

An Overview

Statement of Problem

101. 'Running' staff in Indian Railways are those staff who perform duties directly concerned with the charge of moving trains, and include all categories of train Drivers and Guards. Indian Railways have a unique scheme of paying 'running allowance' to its 'running staff', and the running allowance thus paid is directly determined by the nature duties performed by these staff. The unique feature of running allowance scheme is that 'running allowance' includes an 'element of pay', and its amount depends on the quantum of work (measured in terms of the distance worked by the trains), put in by the running staff. Since a portion of 'pay' is paid to the running staff through the instrument of running allowance, their regular pay is thus 'depressed', as compared to the pay of the corresponding non-running staff in other departments, to the extent of this element being paid as part of the 'running allowance'. The 'depressed' portion of the pay was made good by reckoning the 'pay element' for various purposes like HRA, pay fixation, privilege passes/privilege ticket orders, leave salary, housing, pension, etc, through special provisions under the rules.

102. The recommendations of successive Central Pay Commissions, particularly since the 4th Central Pay Commission, however, ignored this aspect of depressed scales of pay of running staff visa vis non running staff, and allotted normal replacement scales to them. The depression in pay scales of running staff, thus, gradually got eroded over successive pay commissions. This, on one hand widened the gap between the emoluments of the running and non running staff of IR and disturbed their pay relativity, and on the other, breached the very basic concept of the running allowance scheme, that of part of pay of running staff being paid in the form of running allowance. The change in the basic structure of pay brought about by the 6th Central Pay Commission, in pursuance of its overall policy of de-layering, further compounded the problem, as the pay scales, which formed the basis on which running allowance was calculated, were replaced by running pay bands. Amalgamation of number of pay scales into fewer pay bands, as recommended by the 6th CPC, made the formula for assessing the quantum of running allowance as completely impracticable.

103. Subsequent attempts by the administration to set right the aberrations and rationalize the scheme and the quantum of 'pay element', through various committees viz., Running Allowance Committee, 2002, Joint Committee, 2008, and Fast Track Committee, 2010, were met with stiff resistance from the labor unions, who strongly resisted any scaling down of 'pay element' even after its erosion.

104. As a consequence, there is presently no rational policy for the pay and allowance of one of the most critical categories of staff on IR. The parity of emoluments between running and non-running staff, on which basis the existing set of rules were framed in 1981, is seriously disturbed. This has resulted in large scale disenchantment of non-running staff, which form bulk of the work force on IR. The formula for calculating the running allowance itself has been rendered impracticable on account of 6th CPC recommendations, as stated above. On account of some adhoc decisions taken by the administration, subsequently, the problems have been further compounded.

105. The above situation does not augur well for an organization as large as IR, and there is thus an urgent need to address these problems and put in place a rational and non-discriminatory policy, which will serve the overall objective of improving performance of running staff in IR, duly protecting their right to earn fair emoluments commensurate with their duties.

Objectives:

106. As explained in the preceding paragraphs, the basic concept of the running allowance scheme, is that running allowance is directly linked to the duties performed by the running staff and a portion of the allowance, thus earned, includes an element of pay. There is thus, an intricate connection between the pay scales of running staff and the running allowance scheme governing them. It is on account of this connect that all the Central Pay Commissions have specifically deliberated on the pay scales of running staff and the scheme of running allowance in IR. The scheme of running allowance has also been deliberated by a number of Committees constituted by the Ministry of Railways since independence. The scheme is implemented through a detailed set of rules and procedures called, 'The Rules for payment of Running and other Allowances to the Running staff on Railways, 1981'. These rules were based on the recommendations of Running Allowance Committee, 1980. Post VIth CPC, on account change in the basic pay structure brought about by the commission, the formula for running allowance was rendered impracticable, as was the quantum of depression that were assessed by the Running Allowance Committee, 1980. The allowance as it exists today does

not subscribe to any rational basis embodied in the Rules of 1981, and is at best an adhoc interim measure, which has seriously affected the pay parity between the running and non-running staff of IR.

