

Nepal Telecom and Two Way Globalizations

(Photo of Author)

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This paper discusses about the past adapted policy and proposed future policy of Nepal telecom that is continuously competing with other telecom operators (operated by multinational telecom companies) and still capturing the number one position in the Nepalese market. This company has operating income of NRs. 44 Billion, net income NRs. 13 Billion, and has NRs. 100 Billion equivalent of infrastructure capital. Nepal telecom which has greater market pie than the other telecom competitors is paying more than NRs. 20 Billions as tax to the government. Against the general understanding that public enterprises vanish whenever private company enters in the market, Nepal Telecom is still firmly standing in the market since last ten years. How does this happen? To answer this, it is necessary to discuss Nepal Telecom's major policies and past debates over policies.

Debate over government owned public enterprises or independent from state

It is normal to interfere into the public enterprises by the government. This is obvious that the control from government to public enterprises because of the government 100% investment on its establishment and operation. But because of the greediness and personal interests of the political leaderships, public enterprises could not able to properly deliver goods and services. Knowing this fact is not enough to save the public enterprises. It is important to develop policy and structural change to make public enterprises competitive so that they can compete with the private sector. There are serious differences on the structure change mainly, the incorporation of the private sector to the public enterprises and reducing the grip of the state. After the dawn of the first peoples' movement in 1990, both policies, (i) selling all government enterprises in cheap price for leadership interest under government policy and (ii) view against all sorts of privatization from trade union, are impractical in the current global context.

In this circumstance, employees associations in Nepal Telecom have developed and proposed policies regarding the reduction of state involvement into the company by providing the partial ownership to employees and the people through selling Nepal Telecom share. In this way the new share holder can have the access to the decision making process so that they can compete with multinational operators. We could able to convince the government in 2005 on this restructuring concept of the company even though national and company's trade union were against the policy. It is necessary to be practical in this perspective. The competition in market cannot be possible with the full control from the government. Finally, government agreed to reduce their control over the policy and operation of the Nepal Telecom.

Followed by the government decision, Nepal telecom becomes only public enterprises that can decide their annual budget, finalize projects, fix the employees' number in each level, national and international training permission, employees' allowances and facilities, buy and sell of her

properties, and many other issues. In this way, Nepal Telecom starts exercising partial independence from the government on decision making process. All other public enterprises still have to get final permission on their decisions from concerned ministry as well as ministry of finance. With these rights, Nepal Telecom could be able to compete with other five private telecom operators yet.

However, that is not enough for the present globalized world to make strong grip on the market. Technology development and its use cannot be always restricted within a border. In the case of Telecommunication and Internet technology it is almost impossible to stop their reach. In this context, employees association have proposed the entry of the strategic partner in Nepal Telecom for the fast transfer of the new technology so that they can strongly compete with other telecom multinationals such as Ncell and UTL. This proposal is in implementation process now.

We also propose to make Nepal telecom affiliation other telecom international operators for Technology transfer, Technical employees exchange, Group business promotion, and Development of Joint investment board. Proposing this policy, trade union may make allegation that promoter of this policy maker are the agents of the USA technology giant. But my logic in support of strategic partner is that all telecom business are linked to high technology and they need to make coordinated approach not the conflicting attitude for the betterment of their company.

Telecom multinational operators are making money by investing in the poor country like Nepal and many developed countries are also extracting money by supplying high technology including Internet and IT. Changing the mindset, we can also earn money from developed countries by organizing and involving in telecom operator groups that can work together for technology

development, high technology transfer, employees' exchange, and inter operator investment. We do not need to depend always in the labor remittance for the foreign currency income.

Accusation against globalization is not always true. We need to utilize globalization in the technology sector and cross border investment in telecom for the interests of their own company and the nation. I label this as Two Way Globalization i.e. both developed and under-developed countries get benefits from it. Additional discussions are welcomed.