**The world of telecommunication**

* The expansion of global satellite networks is also having a significant impact on the international telecommunications industry.
* Information liberalization and the deregulation which it promotes have led to unprecedented rates of merger activity and corporate consolidation in the information and communications industries.
* The increasing demand for wireless technologies and mobility is spreading into all aspects of telecommunications and represents a fundamental change that is transforming international communication.
* These trends will converge at a single point and profoundly change the industry and the marketplace. The telecommunications and 'dotcom' industries are merging, as are the computer and media industries.
* A consolidation of business in these sectors is likely to lead to a global dominance of the telecoms by 10-15 companies in operator market.
* The top 10 telecommunications corporations held 86 per cent of the market in telecommunications while the leading 10 computer companies controlled almost 70 per cent of the global market.
* By the end of 1999, the value of mergers and acquisitions in the telecommunications industry had nearly doubled to $561 billion, mainly because of the two major deals in 1999 – the MCI WorldCom’s acquisition with VERIZON (Bell Atlantic corporation), and Vodafone Air touche merger with German wireless carrier Mannesmann. The beneficiaries of such liberalization have been the major telecom operators.
* France Telecom's international, which is 39 per cent owned by government, is reaching more than 50 countries of the world including major ventures in Spain and Italy. The company, which is 62 per cent owned by the government in early 2000.
* For British Telecom, 11 per cent of revenue came from overseas operations.
* Ericsson, the Swedish world leader in mobile systems, connects nearly 40 per cent of the world's mobile callers in 140 countries. In 1998-, the company had annual sales of $22.8 billion, with more than 95 per cent of sales originating from outside Sweden, making Ericsson the most international of all companies in the industry.
* The opening up of global telecommunications services is also set to benefit the suppliers of telecommunication hardware. In 1996 exports of telecommunication and broadcasting equipment from OECD countries was $95.1 billion, an increase of 108 per cent over 1990.
* The $301 billion worldwide communication equipment market, growing at 14 per cent annually, is controlled by corporations based in a few, mainly Western, countries.
* the USA is the biggest exporter of telecom equipment (equipment used in telephony, telegraphy and radio and television broadcasting and transmission apparatus).
* Japan, another leading exporter of telecom equipment, has in recent years experienced a decline in this area from the 1992 high of 899 billion yen to 695 billion in 1997.
* Other major Asian manufacturers of telecom equipment are found in Taiwan, which exported equipment worth $1729 million in 1996, Singapore, South Korea and China, but often work for Western or Japanese TNCs.
* The rapid growth of the Internet has also benefited the exporters of communication equipment. For example, exports of modems from the USA more than doubled between 1994 and 1997, from $501 million to $1,025 million, while sales of companies such as US-based Cisco Systems, which specializes in internetworking equipment, increased from $2.2 billion in 1995 to $6.4 billion in 1997.
* Underlying long-term growth is strong in the communications industry. The number of fixed telephone subscribers, mobile subscribers and Internet users is predicted to reach one billion before 2004.

**Modes of telecommunication**

* [E-mail](https://en.wikipedia.org/wiki/E-mail)
* [Fax](https://en.wikipedia.org/wiki/Fax)
* [Instant messaging](https://en.wikipedia.org/wiki/Instant_messaging)
* [Radio](https://en.wikipedia.org/wiki/Outline_of_radio)
* [Satellite](https://en.wikipedia.org/wiki/Communications_satellite)
* [Telegraphy](https://en.wikipedia.org/wiki/Telegraphy)
* [Telephony](https://en.wikipedia.org/wiki/Telephony)
* [Television broadcasting](https://en.wikipedia.org/wiki/Outline_of_television_broadcasting)
* [Videoconferencing](https://en.wikipedia.org/wiki/Videoconferencing)

