

## Report

# Another VRS Will Kill BSNL

BSNL Employees Union (BSNLEU) held the management and central government responsible for the policies leading to the systematic destruction of BSNL to favour private players.

**T**HE Bharat Sanchar Nigam Limited Employees' Union (BSNLEU) has criticised the flawed policies of the union government and BSNL management for the ongoing crisis in the public sector telecom company. The union has urged the management to suspend any plans to implement another round of the Voluntary Retirement Scheme (VRS).

The union questioned the "double standards" of the management, which claims a shortage of manpower while hiring third-party contractors for the provisioning and maintenance of Fiber to the Home (FTTH) connections, while citing an excess workforce as the cause of the organisation's financial losses.

BSNL has faced numerous challenges since 2014, including the indefinite delay of 4G services by the central government, while private players have already rolled out 5G services. The union warned that another VRS would deprive educated youth of employment opportunities and leave the workforce vulnerable to exploitation by private companies.

## STOP PLANS TO IMPLEMENT VRS

The public sector telecom giant implemented its first Voluntary Retirement Scheme (VRS) in 2020, leading around 80,000 employees to opt for the scheme "due to the apathetic approach of the union government towards BSNL and its pro-corporate policies," the BSNLEU stated.

In a detailed letter to the chairman and managing director of BSNL on January 4, the union strongly criticised the proposed plans for another round of VRS, which would further reduce the workforce of this central public sector undertaking. As of March 2024, only 29,750 executives and 26,750 non-executives remain employed with the organisation, highlighting the already low workforce numbers.

BSNL reportedly spends 38 per cent of its revenue on employee salaries, while private operators such as Jio and Airtel allocate a much smaller percentage. The BSNLEU letter pointed out that Jio and Airtel generate massive

revenue, so their expenditure on salaries is insignificant in comparison.

While the BSNL crisis is largely due to government and management policies, the management is attempting to shift the blame to the employee strength as the cause of the crisis.

## INORDINATE DELAY IN PROVIDING 4G SERVICES

Three revival packages were implemented for BSNL in 2019, 2022, and 2023, but the organisation's revenue has shown no improvement. The lack of 4G services, despite private firms rolling out 5G, is cited as a major reason for the loss of customers and, consequently, revenue.

Customers continue to experience issues with quality voice and data services, particularly where 4G installation has been completed by TCS. There are significant delays in the completion of installations in several parts of the country, the letter stated.

BSNLEU pointed out that this "terrible situation" arose after the Centre prevented BSNL from procuring high-quality equipment from reputed international vendors, while private players continue to use such equipment, which enables them to provide quality services.

A parliamentary committee on Public Sector Undertakings (PSUs), in a report submitted to Parliament in December 2024, cited the disadvantages and challenges faced by BSNL in providing quality services comparable to private providers. The committee also noted BSNL's delayed adoption of 4G technology, putting it at a disadvantage in a market dominated by 4G and 5G, with only 200 out of one lakh planned sites commissioned so far.

## REVENUE SOURCES HAMPERED

BSNL previously earned most of its revenue from landline connections, but services were severely affected by the VRS implemented in 2020. Another key revenue source, broadband connections, was outsourced. Despite having a massive optical fiber

network, BSNL has been systematically prevented from expanding its landline connection base, while Jio has emerged as the largest service provider, the union said.



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FTTH services also generated significant revenue for BSNL, but the current system of engaging private partners for provisioning and maintenance is proving to be costly for the organisation.

"Customers are disconnecting

BSNL FTTH services and opting for private providers due to the poor service provided by private partners engaged by BSNL," the letter emphasized.

BSNLEU has urged the management and the union government to adopt policies that support one of the largest CPSUs in providing quality services to rural and semi-urban areas, rather than framing policies that favour corporates.

## Marxist

Theoretical Quarterly of the Communist Party of India (Marxist)  
XXXX, 1-2, January-June 2024

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## Editorial ...

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government spending on social sector, which is currently less than 7 per cent

(January 15, 2025)