107. Accordingly, the primary objective of the proposed research would be to study and analyze the reports of all the Central Pay Commissions and the various Committees constituted by the Ministry of Railways since independence on the subject of pay and allowances of running staff. This is necessary in order to clearly delineate and understand the factors that contributed to the evolution of the scheme of running allowance for running staff, reasons contributing to the subsequent dilution of the prescribed policy, and its implications on the pay parity with the non-running staff on Indian Railways. The policy parameters governing the pay and allowances of running staff have a direct connection with the operating conditions within which the staff has to perform his duties. The emoluments earned must correspond to the nature of duties performed by the staff. The operating conditions of running staff have undergone substantial changes on account of modernization of the Railways and adoption of more efficient systems of operation over the years. Improved technology itself has made drastic changes in the driving conditions of train drivers, from driving steam locomotives till the 80s to the present day state of the art three phase locos fitted with even air conditioned cabs. It is the purpose of this study to factor in the impact of these changes on the pay and allowances policy of running staff.

108. The scheme of running allowance was framed with the basic intent of improving the performance of running staff and curbing any dilatory tendencies. The basic intention of the rules is to have an orientation towards better performance, and simultaneously ensuring that the running staff are not prevented from earning a reasonable amount of running allowance in a month due to factors not attributable to them. As mentioned in the preceding paragraphs, presently there is no rational policy on such a critical category of staff of IR. There is thus an urgent need to take a look at the scheme of pay and allowances to running staff of IR, and suggest possible policy alternatives based on sound principles which would serve the interest of the organization as well as the staff.

109. To summarize, the purpose of this study is to critically analyze various factors which have contributed towards the anomalies described in the preceding paragraphs, study the evolution of the policy of pay and running allowance of the running staff since independence, and suggest possible options for moving forward and putting in place a rational and meaningful policy for this critical category of staff of IR.

Justification:

110. As mentioned earlier, special feature relating to running staff of IR, is that a portion of their emoluments is dependent upon the nature of duties performed and the quantum of work put in by them during the month. The quantum of running allowance earned by the Running staff is determined mainly by the actual distance worked by them. This feature, of a portion of pay being included in the allowance, is unique to running staff of Indian Railways and possibly in the rest of the government as well.

111. The scales of pay applicable to the running staff are deemed to be depressed, meaning thereby that, had there been no scheme of running allowances, the running staff would have been allowed normal scales of pay like the other railway employees, and would have been eligible for TA/DA like them. As such the running staff earn a part of their pay through the instrument of running allowance. The deemed depressed portion of the pay is made good by the provisions of Rule 25 of the said Rules, which stipulates as under:

“ 30% of the basic pay of running staff shall be reckoned as pay for the following purposes:-

- (a)Entitlement of Passes and PTOs.
- (b)Medical attendance and treatment.
- (c) Educational assistance.
- (d)Fixation of pay in stationary posts.
- (e)Compensatory (City) Allowance.
- (f) House Rent Allowance.
- (g)Entitlement to quarter
- (h)Recovery of rent for quarters
- (i) Dearness Allowance, Addl. Dearness Allowance.
- (j) Overtime Allowance.
- (k)Leave Salary.

- (i) For the purpose of educational assistance, 30% of the basic pay shall be reckoned as pay for determining the eligibility for all the schemes of assistance given to Railway employees for the education of their children/wards viz., re-imburement of tuition fees, children's educational assistance and subsidized hostels.

- (ii) For the purpose of retirement benefits, 55% of basic pay shall be taken into account in the case of running staff retired/retiring on or after 1.4.1979. **55% shall also be reckoned as pay for the purpose of recovery of subscription towards Provident Fund.** ”.

112. Since the framing of these rules in 1981, on account of various factors, including those linked to the recommendations of the successive Central Pay Commissions, the pay parity between the running staff and the non-running staff has been seriously disturbed, and the principles governing the policy have been completely compromised.

113. The 'element of pay' included in the running allowance was first assessed by RAC, 1980 as 30%. The pay of running staff was accordingly 'depressed' to the extent of 30% for all categories of running staff, as compared to the corresponding non-running staff, at the time of its assessment by RAC 1980. Successive Central Pay Commissions i.e. 4th, 5th, and 6th, however, ignored this aspect of 'depression' in pay scales, while recommending the scales of pay of the running staff. The consequence was that while the depression in pay of running staff got gradually eroded, leaving no justification for persisting with it, the 30% 'pay element' continued to be paid as part of the running allowance. Due to stiff resistance from the staff side, no rationalization of 'pay element' could be implemented, despite two committees viz., Running Allowance Committee, 2002, Joint Committee, 2008, acknowledging it and recommending it. This resulted in further widening of the gap between the emoluments of running staff and those of non-running staff, leaving bulk of the work force of IR de motivated.

