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Sylvester Ozioma Anie

Delta State University, [sylveyoz@yahoo.com](mailto:sylveyoz@yahoo.com)

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# The Economic and Social Benefits of ICT Policies In Nigeria

Sylvester Ozioma Anie

Delta State Polytechnic  
Ozoro, Nigeria

## Introduction

An Information and Communication Technology (ICT) policy is an official statement which spells out the objectives, goals, principles, strategies, etc intended to guide and regulate the development, operation and application of ICT. ICT policies must take into account other policies such as education policies, trade and investment policies, foreign policy, monetary policy, transport policy, etc. The need for ICT policies has been recognized by the African administrators. The PANAFTTEL network concept was endorsed in 1976. The PANAFTTEL coordinating committee was established in 1973 to mobilize the resources necessary for the establishment of the system and to implement the network speedily (This period coincide with the ITT contract). By 1982 a basic telecommunications infrastructure had been constructed within Africa, allowing intra-African telecom traffic, largely avoiding the previous long, complex and very expensive transit routes through Europe. By the end of 1982, 67 routes between African countries were available by using Intel sat satellite circuits.

It is a well established fact that telecommunications infrastructure and services, in the age of information and transnational communication, are linchpins of a healthy, growing economy. ICT is the backbone of business activity, productivity, trade and social development. For a developing country like Nigeria and other West African countries, effective implementation of ICT policies is a precondition to the emergence of a strong market economy. The growth of industries and enhancement of social activities is dependent not only on adequate skilled labour but also effective implementation of ICT policies.

Research findings have apparently revealed the correlation between ICT policy implementation and Gross Domestic Product (GDP). ICT as an input and as a catalyst has contributed positively to socio-economic development of Nigeria and West African countries. Extension of ICT services to rural areas has generated economic and social benefits which include social change, connectivity, decentralization and accessibility (Mody, 1995).

## Role of ICT Policies in Socioeconomic Development

Information and Communication Technology (ICT) is a prerequisite for

developing countries' economic success. The ability of developing countries to thrive in global economy depends on the nations' objectives of ICT policies and their ability for proper implementation of such policies. However, previous studies have shown that most of the developing countries especially Nigeria are yet to embrace fully the application of ICT in socio-economic and political life of the people (Bowery, 1995; Williamson, 1991; Anie, 2007). The major clog in the wheel of progress with regards to the adopting and implementation of ICT policies in Nigeria is the government's indifference towards adequate investment on Information and Communication Technologies. Lee (1993) asserted that the biggest hindrance to telecom service development has been the attitude of the government and the desire to control the population, many only see the huge expense and fail to see the benefits to a developing country from establishing an adequate telecommunications infrastructure.

A good number of workshops, conferences and seminars have been sponsored by the Nigerian government still, there is no significant development. Though, some of the developing countries such as South Africa, Nigeria and Ghana have been making little progress in (telematics – the convergence of telecommunications with computer technology) computer communications by linking production to industrialization. South nations, such as Malaysia, Indonesia and Singapore all of which have adopted a strategy which aims at industrialization through applications of microelectronics, computer products, services in management, finance, health care, distribution, manufacturing, as well as education. This particular experiment in these nations may be a breakthrough in the developing nations, industrial and high technology policies. The success of these few is already having an impact on the world production patterns, trades and both the social and political environment (Crawford, 1984).

The implementation of ICT policies in the developing countries has reached directly the heartland of the business life of the people. The advent of the new information technologies has opened many doors for socio-economic and political development in many countries. Treviñic (1983) declared that it certainly “brings to the forefront domestic conflicts within each country, between labour and capital forces and among capital forces themselves (rivalries between national firms for instance), as well as external conflicts between countries and their respective economies”. It must be noted that ICT does not develop in isolation rather it develops in accordance with the industrial environment it encounters. If not, the impact of ICT will be inconsequential to the nation's economy.

West Africa nations are far behind the level of industrialization and technological development in this information age due to lack of a well defined ICT policies to guide development plans. It sounds ironical to realize the situation in developing countries using the same or even similar policies that have been used in the developed economies yet; there is no improvement and development in the economies of the developing nations. The latest economic strategy in these nations especially in Nigeria is “regulation and privatization policies”. Such policies will yield no fruit in the development of the nation's economy if the implementation of ICT policies is still dismissed with a wave of hand by the government and the industrialists. It is true and worthy of commendation that the developing nations have emerged from the grip of colonial masters, only to discover that they are more seriously placed under the yoke of egocentric and egoistic political leaders, the World Bank, International Monetary Fund (IMF) etc. However, the awareness for self reliance and self sufficiency is gaining momentum in developing countries, therefore, the promotion of ICT as an essential catalyst for social and economic development is on the high gear in some of the West African countries.

