

Indian Public Telecom Sector Crisis – Lebanon's Experiences

In India's telecom sector, it will not take long for the monopoly of private companies to emerge if the public sector companies BSNL and MTNL are not allowed to compete. The recent telecom and internet crisis in Lebanon is an example of how things change once the private monopoly is established. The events that happened in Lebanon may also happen in our country in the coming days. The crisis does not stop at the telecom and internet sectors alone. It will boomerang into sectors like IT, software and even education sectors.

BSNL, another IDPL in the Making

It is a well-known fact that public sector companies BSNL and MTNL are in losses. But who are responsible for these losses? Thousands of their employees? Workers? Or governments? Definitely it is the governments that are responsible. The government first separated Telecom from P&T, then divided Telecom (DoT) into three corporations, MTNL, VSNL & BSNL. Then sold VSNL, the only company capable of network connection with foreign countries to the Tatas. All these policy decisions are made by the governments to the detriment of government telecom. Since policies are the key to any profit or loss, the policy makers, i.e. the governments are responsible for this state of telecom sector.

The proposal to merge the remaining two corporations, MTNL, which is suffering heavy losses, into BSNL, seems to have been postponed for now. The question is why MTNL, which serves Delhi and Mumbai, has suffered losses? What are the merits of merging a loss-making company in another government company?

Further, a division called BBNL (Bharat Broad Band Network Limited) was formed by separating the employees from BSNL for the task of connecting all the villages with optic fibre. This task has been undertaken as a high priority task. The government declared that BBNL will provide modern telecom infrastructure to the villages.

But recently the centre has announced that BBNL will be merged into BSNL again. To what extent the stated high priority objective has been fulfilled or is it the needs of the private companies that ensured this move.... nobody knows. Along with that, the centre has also announced some relief package to BSNL. What are the real motives of these packages? Only time will tell how many of them will be implemented.

BSNL, being a big symbol of the public sector in the eyes of the public, the centre is creating an alibi, by announcing some packages, to show that no matter how much we support the company, it has not recovered from the losses.

Providing Optical Fibre facilities in all the villages of the country not only benefit BSNL but creates a huge demand for internet services for which the private operators are eager to capture. Till now BSNL has been bearing the losses incurred in providing services in villages where operational costs are naturally high. Now the results of this BSNL's groundwork has to be given to private operators.

From the beginning, the concept of Public Sector is not to build a welfare state but to create necessary infrastructure for the private sector to take on. The strategy driven by neo liberal policies of imperialists goes like this... Establish all the infrastructure by incurring huge costs and create demand; once the private sector is ready, initiate policies to make the govt. organization a loss making company and then hand it over to the Private players at dirt cheap rate. Even this amount is provided by national bank loans which are later turned into NPAs. Then write-off the NPAs for corporates but show them as bank losses to privatize the govt. banks. International Financial Capital then arrives to buy the shares of the National Capitalist. This was what had happened with IDPL, with HMT, with Allwyn etc. with Andhra Bank, Corporation Bank, Syndicate Bank etc. This is what is happening with BSNL, BHEL, BPCL, etc.

This is how Sun Pharma, Hetero, Dr. Reddys, Titan, Tata Telecom, Airtel, Jio etc rose from the coffins of public sector companies. This is how corporate giants like Aramco, Google, Meta, etc. bought shares of Indian companies.

Reasons for BSNL's Losses

Private companies were first allowed to provide mobile services (2G) in India in 1995. But public sector was given permission only in 2002. That is after 7 years.

Private companies initially used to charge for incoming calls also. This changed only after the introduction of mobile services by public sector organizations. That is, for all those years private sector was given a free hand to loot the public. Those who praise privatization all the time need to be reminded of this fact.

Again from 2007-2012 Government delayed procurement of equipment by the public sector enterprises to expand the 2G mobile services. These 5 years are very crucial.

It was at this time that the private companies earned huge profits and BSNL started suffering losses from 2009-10.

The government also acted the same way while allocating and expanding 3G mobile services.

Today, while private companies are increasing their profits and are ready to provide the latest 5G services, BSNL has not been allowed to start 4G services. Recently, Modi govt. has announced that it is rolling out BSNL 4G services. But announcements apart, when will it be implemented? Government and its decisions are responsible for this delay and the resulting losses.

