DEREGULATION POLICY IN THE NIGERIAN TELECOMMUNICATION SECTOR: A STUDY OF MOBILE TELECOMS (MTEL), MOBILE TELECOMMUNICATIONS OF NIGERIA (MTN) AND GLOBACOM LIMITED (GLO)

BY

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DEPARTMENT OF PUBLIC ADMINISTRATION
AHMADU BELLO UNIVERSITY, ZARIA
NIGERIA

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Ph.D/ADMIN/57380/2005-06

A DISSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES AHMADU BELLO UNIVERSITY IN PATIAL FULFILMENT FOR THE AWARD OF DOCTOR OF PHILOSOPHY IN PUBLIC ADMINISTRATION

DEPARTMENT OF PUBLIC ADMINISTRATION
AHMADU BELLO UNIVERSITY, ZARIA
NIGERIA

MARCH 2014

DECLARATION

I declare that this dissertation titled Deregulation Policy in the Nigerian Telecommunication Sector: A study of MTEL, MTN and GLO has been written by me in the Department of Public Administration and that it is a record of my own research work. All quotations are indicated and information derived from literature has been duly acknowledged in the text and a list of references provided. No part of this dissertation was previously presented for another degree or diploma at any University.

Anyio, Silas Felix _____ _____

Signature **Date**

DEDICATION

To my Wife Franca I. Anyio, David T. Anyio (Son), Peace Z. Anyio (Daughter), Damian G.O. Anyio (Son) and Pearl I. Anyio (Daughter).

CERTICAFICATION

This dissertation titled: “Deregulation Policy in the Nigerian Telecommunication Sector: A study of MTEL, MTN and GLO” by Anyio, Silas Felix meets the regulations governing of the Award of the Degree of Doctor of Philosophy (Public Administration) of Ahmadu Bello University Zaria and is approved for its contribution to knowledge and literary presentation.

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ACKNOWLEDGEMENT

I return all the praise and glory to the almighty God for giving me the inspiration to successfully undergo this programme. I am indebted to both my major supervisor and chairman of my Supervisory Committee, Professor Adam A. Anyebe; Professor Adejo Odoh and Professor Sani Abdullahi the members of the Supervisory Committee whose guidance, honest advice and academic excellence contributed immensely to the final outcome of the work. I am also grateful to Dr. Siraj B. Abdulkarim my Head of Department, and Dr. Ibrahim Adamu for their encouragement and support towards the completion of this work. I remain grateful to Dr. A..B Akpan, Dr. Kola Obaitan, Dr. Hamza A. Yusuf and Dr. Usman Abubakar who took time from their busy schedules to go through this work right from the proposal stage. To Dr. Yakubu S. Sankey, I am grateful for your initial tutelage.

I am grateful to Mr. Lanre Babarinde, Aliyu Ajikobi both of the MTN, Mr. Kazzah Emmanuel of NITEL, Mr. Omotayo Adido of the Bureau of Public Enterprises (BPE), and Clement Ogohor of the Nigerian Communications Commission (NCC) who generously provided me with the relevant documents on the activities of their various organizations. I also remain indebted to Uchechi O. Obiora, of MTN, the staff of GLO whose names I could not vividly remember but who facilitated in the administration of the questionnaires.

I am grateful to Jerome N. Okpe, Alfason Enemona, Philip Okhai and Abu Imam, who ably served as my field and research assistants. Mr. Abbas Musa, Joseph Tamayi and Sarah Sanzi who helped me in typing part of the work and the final production of this dissertation. The Chapel of Salvation Council of Elders Kongo Campus A.B.U. Zaria, I remain grateful for your prayers and support.

Dr. Julius Bala former Personal Assistant to Dr. Hamza Zayyad and member of the civil society, Messrs. Timothy M. Atama former management staff of NITEL, Mohammed Rabiu of former G-Cell Wireless now staff of United African Company of Nigeria and members of the civil society offered me their invaluable time for interactive interview in spite of their tight schedules. The views of these respected members of the civil society, members of the academia and other advocacy groups actually added a great deal of reliability and acceptability to the findings and recommendations of the study. I remain indebted to them.