## Economic Benefits of ICT Policies

The economic benefit of telecommunications is enormous, both as a growing industry in its own right and in terms of its influence on economic development. Telecommunications is making the world a smaller place and creating new information highways of high speed electronic data exchange. The economic implication of ICT are far-reaching; mobile telephones, satellite television and automatic teller machines are just a few examples of the way in which ICT is changing how people communicate, become informed or do business.

The relation between ICT and economic development and benefit has been a topic of numerous studies. And all agree that there is a close relation. In a landmark research by Ifidon, (2002); Adoni, (2008); Ochai, (1996/87) and Eytayo, (1980) on rural economic development implications of ICT in Nigeria in particular, the research found an interdependent relationship between economic activity and ICT infrastructure investment at state and country levels. With the advent of Global System for Mobile Communications (GSM) as introduced by the Fourth Republic and a democratic government in power, the problems of inefficiency in telecommunication are now to some extent solved.

The federal government issued a Global System for Mobile Communications (GSM) operating license. The telecommunication companies that got the operating license were: Zain (Econet) wireless and MTN communications, M-Tel, the NITEL counterpart was given an automatic license while in 2003 GLOBACOM was granted operating license. The findings of the various research works including this study support the conclusion that ICT investments affects economic activity and that economic activity affects ICT investments. And there is a serious reduction in Nigeria business costs resulting from telecommunications. Moreover, telecommunications brings about important technological change: openness, connectivity, decentralization and accessibility. It brings people together, links like minded groups, saves cost of transports, business transactions take place without crossing the border, promotes self employment such as phone booths and business centres to mention but few.

Information and Communication Technology (ICT) network is the basic facility through which information needs of industry, commerce and agriculture can be satisfied. Industrial development requires the coordination of a series of operation, including the acquisition of supplies, recruitment of labour, control stocks, processing of materials, delivery of goods to buyers, as well as billing and record keeping. Information technology is vital to the effective development and control of many of these operations. Commerce is essentially on information processing activity, effective buying, selling and brokerage rely on the continual supply of up-to-date information regarding the availability of prices of goods and services. Farmers on the other hand, must not only grow food but they must sell effectively and buy seeds and fertilizer. They also need information on weather conditions, disease outbreaks and new agricultural techniques.

## Social Benefit of ICT Policy

The social benefit of ICT is completely invaluable and cannot easily be listed. Notwithstanding, a good number of the social benefits can still be discussed. And these benefits include social interactions. Keeping in touch with friends and relations is one of the major social benefits of ICT. Igyor (1996) also declared the same view that ICT has changed the way transactions are conducted, the way in which information is circulated and the way in which we educate and inform ourselves.

ICT has also reduced inequalities of opportunity between rural areas and the Urban Centres with the introduction of Internet Services, which delivers educational programmes to remote locations. Educational institutions are becoming more dependent on telecommunications to access super computers and broadcast instructions. This has paved way for the introduction of distance

learning, which can improve educational achievement in rural areas (Davidson, 1991). Significantly, ICT policy which has given birth to Open Air University in Nigeria has led to population declines in cities and demographics shifts and pressure on rural libraries.

ICT policies and implementation has also helped to reduce costs and improve efficiency in health care delivery. Patients' records can also be stored and transmitted electronically so that doctors can call upon specialist as the case may be. Other telemedicine applications include connecting remote super computers to lasers for precision, focusing, transmission of digitized X-ray photographs, etc (Davidson, 1991).

## Conclusion

From the context of this study, a sound conclusion can be drawn with emphasis that ICT policies in its economic and social development role, are just catalyst meant to aid national development. The benefits of ICT policies to a national economy should be measured as an input to other economic activities. And more importantly should also be considered as complementary to other sectors. ICT development is linked with and complements the development of industry, trade, farming, education, housing, health and financial institutions. It is this complementary role of ICT that makes it appropriate to link ICT planning to a national economic and social planning.

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