

Read Abstract of the research work.

WTO,GATS AND INDIAN TELECOMMUNICATION SERVICES SECTOR:

TRANSITIONS IN MARKET STRUCTURE

This is an interdisciplinary study relying on the premises of law, economics and commerce.

Even though private telecom operator was there in India at time of independence, Govt. of India, took over all telecom assets of the local kingdoms (*Naatturaajyangal*) in Indian Union with the enactment of Federal Integration Act, 1950 and made Indian telecommunication services sector a legal monopoly. But, the Governmental authority to grant license to private operators continued to exist in the Telegraph Act, 1885. Telecom reforms started in the mid - eighties (formation of C-DoT for manufacturing and MTNL as a geographical monopoly in Mumbai and Delhi and VSNL as a product/service monopoly only for international calls) were halted due to lack of political will and resistance from DoT which served the rest of entire India. Bound by international agreements as a result of the foreign exchange crisis of the 1990's , 'under development criticism' of the west and 'telecom for development' discourse fuelled by Maitland report which directly correlated a country's development to its telecom development, India conceded to the developed countries to bring Indian telecommunication services sector under the GATS agreement of WTO and it necessitated withdrawal of government from the provisioning of telecom services, leading to the formation of BSNL as another geographical monopoly and TRAI as an independent regulator and later on TDSAT as tribunal. In the mean time, Government granted licenses to private operators (which was judicially scrutinised through the Delhi science forum case) for mobile communication just as a duopoly under the telecom policy 1994 (NTP 1994). Fearing the failure of telecom services sector in the country, the policy was revised in 1999 (NTP 1999) and PSUs (BSNL and MTNL) were allowed to compete with the private operators. Thus, duopoly moved to oligopoly market structure and the decision of the government to adopt 'no cap' policy in granting licenses to any applicant led to competition market structure where by several Circles in the country had more than 10 operators at a time. But, the judicial intervention through the famous Subramanian Swamy case led to cancellation of 122 licenses bringing back the sector to Oligopoly.

Thus, administrative decisions of the government guided the transition of the country's telecom services sector. But, finally, judicial intervention brought it back to oligopoly, the most acclaimed market structure for telecom services. During all these years, the government projected the telecom services sector as its poster boy of successful liberalisation, privatisation and globalisation initiatives. The WTO- GATS dictat of 'progressive liberalisation' is an unending process where India has committed itself to further liberalise, as the country has agreed to liberalise the sector progressively.
