Chapter 43
Telecommunications Policy in Nigeria

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ABSTRACT
This chapter reviews the Nigerian National Telecommunications Policy. It describes Nigerian telecommunications development in the country, telecommunications policy in Nigeria, the 2000 national telecommunications policy including its objective and other components of the policy, telecoms regulatory agencies - government, ministry of communications, Nigerian Communications Commission (NCC), policy implementation and review, emerging telecoms policy directions, and impact of telecoms regulatory policy. It is concluded that the implementation of the policy has resulted in number of telecom subscribers. The chapter calls on the Nigerian government to implement it’s new policy directions.

INTRODUCTION
Telecommunication is a vital part of modern society. In 2006, estimates placed the telecommunication industry’s revenue at $1.2 trillion (USD) or just under 3% of the gross world product. Its importance on economic and social development cannot be underestimated and its direct effects include (Igboke, 2009, Ndoukwe, 2003):

- It provide a cost effective and time efficient medium for accessing and diffusion of new ideas and knowledge which have been identified by economists as key elements for stimulating economic growth rate.
- Availability of telecommunication services enhance information flow between rural and urban regions and help reduce the gap of economic development between them, this is true of developed and developing countries.
- While telecommunication services are to some extent a low cost substitute for information handling labour and have very low substitutability with other traditional

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inputs such as capital, production, labour and materials, they can however assist businesses by increasing the productivity of each of these traditional inputs and thus increasing the efficiency of the entire production process.

- By enhancing information flow and by facilitating the communication between buyers and sellers, telecommunications increases the efficiency of market operations.
- Besides its direct contribution to end-users, telecommunication networks and their use generate substantial spillover effects in other sectors of the economy. Once the telecommunication infrastructure is built in any country, it is available to all sectors of the economy and some of its benefits include the lowering of transaction costs, the ability to search widely or the ability to control a greater part of production and organizational activities.

Consequently, the social rate of return on telecommunications is expected to be much higher than its return just on the telecommunications investment itself.

- The easy acquisition and transfer of information among economic units, and the facilitation of rapid two-way communications over distance helps in the coordination of economic activity. This provides a platform to improve the capability of business managers to communicate with each other and make better decisions and business plans. Telecommunications help to remove, to a great extent, the physical constraint on organisational communications in all sectors of the economy.
- Telecommunication facilitates emergency medical assistance, long distance consultation, and quality assurance to remote locations, easing the cost of providing medical care throughout the nation subject to a tight national budget constraint.
- Telecommunications also helps to spread education to remote locations, with voice, data and video services through high bandwidth allowing effective distance learning. Recent development of Inter networks as a layer on telecommunication networks is making this effort more cost effective.
- In agriculture, easier and faster access to up-to-date market and price information assists farmers and rural-based traders in their businesses. Telecommunications can also deliver better access to information on improved seeds, availability of fertilizers, weather forecasting, pest control and other agricultural-related services.
- Also, telecommunications plays an important role in politics and governance, by facilitating government’s ability to provide security for its citizens, protect its borders and more efficiently handle civil emergencies and national disasters. The citizens, in turn, gain easier access to government and greater awareness of government programmes and activities. An informed populace helps protect the democratic process.

The availability of an efficient, reliable and affordable telecommunications system is a key ingredient for promoting rapid socio-economic and political development of any nation. Such a system must be universally accessible and cost effective. Telecommunication is an important engine of any economy; it is an essential infrastructure that promotes the development of other sectors such as agriculture, education, industry, health, banking, defence, transportation and tourism. It is indispensable in times of individual, institutional and national emergency or natural disasters. It considerably reduces the risks and rigours of travel and rural-urban migration (Federal Republic of Nigeria, 2000).