**Implications of a Liberalized global communication Regime**

1. The global shift from state regulation to market-driven policies are evident everywhere.
2. The WTO claims that the expansion of capital through the transnational corporations has contributed to the transfer of skills and capital to the global South but that it may have also contributed to widening the gap between rich and poor is not mentioned
3. International communication is increasingly being shaped by trade and market standards and less by political considerations, what Cees Hamelink has called 'a noticeable shift from a political to an economic discourse'.
4. The move to open up world trade by reducing tariff barriers has been unevenly applied, as India's former representative to GATT, Bhagirath Lai Das points out.
5. After the Uruguay Agreement came into force, several developing countries made huge reductions in their tariffs: India reduced its average tariff on industrial products from 71 per cent to 32 per cent; Brazil from 41 per cent to 27 per cent and Venezuela from 50 per cent to 31 per cent.In contrast, the average tariff on industrial products in the North has been reduced from 6.3 per cent to 3.8 per cent.
6. In addition, giving priority to the service sectors - financial services, insurance, maritime transport, telecommunication - has benefited the North, while the areas where the South might have had an advantage were not given much consideration.
7. One key such resource is labour. As Das points out, while there are specific provisions for free movement of capital associated with GATS, there is no provision for the movement of labour in a 'borderless world'. If anything, immigration laws in the European Union and the USA are being made more stringent.
8. The major trading blocs have insisted that in a globalized world economy, with growing internationalization of production and consumption, it is important to harmonize domestic laws and regulatory structures affecting trade and investment, and remove any advantage or protection for domestic industries.
9. For example, in 1992, the status of the UN Centre for Transnational Corporations (UNCTC) was fundamentally changed, making it work toward strengthening global market forces as part of the transnational corporation and management division within the UN. The UN is positioning itself closer to the operation of international business.
10. As part of his 'quiet revolution' to renew the United Nations for the twenty-first century, the UN Secretary-General, Kofi Annan is building a stronger relationship with the business community. A joint statement issued in February 1998 by Annan and the International Chamber of Commerce stressed the UN's role in setting the regulatory framework for the global marketplace in order to facilitate cross-border trade and investment.

Among the business leaders present were executives from: Alcatel Alsthom, Anglo Gold, BAT Industries, Coca-Cola, Goldman Sachs, McDonald's Worldwide, Rio Tinto, Unilever and US West.

11. Increasingly, UN agencies are co-operating with businesses on projects, with mutual benefits. For example, the Italian fashion giant Benetton helped to design the campaign promoting the fiftieth anniversary of the Universal Declaration of Human Rights.

Who benefits from liberalization and privatization?

* The biggest beneficiaries of the processes of liberalization, deregulation and privatization and the resultant WTO agreements have been the TNCs which dominate global trade.
* *As the primary 'movers and shapers' of the global economy, the TNCs have been defined as having three basic characteristics:*
* *co-ordination and control of various stages of individual production chains within and between different countries;*
* *potential ability to take advantage of geographical differences in the distribution of factors of production (e.g. natural resources, capital, labour) and in state policies (e.g. taxes, trade barriers, subsidies, etc.);*
* *potential geographical flexibility - an ability to switch its resources and operations between locations at an international, or even a global scale.*
* So powerful are the TNCs that the annual sales of the top corporations exceed the GDP of many countries - for example, the annual sales of General Motors surpassed the GDP of Thailand, while Shell Group earned more in global sales than the GDP of Greece, and Mitsui sales were higher than the GDP of Saudi Arabia - one of the world's richest countries (figures by UNDP ).
* According to the World Investment Report from the United Nations Conference on Trade and Development (UNCTAD), the world's largest 100 TNCs, measured in terms of foreign assets, accounted for $4 trillion in total sales and held a stock of total assets in excess of $4.2 trillion. With the exception of two corporations - Petroleos of Venezuela and Daewoo of South Korea - the other 98 were Western or Japanese firms. The TNCs are rapidly boosting their foreign activities through a variety of non-equity firms (e.g. management contracts, franchising), as well as building technology networks with local enterprises.
* The twenty-first century opened with the world's biggest merger between America Online (AOL), the largest Internet-based company with Time Warner, the world's biggest media and entertainment corporation.
* the annual list published by the US business magazine Fortune of the world's top 500 corporations. According to fortune: the seven companies with profits above $6 billion, six were American, and US corporations were among the top revenue-generating corporations in 24 out of 43 industries represented in the survey. The USA led with 185 companies (37 per cent of all companies) followed by Europe with 170 companies.
* The global South was represented with just 26 companies of which South Korea had 9, China 6, Brazil 4, Taiwan 2, India, Venezuela, Malaysia and Mexico had one each.
* In Europe we can see (Germany - 42, France - 39, Britain - 38) and Japan with 100. Of the remaining 45 corporations, Canada had 12, Australia 7 and Russia 1.
* The 200 richest people in the world more than doubled their net worth in the four years. Of the top 10 richest people in the world seven were American, with Bill Gates leading the pack with a wealth of $90 billion. But market-based progress is also causing much misery in the world.