

RSS Mouthpiece Pitches for ‘Withering Away’ of BSNL

Omitting several facts, an article in Organiser spews venom against public sector telecom companies, pitching for privatisation of BSNL & MTNL, and selling off their assets.

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In its July 16, 2019 issue, Organiser, the Rashtriya Swayamsevak Sangh’s (RSS) mouthpiece, spat venom against the public sector in general and against BSNL (Bharat Sanchar Nigam Ltd) in particular. The magazine published an [article](#), wherein it is stated that, “laziness, indifference and barren dullness are the well-known marks of the public sector”. By publishing such an article in the Organiser, the RSS has exposed its true colours vis-à-vis the public sector of the country.

It may be noted that the publication of this article coincides with the extraordinary push being given by the Narendra Modi government to privatise the public sector and to hand over the huge state assets to the big corporates at throw-away prices.

Without a proper assessment of the current developments taking place in the telecommunications sector internationally, the article published in Organiser states that, “developing world class telecommunications infrastructure is difficult to conceive without private sector capital.” Let us examine to what extent this statement is correct.

The arena of manufacturing of telecom equipment was dominated for decades together by American and European multinational companies, such as Motorola, Nokia, Ericsson and Siemens. With superior technology in their hands, these companies were exploiting India and other Third World countries. However, today, all these companies have been cut to size by Chinese companies, such as Huawei and ZTE. With their superior quality and competitive prices, these two Chinese companies today dominate the manufacture of telecom equipment. Undoubtedly, the world has recognised Huawei as the leader in developing state-of-the-art 5G mobile technology.

Contrary to the claim made in the Organiser's article, both Huawei and ZTE do not belong to the private sector.

The Success of C-DoT Switches

It is also important to recall here that in the late 1980s, C-DoT, a government of India organisation, developed telephone exchanges with electronic switches, suitable for Indian climate. Till then, electronic switches manufactured by Western multinational companies could run only with air-conditioning, which involved huge expenditure. However, the switches developed by C-DoT could function without air-conditioning, thereby cutting down expenditures to a big extent.

These C-DoT switches became a big hit and were exported to nearly 70 developing countries. However, succumbing to pressure from multinational telecom manufacturing companies, the government of India starved C-DoT of funds. As a result, C-DoT has become a lame-duck today. However, the experience of C-DoT disproves the argument that, only private capital can develop world class telecommunication infrastructure.

Why is RSS Targeting Air India?

The article published in Organiser also asks "why we should keep afloat the consistently loss making, market-share losing Air India, BSNL & MTNL?"

We would like to ask the Organiser whether Air India, BSNL and MTNL alone are loss-making? In the aviation sector, we have seen the collapse of Kingfisher, which was a private company. Recently, we saw the collapse of another private sector airline, Jet Airways. It has also come to the light that the promoters of both Kingfisher and Jet Airways siphoned off huge amounts, which is one of the major contributing factors for the collapse of these airlines. Why is the Organiser hiding all these issues and targeting Air India alone? This only proves its pro-private sector bias.

As far as Air India is concerned, the whole country knows that its crisis is man-made. This fact has also been accepted by the parliamentary standing committee. It is an open secret that the disastrous decision taken by the Congress-led United Progressive Alliance government for merging the profit-making Air India and Indian Airlines, the nefarious decision to re-allocate the premium and profit-making routes to private airlines and the fatal decision to purchase a whopping 111 new aircraft in one go, are among the root-causes for this crisis. All these facts are being concealed and Air India is being made a whipping boy.

Why Single Out BSNL, MTNL?

Coming to the telecom sector, we wish to tell the Organiser that, it is not only BSNL and MTNL that are loss-making today. Vodafone, which is the biggest mobile company in the world, has shut down its operations in India. After running into huge losses, Vodafone India has been merged with the Idea. Similarly, big brands, like the Tata Group-owned Tata Tele-services and the Anil Ambani-owned Reliance Infocomm have also been closed down. Aircel, owned by a Malaysian tycoon, has also closed down. Why, without discussing all these things, has the Organiser singled out BSNL & MTNL?