My darling wife Franca I. Anyio, who gave me all the support, cooperation and encouragement in spite of my keeping late hours in the office. My children David, Peace, Damian and Pearl, thanks for your understanding. My beloved Salvation Singers, thanks for your prayers and encouragement. Members of my extended family, Mr. & Mrs. Stephen Anyio and their children Victor, Paul and Ephraim, Mathias, Donatus, Bartholomew, Vero, Philomena, Rose and Mrs. T. Benjamin. Thanks for your prayers. My colleagues Dr. (Mrs) Y. Ogunlela (Mama), Mrs. Fatima S. Bahago, Dr. Musa Idris, Dr. Abdul A. Yunusa (Kahadu), Lawal Sale, Adamu Tijjani Aliyu and my good friends Mr. Emmanuel S.A. Yarie, Dr. Asaju Kayode, Dr. A. B. Suku, Dr. Sunday Adagba, Mr. Abiodun Popoola and Dr. Thomas Kajang. Thank you for the support and prayers.

ABSTRACT

Telecommunication services have become imperative in determining the level of economic activity in our modern world. Before opening up the telecommunication sector to a number of competitors in 2001, NITEL (established 1985)as the largest provider of telecommunication services operated an inefficient monopoly. The commercialization of the sector in 1992 witnessed expansions not only in domestic satellite, Gateways, and submarine cables but a new management structure and a GSM arm became necessary in order to enhance efficient, effective and a reliable telecommunication system in the country. At least with the split into "TERRESTRIAL and GSM" components in1996, there was the general believe that the commercialization invariably meant greater expectation in terms of service delivery to all and sundry. This however was not forth coming. NITEL's services were still rated as poor and only accessible to few in the society particularly the rich. This led to further granting of licenses to other GSM operators by the Obasanjo's administration in 1999 to improve efficiency in the sector. The study attempted to determine the extent to which the telecommunication industry in the country has been transformed in terms of expansion in the telecoms network, efficient and effective service delivery achieved with deregulation. To do this, data was gathered from the primary source through questionnaire, interview as well as non-participant observation methods. Secondary data were sourced from Text books, official publications of the BPE, CBN, and NCC. Journals, Annual Reports and News Letters from NITEL/MTEL, publications and official websites of MTN/GLO, Newspapers articles and other unpublished materials complemented our primary data. Using the chi-square, a non-parametric tool of statistical analysis, we discovered that deregulation brought about expansion of telecommunication networks through increased trunks and lines but quality of service was still poor due to problems of congestion, interconnectivity and poor call quality. We also discovered that government really lacked the will power to have affected the desired changes in NITEL/MTEL viewing the acquisition process; undervaluation and the repeated failure of the BPE to privatized NITEL/MTEL. The study recommended among other things that since all attempts to deregulate or privatized NITEL/MTEL failed, what is needed is good management, competent and well qualified board of directors for NITEL/MTEL and not necessarily privatization. The study also recommended the need for a strong government regulatory agenda in order to curtail the high prices and excessive exploitation from private operators.

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ABBREVIATIONS

AVD	-	Alternate Voice Data
BPE	-	Bureau of Public Enterprises
CAF	-	Confederation of African Football
CBN	-	Central Bank of Nigeria
EU	-	European Union
FMBN	-	Federal Mortgage Bank of Nigeria
FOS	-	Federal Office of Statistics
GDP	-	Gross Domestic Product
GLO	-	Global Communications
GSM	-	Global Mobile System
IILL	-	Investors International London Limited
ILO	-	International Labour Organization
IMF	-	International Monetary Fuel
IPO	-	Initial Public Offering
MTEL	-	Mobile Telecommunication of Nigeria
MTN	-	Mobile Telephone Network
NA	-	Nigerian Airways
NACB	-	National Agricultural Cooperative Bank
NBC	-	Nigerian Broadcasting Commission
NBCI	-	Nigerian Bank for Commerce and Industry
NCC	-	Nigerian Communication Commission
NET	-	Nigerian External Telecommunication
NFMB	-	National Frequency Management Board
NICON	-	National Insurance Corporation of Nigeria