114. The quantum of running allowance earned by the running staff, is measured in terms of kilometers done by the running staff. The formula for calculating this Kilometrage Allowance (KMA), was devised by Running Allowance Committee, 1980, after detailed consultations with the labor organizations and the Railway administration, and based on critical analysis of huge volume of data collected from various divisions spread across IR.

115. As per this formula, the KMA is a composite function of mean 'scale of pay' of the running staff, and 'out of pocket expenses', as duties of the running staff involved movement away from their headquarters. After the adoption of 6th Central Pay Commissions recommendations, which amalgamated large number of existing pay scales and replaced them with pay bands, this formula was rendered impracticable as scales of pay did not exist anymore. So there was an urgent need, to revisit the formula and find out an alternative rational basis, which not only upholds the principle of pay parity between the running staff

and non-running staff, but at the same time protects the basic principle of performance linked pay for running staff, which was enshrined in the existing policy of running allowance.

116. Railway through two committees, namely, Running Allowance Committee, 2002 and, Joint Committee of 2008, attempted to address the above issues. But due to stiff resistance by the labor organizations the issues could not be resolved. Subsequent attempts by the administration in this direction have been ad hoc at best, resulting in further compounding of the problems.

117. Since the quantum of running allowance paid to the running staff is intricately linked to their pay, recommendations of the pay commissions have a direct impact on the scheme of running allowance in IR. It is thus imperative for the Central Pay Commissions to take into account the scheme of running allowance in Railways while recommending the pay structure for the running staff. The result of the study is thus, expected to serve as a valuable input for the 7th Central Pay Commission, in respect of pay and allowances of running staff of IR, if considered.

118. It would be pertinent to mention here that taking into account the critical nature of duties being performed by the running staff, it is imperative for any such policy to not only address the anomalies, but also that it is acceptable to all the stakeholders in the system. Associating the point of view of all the stakeholders would be one of the components of the study to the extent of it being made available by the directorate concerned of Railway Board.

Scope and Limitations

119. The subject of pay and allowances of running staff have been dealt with by all the Central Pay Commissions and various other Committees appointed by the Ministry of Railways. Though the scheme of running allowance has been in existence even during pre-independence period, for the purpose of this study, only post independence deliberations by these Commissions and Committees would be studied.

120. The running staff is comprised of all grades of train Drivers (also called loco running staff) and Guards (traffic running staff). So the scope of the research would be restricted to the staff which are falling within these two categories.

121. It would also be pertinent to mention that that there is an intricate relationship between the operating conditions of running staff, particularly in the context of technological changes, and the total emoluments earned by them. The context and the impact of such operating conditions over the years have been discussed in the subsequent chapters.

122. The various Committee and the Commissions in the past have engaged in detailed interactions with the stakeholders before making any recommendations on any issue related to the pay and allowances of running staff. The staff side in the past have played a very constructive role in building up the policy on matters concerning running staff. Their agreement with the policy is thus as vital, as the rationale behind the policy. Taking into account the limitations of time, as well limitation of movement, as available to research scholar at IIPA for conducting the research, efforts would be made to take the views of the staff side as available in the concerned directorate of railway board and the running staff working in the field.

123. The availability of data relating to actual emoluments earned by the railway staff in divisions, sections, and in vast variety of situations and operating conditions, is important to arrive at a fair assessment regarding the pay and allowances of running staff and study its parity with those of the non-running staff. For the present research, the data relating to their pay and allowances shall be requested from the relevant Directorate of Railway Board and some of the adjoining zonal railways and divisions for the purpose of this research project. The outcome of the research would be limited to the extent this data is made available for the study.

124. The research would primarily focus on the pay and principles governing running allowance for the running staff and its parity with those of the non- running staff, and other issues related to classification running staff, supplementary allowances and their rates and proportions, hours of duties under 'Hours of Employee Regulation' rules , operating and safety rules etc, would only be briefly touched upon where ever relevant.

Literature Review

125. Running Allowance scheme has been examined by a number of Central Pay Commissions and the various Committees constituted by the Ministry of Railways in the past, starting with the 1st Central Pay Commission in 1947. The scales of Running staff were recommended by the 1st, 2nd and 3rd Pay Commissions after giving due consideration to the fact that substantial part of the emoluments of running staff were paid in the form of Running Allowance and that the existing relativities with comparable (non-running) staff in Indian Railways is to be maintained.