It is a fact that the entire telecom industry in India is gripped by a crisis. The private sector giants, Airtel and Vodafone Idea, are also running huge losses. Reliance Jio is said to be the only profit-making telecom company today.

However, the US research and brokerage firm, [Bernstein](#), has reported that Reliance Jio is cooking up its accounts to show that it is running in profit. As per a report published in the Business Standard, dated July 27, 2018, Bernstein has stated that, Reliance Jio ran into a loss of Rs 3,800 crore in the October to December quarter of the financial year 2018-19. However, the accounts were cooked up and it was shown that the company earned a net profit of Rs 831 crore in that quarter. Hence, all that is being shown by Reliance Jio in its account book, is untrustworthy.

BSNL Market Share Intact

It is an undeniable fact that both Airtel and Vodafone Idea have massively lost their market shares to Reliance Jio. However, it is a remarkable feat that, despite running losses, BSNL has not lost its market share. In fact, BSNL is the only company, next to Reliance Jio, which is consistently increasing its market share every month. Even in September 2019, BSNL added 13.5 lakh new mobile customers. With this being a fact, it is unfair on the part of the Organiser article to brand BSNL as a consistently market-share losing company.

Both Airtel and Vodafone Idea are debt-laden, and their debt comes to more than Rs 1 lakh crore each. The Mukesh Ambani- owned Reliance Jio also having a debt of more than Rs 2 lakh crore. The total debt of the Indian telecom sector comes to Rs 8 lakh crore. In comparison, BSNL's debt is very small, which is below Rs 20,000 crore.

The Organiser has also prescribed in its article that, "BSNL & MTNL must be privatised, and that their buildings and sites might be sold, which would fetch colossal amounts which could be used to compensate the employees for their loss of jobs." By writing such a prescription, the Organiser has only revealed its desire that the huge assets of the public sector should be handed over to private players.

But, the Organiser should keep in mind that whenever natural calamities occurred in this country, be it the Chennai floods, the Visakhapatnam and Odisha cyclones or the Srinagar floods, it was only BSNL which provided service to the victims and also assisted the relief and rescue operations.

On the contrary, in times of all the above-mentioned calamities, the private telecom service providers shut down their services, to protect their equipment and installations. These facts have time and again even been acknowledged by various telecom ministers.

Further, BSNL's existence as a government company is much required to cater to the needs of the people living in rural, backward and far-flung areas. Even today, BSNL is providing service to the people in such areas, where the private companies cannot make big profits. If BSNL is decimated, naturally people in those areas will be deprived of telecom services.

It is also needless to state that BSNL, as a government service provider, is very much required to counterbalance the tariff manipulations of private telecom companies. In fact, it is BSNL which is playing the role of the regulator in the telecom sector today, not the TRAI (Telecom Regulatory Authority of India). It is only because of the existence of BSNL, as a government company, that private operators are not able to raise tariffs and loot the people. If BSNL is not there, it is inevitable that private companies will form cartels and loot the people by raising the tariffs.

Finally, the Organiser and RSS need to understand that it was the anti-BSNL and pro-private policies of successive governments that came to power that have weakened BSNL. They must not forget that BSNL, as a government service provider, got the licence to roll out its mobile services seven years after the private companies got licences! This is a classic example of how the policy decisions of the government strengthen the private sector and weaken the public sector.

It is also a fact that, within a short span of getting the mobile licence in 2002, BSNL established its supremacy in the mobile segment, too. In 2004-05, BSNL earned a net profit of Rs10,000 crore. However, it faced the government's onslaught thereafter. The government did not allow BSNL to procure equipment from 2006 up to 2012. All the tenders floated by BSNL were cancelled one after another. Thus, the government starved BSNL of equipment supply. This was a huge setback for BSNL. However, despite government attacks and biased policies, BSNL continues to serve the people as a vibrant public sector company. The Organiser and its mentor RSS should not hide these facts from the people.

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