NIDB	-	Nigerian Industrial Development Bank
NIT	-	National Institute of Telecommunications
NITEL	-	Nigerian Telecommunications
NLC	-	Nigeria Labour Congress
NPC	-	National Planning Commission
NRC	-	Nigerian Railway Corporation
NTT	-	Nippon Telegraph and Telephone Corporation
OECD	-	Organization for Economic Cooperation and Development
OPEC	-	Organization of Petroleum Exporting Countries
P & T	-	Post and Telecommunications
PHCN	-	Power Holding Company of Nigeria
RBDAs	-	River Basin Development Authorities
SAP	-	Structural Adjustment Programmes
SMS	-	Short Massage Services
SOE’s	-	State Owned Enterprises
TCPC	-	Technical Committee on Privatization and Commercialization
TUC	-	Trade Union Congress
U.K	-	United Kingdom
UNDP	-	United Nations Development Programme

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

The need for social justice (distributive justice) in terms of equality of opportunities and income coupled with government's desire to harness available resources in a comprehensive and coordinated manner to hasten the pace of development necessitated greater state participation in economic activities in the new and developing economies. The influence of modern technological advancement especially in areas such as telecommunication, electricity, petroleum, solid minerals, steel and aluminum, transportation combine to push economic activities around, aimed at increasing the social well-being of citizens.

As emerging developing nations went about establishing their government and administration, they were confronted with problems of a deprived citizenry demanding for better conditions of living termed as a revolution of rising expectations among the mass of the people in third world countries which led to the adoption of certain policies and programmes. To this, Anyebe (2008:2) observe;

> *That government became the dominant player on the economic scene controlling the commanding heights of the economy. It became the prime agent of socio-economic development, providing infrastructure and producing goods and services provided through the mechanism of public enterprises*.

With the 1917 socialist revolution in Russia, private ownership of the means of production was abolished and central planning assumed the Centre stage. This no doubt triggered the adoption of the central planning system in Nigeria and most African countries reducing the contributions of the private sector

to only that of taxes and other revenues since there were no specific policies targeted at the private sector coupled with its weakness and inexperience. To this, therefore, it was felt that government was the only organized agent capable of employing its machinery to induce, promote and manage socio-economic development in a way and manner of providing infrastructure, producing goods and services through the public enterprises. From the foregoing, Anyebe (2008:11), observes that the need to establish large scale and complex bureaucracies in the form of ministries, parastatals, boards and commissions became self evident and inescapable.

Additionally, hence the involvement of government in investment in statutory corporations and other state-owned companies has been considered sound economic policy for several years (Larbi 1996), the basic argument as captured in the mixed economy 'ideology' that public owned bodies were better for stimulating economic development than private capital (Hayek et'al 1991) and the success story of countries that became industrialized through this approach such as the U.K., France Australia, Spain and Italy just to mention a few (Nayar,1994), no doubt led to increase of these bodies covering a broad spectrum of economic activities from telecommunication, steel plants, banks, hotels, mass transit and abattoirs.

In Nigeria, with rich resource endowment, policies and plans to promote development led to establishment of a significant number of public enterprises to produce various goods and services in different fields such as Transport, Hotel and Tourism, Telecommunication, Industries etc. These reached their zenith in the mid-60s and early 70s with the exploration of crude oil in commercial quantities which had attained appreciable levels with sharp increases in prices by

the Organization of Petroleum Exporting Countries (OPEC) and the reconstruction and development efforts of government as the aftermath of the civil war. Consequently, the number of Public corporations rose from 50 at independence to 200 in 1970 and when the country embarked on economic reforms in 1987, the number had risen to about One Thousand Five hundred. (Anyebe 2008:2)

Other factors that accounted for such a phenomenal increase of these public bodies include; the evolution of the federal administrative structure (from three units in the 1950's to four in 1963, twelve in 1967, nineteen in 1976, twenty one in 1987, thirty in 1991 and 36 in 1996) since they were to represent the factor of growth and expected to pioneer development strategies at all levels, depending on the nature of the socio-economic activity of the country. There was also the need to plan for the growth and welfare of citizens through programmes geared towards the reduction of poverty, raising the standard of living, technological development and social and economic justice.

