

V. Conclusion

In conclusion, let us summarise the key points that have been raised here:

1. It cannot be disputed that telecom is one essential service, though perhaps the *only* service, that has reached a vast proportion of the Indian people, and at mostly an affordable price. A basic argument that is being made in this article is that we need to look at the hidden costs of that ‘cheap’ price. We have amply brought out that there are multiple costs of that cheap telecom service that we need to consider.
2. First, the cheap price is at the expense of massive unpaid Government dues. All sorts of Government dues, from spectrum and license fees for decades and interest that has accrued on it, to tax payments, by now totalling lakhs of crores, remain unpaid by the surviving as well as defunct telecom companies. This has been discussed in some detail in this article. Combine this with the costs of breaking or not following multiple rules and regulations related to FDI, licensing, spectrum allocation, etc. as well as egregious accounting practices of the operators, which make it impossible for any sort of regulation and accountability to work, throughout the three decades of growth of telecom in private hands. While the public may not be paying these costs directly as telecom consumers, they end up paying for all this as taxpayers. Moreover, a significant part of such growth of private telecom in the country has been funded by PSU banks, thus indirectly once again by the people of the country. As many of these loans turn bad, while companies close and go bankrupt with massive unpaid debts, the public ends up paying (through the recapitalisation of public sector banks

from the Union Budget, or through banks making provision for – in effect, writing off – bad debts). So what is touted in the mainstream as a sharp public-private divide and some sort of largesse by, and success of, the private sector, actually has a large share of the cost being borne by the State, public sector banks and finally the common people of the country. A recent estimate by credit rating agency ICRA says that telecom sector has a debt of Rs 6 lakh crores, much of it either in the form of unpaid State dues or to the PSU banks.¹¹⁶

3. Importantly, related point is that while the bottom-line of the telecom companies may not show much profits in all these years, there has been plenty of money to be made in the telecom sector. Hence an important point is to differentiate between the operating profits of the corporate entities and the fabulous money being made by the promoters of these enterprises. First and foremost, as we demonstrate here, there have been large sums of money to be made from cornering and speculating in telecom licenses and coveted spectrum. Then there are large sums to be made through financialisation and finding buyers for the corporate assets, whether they be other corporate houses, global telecom companies and/or international finance. Part of the process is that many of the Indian promoters stake as little of their own money as possible, while making quick returns out of speculation in the assets cornered, as well as through financialisation and accounts manipulation.
4. Predatory pricing is very much part and parcel of the tactics that monopoly capital uses to cut through the competition. So, at times it may undercut the prices to gain market share; once the competition has been decimated, it may reap rewards of monopolisation through higher prices. We can see numerous instances of predatory pricing in these three decades of private telecom's endeavour to capture market share. But now as the competition has been practically wiped out, the remaining three players are very much in the process of cartelisation and price hikes, as we demonstrated in the latter part of this article. Furthermore, we should not lose track of the fact that a corporate house like Reliance can draw on its monopoly profits in one industry to undercut prices in

116 Muntazir Abbas, "Telecom industry's debt to rise to Rs 6 lakh crore: Analysts," *Economic Times*, August 2, 2022. <https://economictimes.indiatimes.com/industry/telecom/telecom-news/telecom-industrys-debt-to-rise-to-rs-6-lakh-crore-analysts/article-show/93300561.cms?from=mdr> accessed on 18/02/2023.

another. Note that Reliance has been reaping fabulous profits in the oil and gas sector and has all along been involved in bitter disputes with the Government agencies to get ever higher gas prices from the KG basin, while they have been willing to give 'free' SIMs to all and sundry in order to capture market share and undercut competition in telecom.

5. This process of monopolisation and financialisation is very wasteful too, with many of the largest of the telecom entities having been closed, or merged with their competitors, or gone bankrupt. These closures, mergers and bankruptcies have led to enormous loss of resources and productive assets, as well as loss of jobs and careers in a country like India, where regular jobs are so difficult to come for educated youth.
6. Telecom is a strategic industry that is likely to become (if it has not already become) a platform over which a host of essential services are provided, and hence not merely a tool for 'communication'. Media and organised retail are already largely accessed through mobile phones. Even more importantly, banking and finance, education and health are increasingly being promised to be delivered online. So the revenues for the telecom service provider are not going to come only from the final consumer of telecom, but from a host of such service providers too, giving the surviving telecom firms' outsized power and influence over the people and the economy, and enabling the extraction of monopoly profits.
7. With telecom becoming such a vital part of our daily lives and two or three companies controlling this pipeline or platform, two further developments need to be noted that have enormous implications for us as citizens, though we have not taken them up for discussion here for lack of space. The first is access to and control over our private data, as we use the phone for communicating, commuting, purchasing goods and services, so on and so forth. Given the very lax regulatory apparatus, increasingly our daily lives become visible to private operators for surveillance as well, enabling the telecom companies to profiteer by 'monetisation' of our vital personal data. Secondly, as the State and telecom corporations actively collaborate to surveil our lives, this significantly affects our privacy, freedoms and rights as citizens, as was brought out in recent surveillance of important human rights defenders using Pegasus spyware.

8. These developments will also have a significant bearing on our entitlement to critical services. As we have shown, the quality of connectivity itself leaves much to be desired - an aspect that is lost amid the din about the 'cheapness' of telecom services. Further, as the establishment gears up to provide vital services like banking, education and health through our phones, a massive divide will be created. Only the well-heeled will have physical access to education and health; the rest will have to get access through their phones. But what education and health is possible without proper access to good teachers and doctors? Though, for lack of space, this new divide has not been discussed in this article, it is another serious curtailment of our rights in the offing, through the use of 'cheap' telecom.
9. Finally, in spite of Indian monopoly capital having been given an almost free hand and massive resources, Indian telecom remains thoroughly dependent on foreign knowhow, and has come increasingly under the control of international finance. After three decades of expansion of the telecom sector with the backing of the State, the Indian telecom industry has been able to develop hardly any capabilities in manufacturing either network gear or even handsets. Thus, despite the shrill sloganeering by the establishment about *atmanirbharta* (self-reliance), Indian telecom is almost completely dependent for telecom hardware and know-how on firms from the industrialised countries, including China. Further, the three remaining large telecom operators have increasingly also come under the sway of international finance, as has been discussed in this article.
10. Many observers would like to believe that at present, with inarguably the most friendly regime in place for big capital in post-Independence India, the provision of more and more incentives to monopoly capital will enable India to turn over a new leaf in industrialisation. They believe it is India's turn to catch up with the 'West', using the methods of Germany under Hitler, or South Korea under the dictatorship of Park Chung Hee, or China after the Dengist turn, depending upon their preferences. But the record of three decades of the telecom industry is a severe indictment of all such rhetoric and sloganeering. The Indian telecom industry remains dependent on foreign interests, unlike Chinese telecom, a latecomer, comparable in size - let alone South Korea and other industrialised nations. This failure is despite the Indian tele-

com industry receiving large subsidies from the Indian people, in so many ways. If anything, India's telecom experience is a stern warning to all thinking people in the country to look beyond the rhetoric and bluff of the establishment, and examine the actual reality. Only then can there be any possibility of progress for the vast population of this subcontinent.