrunken** when compared to the overall general budget, presenting it separately was not required.
- India was the only country in the world with a separate Railway Budget.
- Railway Budget is **not a legal or constitutional requirement** like the Union Budget.
- Over the years the **spending** of other ministries such as defence, road transport, petroleum and natural gas had overtaken the spending of Indian Railways, even though these ministries functioned without a separate budget.
- It was **used as a political tool** and decisions on new trains, routes, fare hikes were getting influenced because of political considerations.

### **Committees on railways (safety, modernisation, restructuring)**

*On safety (Dr Anil Kakodkar committee):*

- There should be an **independent body like Railway Safety Authority.**
- A robust and powerful **Safety Architecture** should be there to have a safety oversight on the operational mode of Railways.
- **Elimination of both manned and unmanned level crossings** within the next five years.

- **Monitoring of all the bridges** in terms of scientific measurements of deflections/displacements, water level and flow velocity on a continuous basis.
- An **advanced signalling system** should be there based on continuous track circuiting and cab signalling similar to European train control system.

*On modernisation (Sam Pitroda committee):*

- Modernisation of 19,000 km of existing tracks
- Strengthening of 11,250 bridges to sustain higher load at higher speed
- Eliminating all level crossings
- Implementation of automatic block signalling on major routes
- GSM-based mobile train control communication system
- Stress on complete upgradation of railway's communication system
- New generation locomotives
- Train sets for high speed intercity travel
- Green toilets on all passenger trains
- Modernisation of 100 major stations
- Real time information system and internet facility at 342 railway stations
- Development of public private partnership (PPP) models and policies in various areas of railways to attract private investment
- High speed railway lines
- Elevated rail corridor
- Railways should venture into captive power generation through the PPP route

*On restructuring (Bibek Debroy):*

- Establishment of Railway Regulatory Authority of India (RRAI)
- Transition to commercial accounting
- Streamline recruitment & HR processes

- Decentralisation
- All the existing production units should be placed under a government SPV known as the Indian Railway Manufacturing Company (IRMC).
- Encouraging private entry
- Railway restructuring
- Joint Venture with State governments

#### Restructured Railway board:

- The Union Cabinet has approved the **downsizing of the strength of the Railway Board from eight to five**, including the **chairman**, who will be the chief executive officer (CEO).
- There will be **four other members, in charge of infrastructure, rolling stock, finance and operations, and business development.**
- There will be some **“outside talent”, independent members**, comprising experts helping the Board to set a “strategic direction”.
- The chairman will be the cadre controlling officer responsible for human resources (HR) with assistance from a DG (HR).
- All the remaining posts of the Railway Board shall be open to all officers regardless of the service to which they belong, thus ensuring equal opportunity for all.
- The Indian Railway Medical Service (IRMS) will be renamed **the Indian Railway Health Service (IRHS).**

#### *Impact of restructuring:*

- It will ensure **end of departmentalism** and **promote smooth operations and expedite decision-making.**
- It will lead to **end of turf wars among the different cadres and departments** which was harming railway operations.
- Restructuring has set the path for Indian Railways to move on a very high-growth trajectory as it would be a

**unified organisation that will work single-mindedly.**

- This will **end the culture of working in 'silos'** and mark the beginning of a new and unified railway with a coherent vision for the future.

Merger of cadres:

- Cabinet has approved the **merger of eight 'Group A' services into one central service** called the **Indian Railway Management Service (IRMS)**.
- Currently, the Indian Railways is organised into departments such as traffic, civil, mechanical, electrical, signal & telecom, stores, personnel, and accounts.
- These departments are vertically separated and are each headed by a secretary-level officer (member) in the Railway Board.
- Unification of services will **streamline operations and provide flexibility** in how they deploy people.
- The decision to merge the services is to ensure that officers put railways first instead of their service.
- The **Railways will have just two departments** – Railway Protection Force and Medical Service Department.
- **All other departments will come under one Railway Management System.**

IRMS:

- The creation of the IRMS will be done in consultation with the department of personnel and training (**DoPT**) **and** Union Public Service Commission (**UPSC**) to facilitate recruitment.
- **Unification of eight existing services** of Indian Railways for IRMS **will be done at all levels.**
- However, modalities for unification and assignment of inter se seniority will be decided by **Alternative Mechanism.**
- Ministry of Railways and DoPT will together work out the

necessary formula before it is taken up by Alternative Mechanism.

- **Officers of IRMS only will be eligible to become the Functional Members and Chairman/CEO of Railway Board.**
- **All new recruits** in railways will be inducted **through the UPSC civil services exams.**
- The candidates aspiring to get into railways will have to appear for their prelims after which they will indicate their preference for IRMS under five specialities.
- The **first batch will be recruited in 2021.**