Planning became the order of the day as manifested by the national development plans in Nigeria i.e. (1962 – 1968, 1970 – 74, 1975 – 80, 1981 -85 and 1990 – 93). The public sector attracted the most of government capital expenditure with more than 80 percent in 1970s and accounted for more than one third of the modern sector employment. It is also estimated, that successive Nigerian governments invested up to N800 billion in public enterprises (Obasanjo, 1999). The oil boom which subsequently brought about the expansion of the public sector led to the neglect of other sectors especially the agricultural sector and manufacturing industries resulting in Nigeria becoming a petro-dependent economy.

The establishment of a number of public corporations in the late 1960s and early 1970s was to undertake the provision of essential .infrastructural facilities or services fundamental to national development, employment creation and provision of goods and services at lower costs. The Nigerian Telecommunications, (NITEL) Plc, the defunct Nigerian Airways (NA), Nigerian Railway Corporation (NRC), falls among this category. Others that were established to promote monetary, fiscal policies and investment for same purpose of development include, inter alia, the Nigerian Industrial Development Bank (NIDB), Federal Mortgage Bank of Nigeria (FMBN), Nigerian Bank for Commerce and Industry (NBCI), National Insurance Corporation of Nigeria (NICON), Nigerian Agricultural Cooperative Bank (NACB), etc. Attendant problems such as; poor planning, unrealistic and ill-defined goals, poor and unrealistic data bases, the poor performance of these public bodies in terms of discharging their responsibilities especially in the early 1980s made government to start having a “rethink” on a new policy direction for improving their efficiency and effectiveness.

With end of the Cold War, there arose the general recognition that a minimal government intervention and a growing private sector were the main drivers of a dynamic economy. To this, privatization became a central element of economic reforms in Nigeria following there, “best practices of the privatization programme ”as promoted in most Sub-Sahara African countries and developing countries during the 1990s.Meyerman (2004), observes that privatization policies in Africa came as integral parts of “Adjustment Policies” aimed at enhancing the efficiency of resource allocation of Governments. This move was not only supported in Nigeria to realign with global trends, but was further reinforced by

the need for government to reduce expenditure in the face of burgeoning fiscal deficits and conformity with the resurgence of “economic liberalism” in developing literature.

To this, the Technical Committee on Privatization and Commercialization established in 1988 was saddled with the responsibility of implementing the reform in order to restructured bodies like the Nigerian Telecommunication (NITEL), Nigerian Airways, the Nigerian Postal Services and the National Electric Power Authority just to mention this hybrid process of the reform which Nigeria is probably the only country in the world to have tried the process. Anyebe (2007:75), further observe that to give impetus to the reform of the public enterprise sector, “the Obasanjo in 1999 administration in decided to subject some parastetals to performance contracts, permit the entry of new service providers in selected areas, and subject others to privatization”. The telecommunication industry services were deregulated through the promulgation of the Nigerian Communications Commission (NCC) Decree, No. 75 of 1992 (Winston,1993) by introducing private participation in the provision of telecommunication services in Nigeria through new entrants, such as MTN, GLO, Econet etc., hence breaking the monopoly once enjoyed by NITEL for several years, thereby ushering in competition.

1.2 Statement of the Problem

In the modern world, telecommunication services have become imperative in determining the level of economic activity either for an individual or the community at large. The provision of telecommunications services in Nigeria was the preserve of public sector monopoly with NITEL being the sole service provider, after its establishment in 1985.

NTIEL is believed to have operated an inefficient monopoly lacking clear policy direction, inadequate infrastructure, offering very poor quality customer service and the absence of a fixed link network which inhibited growth of the mobile and private telecom operator (PTO) networks/holding back the rate at which the Nigerian economy could benefit from improved communications before its commercialization in 1992. Up to 1991, access to telephone services was limited to about 20% of the population and area of coverage. Average penetration level was only limited to few with so many waiting applicants nationwide. NITEL's underperformance against fixed line telecom operators in Africa therefore necessitated for urgent reforms. Accessibility to NITEL, compared to regional benchmarks (Main Lines per 100 Inhabitants) in Sub Saharan Africa and investment by African standards was very low (ITU, 2003).