The government has not given permission to BSNL to convert 49,300 3G cell towers to 4G technology. In fact, they don't even require the purchase of new equipment; that is, huge investments are not required. Moreover, BSNL has not been given permission to purchase advanced technology and equipment from international companies as part of Make in India, but private players are free to buy from anywhere. Jio, Airtel, Idea are offering 4G

services with equipment from foreign companies like Nokia, Samsung, Ericsson and attracting consumers.

Indian manufacturers didn't have the capability to provide the 4G technology. TCS which got the order from BSNL has not yet proved its technology and is delaying. As the policy of domestic procurement devoid competition, BSNL is forced to pay at the price decided by TCS. Thus 'Make in India' initiative is actually used to stall government enterprises and promote Private enterprises. Whether it is the manufacturer or the service provider this 'swadeshi', initiative is serving only the interests of the private companies.

Government won't enforce this 'Swadesi' policy universally. This Swadesi sword hangs only on the necks of the public sector. Thus this policy has nothing to do with patriotism. It is meant to benefit only the private sector to the detriment of public sector.

From the construction and maintenance of cables and towers, to NOCs for taking loans from the bank, the government does everything to deny permissions at the right time to public telcos. This is the primary reason for the losses. In addition to this, the biased policies towards the private operators further deteriorated BSNL and MTNL.

Taking losses as an alibi, the government successfully implemented the Voluntary Retirement Scheme in these organizations in the way it wanted. In the year 2020, 55 percent of the employees - i.e. about 65 thousand people - retired under this scheme. As a result there is severe shortage of lower level employees. In the absence of that staff, contract system was introduced for all services.

In a way, this voluntary retirement scheme has provided the private telephone operators with the necessary technical staff at the right time.

In addition to this, government is preparing to (monetize) hand over the management of mobile towers, fibre optic cables, land and buildings to the private sector in the name of shortage of personnel. If there are no new appointments in BSNL and people are retiring, it becomes unmanageable and so department after department will be privatized until it is sold in toto.

The government is behaving as if the need for BSNL is over and as with IDPL in the pharma sector, it has to be dumped. The Union Minister of Communications' arrogant open statement asking employees and workers to leave, if they cannot compete with corporate companies, is part of this behaviour. This kind of campaigning is being carried out with high level officers in organisations like Railways and BSNL. False propaganda in the name of 'management surveys' like 10 government employees do the same work as 2 private employees - 8 employees are simply sitting and taking salaries, etc. are being propagated through IT cells and WhatsApp universities, while the reality is quite different. This poisonous campaign of promoting the employers line of exploiting workers is being shamelessly accelerated through different media. When there is a monopoly of telecom operators like that in the pharmaceutical sector, people will be fully exploited.

Lebanon's Experience

Lebanon's cabinet amended a law on telecom service prices. As per the new policy, "telecom service prices will now be charged in dollars".

As the Lebanese pound is usually weaker than the dollar and fluctuates daily, telecom bills are rising accordingly. Before the new law, telecom bills were paid at a rate of 1500 Lebanese pounds/dollar. Now, on July 1, 2022, one dollar is worth 25,300 Lebanese pounds at the mandated central bank rates.

Today, the Lebanese pound declined 95 percent of what it was against the dollar three years ago. 80% of the population fell below the poverty line now.

People who are already suffering from high prices of food, fuel, electricity, are not in a position to bear this increase in telecom bills.

As government subsidies are being reduced one by one, the cost of health care, medicines and fuel are already beyond the reach of the common man.

In Lebanon, telecom services are now available only to the upper class and beyond but not to the common people. Telecom prices have increased at least five times [400%].

Due to this, a large percentage of people are forced to stop using the Internet services or reduce the usage.

Instead of extending better infrastructure in the telecom sector and making it accessible to the public – government is trying to use it as a cash cow. The people of Lebanon are outraged by these price hikes, they understood that such neo-liberal governments will not bring any change in their country and hence they are organising agitations at many places.

Conclusion

Therefore, as long as the comprador governments in Lebanon or in India bow down to the financial capital pressures of multinational companies and implement neo liberal policies, it will be difficult for indigenous industries and government sectors to survive.

These examples show that imperialism decides where industrial development and technological development is allowed and where it is blocked. Unless all the people of our country understand these experiences of other countries, it is not possible to give a strong fight to save public sectors like BSNL from complete destruction. Only constructive efforts with working class consciousness aimed at radically changing the system of exploitation can challenge the exploitation of multi-national companies and the policies of comprador governments.