126. The Running Staff Pay and Accounts Committee (RSPAC), constituted in 1948, and also subsequently formed Joint Advisory Committee (1950), Ashruff Committee (1968), Railway Labor Tribunal (1969), Running Allowance Committee (1980 and 2002), recognized

followed in respect of rate for kilometerage allowance (wef 1.9.08, like all other allowances), and the formula of RAC-1980 was not adopted for revising the rates of KMA. Considering the sentiments of the Running Staff, the pay element of 30% for in-service benefits and 55% for retirement benefits was also retained on recommendations of the Joint Committee.

137. Keeping in view the persistent demands of the running staff, Railway Board again constituted a Fast Track Committee, comprising of 6 Executive Directors, in 2010, to look into the various issues of running staff, including the Motormen, pertaining to revision of running allowance, increase in pay scales, additional allowance to running staff over and above those recommended by Sixth Pay Commission, and applicability of running allowance from 1.1.06 based on revised rates of running allowance. The committee after in depth deliberations and after taking into account the views of the organized and un-organized labor concluded that :

"No change is called for in respect of doubling of this allowance from 1.9.08 as was recommended by the Joint Committee. The recommendations of the committee, as approved by Board, concluded that the 'pay element' and rates of running allowance were considered by the Joint Committee as a package while making its recommendations. **Any review of rates of allowance may thus call for a review of the 'pay element' as well.**"

Methodology

138. All the Central Pay Commissions since independence, and the various Committees constituted by the Ministry of Railways to examine the issues related to the pay and running allowance of running staff would be studied so as to understand the underlying principles and concepts of the policy of pay and allowances of running staff. Critical analysis of the various orders issued by MOR, altering the rates of the running allowance against the backdrop of demands made by the staff side, would be done to understand the impact of these on the parity between the emoluments of the running and non-running staff.

139. The views of the stakeholders on the prevailing state of the policy and need for the change would be obtained as available with the concerned Directorates of Railway Board. Efforts would be made to make the research as broad based as possible, within the constraints of time and resources of a research scholar.

140. Systems and practices as prevalent in other countries would also be studied in order to incorporate global practices while formulating the findings. As discussed earlier the operating conditions too have a bearing on the pay and allowances. Thus, change in the operating conditions of the running staff on IR and its corresponding impact on the policy of running allowances for them would also be examined in details.

Hypothesis

141. The basic hypothesis to be tested through this study is to verify if the basic principles governing the pay and running allowance of running staff in IR, taking into account their unique nature of duties and the conceptual frame work on which the policy of running allowance has evolved over the years, have now been compromised. It would thus need to be tested if persisting with the existing quantum of 'pay element' in the running allowance, in the face of its continuous erosion over successive Pay Commissions, is justified and supported by any rational basis or otherwise. The pay parity between the running and non-running staff, which all the pay commissions have always sought to maintain as in other categories, since the formulations of the existing running allowance rules and particularly after the implementations of VIth Pay Commission, would also be examined in the process.

Chapterisation Scheme:

142. The evolution of the policy of running allowance, and their pay, for running staff in IR, can be clearly divided in three parts , the historical perspective of the evolution of the scheme prior to deliberation by the RAC 1980, the impact of developments after the RAC 1980 till the implementation of VIth CPC, and the challenges to the policy after the implementation of VIth CPC. The scheme of chapters has been accordingly made keeping this aspect in view. The scheme of the following chapters in this study would be as under:

Chapter II- This chapter discusses the evolution of the pay and allowances of running staff including over the years and includes deliberations of the 1st, 2nd, and 3rd Central Pay Commissions on the pay and allowances of running staff on IR, as also the reports of various Committees constituted by MOR on the subject since independence, but before the deliberations of the Running Allowance Committee, 1980.

Chapter III- This chapter deals with the deliberations of the RAC 1980, particularly with reference to the component of pay in the running allowance and other relevant allowances/emoluments earned by the running staff.

Chapter IV – The pay and allowances of running staff as per the recommendations of the IVth and Vth Central Pay Commissions and its impact are discussed in this chapter.

Chapter V– This chapter discusses the deliberations of the Committee on Running Allowance 2002, which critically examined the various aspects of the policy of running allowance including rationalization of the ‘pay element’, and the parity of their emoluments with other non running staff, besides other aspects of working of running staff.

Chapter VI - Recommendations of the 6th Central Pay Commission and its impact and the deliberations of the subsequent Committees viz., Joint Committee, 2008, and Fast Track Committee, 2010.

Chapter VII – Critical review of the policy of running allowance as presently existing - Conclusions and Recommendations.