Introduction:

Indian Railways (IR) is the state-owned railway company of India. It is one of the largest and busiest rail networks in the world, transporting just over six billion passengers and almost 750 million tones of freight annually. IR is the world’s largest commercial or utility employer, with more than 1.6 million employees.

Mumbai (formerly Bombay) is a 603.4 km² (233 sq mi) island on the west coast of India. It became a British possession when given as dowry from King John I of Portugal at the marriage of his daughter Catherine of Braganza to King Charles II of England in 1661.

Indian railways under British colonialism, it is difficult to overstate the importance of railways to India. Railways had transformative effects on the expansion of markets, price and wage convergence, and famine amelioration. The initial rail network was built and owned by private British companies. A clause in the original concession contracts, however, allowed the colonial Government of India to purchase private railway companies only at specified future dates. Beginning in 1880, the Government exercised the takeover option in every case and by 1910 the Government owned over 90 percent of railway miles compared to less than 10 percent in 1875.

The state takeover of Indian railways was different from railway nationalizations taking place in other countries around the same time. Few other countries experienced such a large and pervasive ownership change as in India. The Indian experience, thus, provides a great context to evaluate the relationship between colonialism, state ownership and productivity.

Indian railways experienced relatively rapid Total Factor Productivity (TFP) growth from 1874 to 1912 despite increasing government ownership. The average annual rate of 1.7 percent is comparable to US railways in the same period and greater than British railways. In other words, India’s TFP growth was similar to or greater than advanced countries.

Background on Indian Railways

The first Indian passenger line steamed off from Mumbai (erstwhile Bombay) to Thane on April 16th, 1853 covering a distance of 34 kms, and by the early 1900s India had the fourth largest rail network in the world at 34,656 miles in 1913. Throughout India’s early railway development, private companies often conflicted with the state, but even in the public sphere different groups
clashed with each other. The Secretary of State, housed in London, was a British Cabinet member and had formal control over administration in India. The Viceroy was instructed by the Secretary and served as the administrative head for the Government of India. British officials working for the Government were more in tune with Indian interests and at times advocated for greater efficiency and accountability.

By the beginning in the 1920s the Government gradually took over all railway operations. The move to state ownership between 1874 and 1912 was the key first step in India’s move to complete nationalization of its railways.

The sharply rising demands for public transport have overwhelmed the existing public transport systems in India. Trains and buses in most cities are dangerously overcrowded. On suburban rail lines in Mumbai, peak-hour trains must carry more than twice their maximum design capacity, leading to inhuman traveling conditions, with so-called super dense-crush loads on peak-hour trains, many passengers are forced to hang out doors and windows or to ride between train cars or even hang on the outsides of cars. Suburban trains and stations seem hopelessly overcrowded and desperately need expanded capacity.

Railways, road and port infrastructure and connectivity is to be improved with respect to all the hinterlands on priority basis, India needs to improve efficiency in turnaround times and equipment productivity to match global standards. Poor efficiency is also caused by slow evacuation of cargo from ports or slow turnaround of ships. While port capacity is being enhanced, appropriate improvement in road and rail connectivity will be needed. If that does not happen there will be a negative impact on the private investment which is targeted at 73.7 percent of the total investment during the XI Plan. In this area better coordination between rail, road and port authorities is badly needed. Dedicated Freight Corridor is also going to help.

The high logistics cost in India is due to poor infrastructure, system inefficiencies and regulatory related constraints. As transportation constitutes the single largest cost of logistics, logistics efficiency strategies should primarily focus on reducing it.

Though there are deficiencies in terms of infrastructure and procedural aspects, affecting the logistics industry in India, efforts are being taken by Indian government to address these issues.
Given the importance of logistics industry to country’s economic growth, the Planning Commission of India, proposed an total outlay of Rs.4,463.85 billion for transport sector. Public Private Partnership is encouraged in logistics infrastructure development. The ongoing programme of four-laning the 5,900 km long Golden Quadrilateral (GQ) connecting Delhi, Mumbai, Chennai and Kolkata is nearing completion. The ongoing four-laning of the 7,300 km North-South East-West (NSEW) corridor is to be completed. An National Highway Development Programme (NHDP), involving a total investment of Rs.2,200 billion upto 2012, has been established.

All these projects, when completed, are expected to improve the logistics infrastructure in India and result in reduction in logistics cost, time and service quality, which will in turn improve India’s foreign trade in manufactured items and foreign tourist as well.

The term e-government is of recent origin and there exists no standard definition since the conceptual understanding is still evolving. The generally accepted definition is: "e-government" or electronic government refers to the use of Information and Communication Technologies (ICTs) by government agencies for any or all of the following reasons:

The Indian Railways is being oldest, cheapest and one of the fastest modes of transport, and being the backbone of Indian economy, it is very necessary to study and understand the level of satisfaction people carry while traveling or taking the services. Their perceived expectation and realistic experience from the passengers/customers need to be measured. It will also help in finding the scope of improvement needed with comparison to International railways. In future our giant structure of railways can be connected to other countries and rest of the world (Europe) later can become as one of the world tourist train. This research attempts to take into account various service quality factors and their impact on customer satisfaction as well as loyalty.