

# **JOINT FORUM OF BSNL ASSOCIATIONS / UNIONS OF EXECUTIVES & NON-EXECUTIVES NEW DELHI**

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JF/GL

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## ***Appeal to BSNL Executives & Non-Executives***

### **PREPARE FOR THE STRUGGLE TO DEFEAT BSNL'S IPO (DISINVESTMENT)**

After its re-election, the UPA Government is planning to disinvest several Public Sector Undertakings including BSNL. This is being done to please the Indian and Foreign big capitalists who want to buy the Public Sector Undertakings dead cheap and thus gain windfall profit. In its previous tenure, the UPA Government tried for disinvestment of several PSUs, but could not do so because of the resistance from trade unions and the strong opposition from Left Parties on which it depended. But now, that it gained enough strength in the Parliament to run the Government without requiring support from the Left Parties, the UPA Government wants to go ahead with the disinvestment of PSUs.

As a part of this policy of the Government, the BSNL Board has proposed for disinvestment of 10% of its shares through IPO (Initial Public Offer). It is understood that the BSNL Board has sent the proposal for the approval of DoT. As per media reports, the Communications Minister Sri A.Raja has directed the BSNL management to discuss with and convince the Unions to agree for the proposed disinvestment. As per media reports, while previously employees were offered 500 shares at the rate of Rs.10/- per share to make them agree for disinvestment and the employees refused the same, now more shares will be offered at the same rate as a bait to employees to make them agree for disinvestment. It is also reported in the media that in its bid to win over the employees acceptance for disinvestment, higher wages and allowances in wage revision, promotions and other benefits may be offered. It is also reported in the media that Navaratna status will be granted for BSNL if disinvestment is agreed by the employees. Rumours spread that the money coming out of disinvestment will be used for this purpose as well as for the development of BSNL.

But we have to understand that not a single paisa from the money coming out of disinvestment will be given to BSNL. All the money will be deposited in a fund called as "National Investment Fund", and the fund will be managed by a fund manager who will invest it as per its discretion. The income from this fund (not the fund itself, but only the income from it) will be paid to the Government and the Government will use 75% of this income for social sector schemes and 25% of it for revival of sick PSUs. Therefore not a single paisa will come to BSNL out of this disinvestment. Then, where is the question of using the money coming out of disinvestment for increasing wages of employees and for the development of BSNL? Therefore the intention behind this disinvestment is neither the welfare of the employees nor the development of BSNL. It is only to start the process of privatization of BSNL, in phased manner, initially by selling 10% and later on selling more, so that 51% is finally sold and privatized at a suitable time in future. The assurance that 51% will be retained with the Government is an eyewash and aimed to deceive the employees and public.

The argument that selling 10% shares in the market will reveal the market value of BSNL and it will be an incentive for the development of BSNL since management will work for realizing higher value for the shares of BSNL in the market is false. Disinvestment in MTNL has not helped its development and its condition deteriorated as its disinvestment percentage increased.

It is said that the value of BSNL is Rs 4,00,000 crores and by selling 10% of it, the Government will get Rs 40,000 crores and it will be used by the Government for the development of society. The real value of BSNL is about 40 lakh crores and not 4 lakh crores. BSNL is undervalued to sell its shares cheap to the foreign and Indian big capitalists. The money coming out of this selling will not be with the Government also. It will be deposited in "National Investment Fund" which will be utilized by the fund manager for speculation. If

some income comes out of this speculation, that income will be given to the Government. Thus this disinvestment is entirely for the profits of some big capitalists, whether Indian or Foreign and a great loss to the Nation.

If we allow this first step in the process of privatization of BSNL, it will be finally privatized in future, step by step, and our job and pension will be in danger. Besides, once the Public Sector telecom service companies like BSNL and MTNL are not there, the private telecom service companies will form cartels and increase the tariff of telecom services. Selling the national property (BSNL) at cheap rate and leaving the entire field of telecom services in the hands of private telecom companies are both against the interest of the nation.

When USA, Germany, France and other developed countries are facing a severe economic crisis due to global recession, our Government was able to happily declare that the effect of this crisis on India is not so severe because the fundamentals of our economy are strong. These fundamentals of the economy are nothing but the Nationalised Banks, Nationalised insurance and industries and services in the Public Sector. Therefore it was proved in practice that it is essential to strengthen Public Sector in the interest of the country's economic development. In spite of this, the UPA Government is trying to sell the Public Sector Undertakings. It is to be noted that in America, one of the world's biggest private Corporations, General Motors, has become bankrupt due to the economic crisis and the American Government is buying it to save it. This process of nationalization of Private companies has started in America and other developed countries. When the trend is to nationalize private companies, why the UPA Government is privatizing public sector companies? It is only to benefit a few big foreign and Indian capitalists.

The argument that the proceeds of the disinvestment of BSNL or any other PSU will be utilized for the development of society through implementing social sector schemes has no validity. For mobilizing funds for implementing social sector schemes, public sector need not be sold. Trade Unions have met the Finance Minister Sri Pranab Mukherjee and suggested several ways for mobilizing resources for social development without putting burden on common man and without selling public sector units. They suggested the Government to bring out the black money deposited in Swiss banks, to tax the rich, to collect the tax dues from the rich, to withdraw the un-necessary incentives and concessions given to the big corporates and all these steps will yield enough funds for the development of the country.

Since this disinvestment is against employees, BSNL and national interest, the Joint Forum of BSNL Associations and Unions of Executives and Non-Executives has decided to oppose and fight to defeat the proposed disinvestment of BSNL. It appeals to all BSNL Executives and Non-Executives to unite together and fight for defeating the disinvestment of BSNL. All the patriotic people and political parties will support our struggle.

The Joint Forum demands early finalization of the tender for procuring 93 million lines GSM equipment so as to enable BSNL to give GSM cell phone connections in a large scale and demands the management to take all the steps necessary for the development of BSNL. BSNL is having enough reserve funds for its development and if necessary, loans can be taken from the market for development. BSNL is having skilled man power and the management has to properly utilize it with proper strategy for development.

Therefore the Joint Forum appeals to all Executives and Non-Executives to unite together and fight for defeating the disinvestment proposal and for protecting and developing BSNL.

*Yours fraternally,*



**[V.A.N. Namboodiri]  
Convener  
Joint Forum of BSNL Associations /  
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