With full commercialization between 1992 and 1993, NITEL invested 60% (N12 billion) of its internally generated revenue on the provision of modern digital exchanges, transmission links, gateways and cellular telephone system (ECA, 2001).In 1996 the company split into terrestrial line (NITEL) and NITEL GSM (MTEL) components so that the two branches could focus on running two very different businesses as part of the reform to ensure an efficient free hitched operation because the general believe was that a commercialized or deregulated enterprise invariably meant greater expectation from government, customers and the general public. This however was not forth coming.

The commercialization of the Nigerian Telecommunications (NITEL) led to expansion in co-axial cable system, a domestic satellite system with three Gateways, a submarine optical cable system linking Lagos with Abidjan, Dakar and Casablanca (Alabi, 1996).This was done in order to enhance efficient and

effective service provision in the industry as well as international services in partnership with other African countries and other parts of the world in response to the competitive environment to ensuring growth and the retention of greater market share. A new organizational structure became inevitable in order to beef up operations of both the GSM arm and the terrestrial arm for the provision of telecommunication services that were expected to be efficient, affordable, reliable and available to all. Despite all this, telecommunication services were accessible to only few in the society especially the rich, and neither was the desired level of efficient service delivery attained.

Additionally, in spite of successes recorded at least in increased lines and trunks, fibre optic technologies, contribution to the GDP, employment creation for Nigerians and sponsoring of government programmes, the commercialization of NITEL however did not proceed very far. For example, a survey conducted by the Foundation for Economic Education (1996) to determine the effectiveness of and pricing in public utilities in Nigeria indicates NITEL/MTEL services were still rated as “poor”, less than half as “fair”, and one-fifth as “good”. Most subscribers complained of congestion and slow dialing tone, which are symptomatic of low telephone density. Other problems such as inadequate network facilities, inadequate spare parts for maintenance due to rapid development in technology, low call completion rates and poor dial tone reception made it impossible for the company to enhance service provision to satisfy customer demands, thus resulting in the existence of large numbers waiting for services.

Besides, the roles of the ministry of communication and the Nigerian communication commission by our assumption are that adequate policy determination as well as standards should have brazed up quality service

delivery in the industry. But undue government interference and frequent change of ministers and MDs/CEOs led to inconsistencies and lost in policy focus apart from accumulated foreign and domestic debts, inadequate and insufficient skilled manpower and low institutional capacity also contributed their dismal performance.

To these problems, NITEL/MTEL was listed among the public enterprises targeted for reforms at the onset of the Obasanjo's administration in 1999. To ensure greater efficiency, the sector was further liberalized by granting licenses to many other GSM service providers as well as inviting a number of investors to bid for and take over the operations of NITEL/MTEL through the process of privatizing with the ultimate aim of improving their services. One other assumption is that with commercialization and the birth of NITEL GSM arm in 1996, we expected a well rooted communication base as well as quality and hitch free service delivery with very minimal problems if any. Also, the high degree of existing competition in the country (from the PTO's in the Fixed Line sector and cellular operators MTN and GLO in competition with MTEL) and the privatization of majority stake in NITEL suggested there should have been improvements not only in service delivery but labour and productivity.

With the contract awarded to Ericsson by NITEL in 2001 to deliver a GSM network to 13 cities and 776 government areas in Nigeria, ZTE of China, Motorola and Ericsson 2004, Motorola in 2006 to rollout a new CDMA2000 1× network under Investors International London Limited (IILL) which took over the management of NITEL/MTEL as core investor in 2000 as well as under Transcorp in 2006 (www.mobilecomms-technology.com) and (Abubakar, 2010), one expected MTEL to install a viable GSM system that at least should have

been at tandem with MTN and GLO. But our concern is whether such massive expansions actually created the desired effects and what the reform holds for MTEL/NITEL.

Another major concern is weather the effect of these private operators have actually been felt despite the leasing of Telecommunication business to them in different telecommunication areas apart from regulatory authorities that were also working to ensure adequate and prompt service delivery to Nigerians. In view of the above stated problem, we wish to ask the following questions.

1. Has MTEL performance improved with liberalization or could we assume rather that more success stories have been recorded in MTN and GLO under the same reform than with the government's (MTEL) company?
2. Has the desired level of quality service delivery been achieved in the telecommunication sector with deregulation?
3. Has government the political will to have effected the desired transformation in MTEL in the event MTN and GLO were doing better in terms of service delivery than MTEL?

This study is interested in finding answers to these questions.

1.3 Objectives of the Study

The main objective of this study is to assess the effect of deregulation policy on the performance of the telecommunication sector in Nigeria from 2000 to 2010. Specific objectives of the study include:

i. Ascertain if the desired level of quality service delivery has been achieved as a result of deregulation policy in the Nigerian telecommunication industry.

ii. Determine if MTEL's performance became better with the ushering in of more competition in the telecommunication industry.

iii. To determine if government had the political will to have transforming MTEL to compete favourably with service providers like MTN and GLO in a deregulated telecommunication industry.

1.4 Hypothesis tested

The following hypotheses were tested.

i. H_0: Deregulation did not really improve performance and quality service delivery in MTEL and other telecommunication outfits in the nation's telecommunication industry.

H_1: The desired quality of service delivery has been achieved and the performance of MTEL improved with deregulation in the nation's telecommunications industry.

ii. $H_{0:}$ There is no relationship between resources flow, quality of management with the performance of MTEL, MTN and GLO services in the deregulated telecommunication's industry.

$H_{1:}$ The performance of MTEL, MTN and GLO services is a reflection of the level of resource flow and quality of management.

iii. $H_{0:}$ Government's political will is not desirable to bringing about the needed transformation in MTEL and its survival among other competitors.

$H_{1:}$ MTEL's transformation, ability to compete and survive among other competitors in the telecommunications industry is dependent on government's political will.

1.5 Significance of the Study

From 1986, the idea of globalization took the form of structural adjustment policies for Nigeria and other African countries such as trade liberalization, commercialization, privatization etc. As observed earlier, the stalled and decline in performance of public enterprises brought the increase pressures in the move towards deregulation with the onset of SAP. Deregulation has been carried out in various sectors of the Nigerian economy vis-à-vis the telecommunication industry to ensure efficiency as well as the provision of its services at affordable prices. As well intended as the deregulation reform in the telecommunication sector has being, this study and Nigerians have continue to wonder why the policy seems to have succeeded with private telecommunication outfits than it has with the nation's MTEL and NITEL.

Every society obviously plans for change. In this study, we consider that deregulation/ privatization had both internal and external dimensions and how it affected the telecommunication industry hence communication is a virile to socio-economic development anywhere in the world. Hence MTEL/NITEL and other government organizations have constantly been buffeted by these changes, the consequences of this undoubtedly is policy instability which the country has experience for over four decades which incidentally have affected society and its institutions. Ongoing policies such as deregulation and privatization should have been subjected to much scrutiny and analysis before adoption because in the context of policy and institutional change, we are more interested in knowing both the intended and unintended consequences that came as a result of the reform and or factors within the environment because, Commander (1989), observes that the limited duration of most adjustment policies makes assessment of their

impacts very difficult. Fortunately for Nigeria, aspects of the programme such as commercialization, privatization and other liberalization measures have persisted since 1986. It is logical, therefore, to assume that sufficient time has lapsed to enable realistic benefits.

Studies carried out by African Economic Research Consortium (AERC) 2002, Alabi (1996), African Information Society Initiative (AISI), specifically focused on Nigerian Telecommunications (NITEL). This study is significant because it is not only interested on the effects of the deregulation on MTEL/NITEL but other Private Telecom Operators like the MTN and Globacom. We anticipate the study will bring to the fore benefits reaped in terms of adequate service provision from both the Government Company and private companies with new entrants in the industry.

The essence of any study is for it to enrich and adds to existing knowledge, proffer possible solutions to a perceived social problem. As a policy measure or reform process, deregulation/privatization was not only intended in achieving modernization and rapid expansion of telecom services, but also provision of telecommunication services at cheap and affordable prices, employment creation as well as even spread of wealth among Nigerians. Our study shall provide an insight into this and at the same time help us understand the character of state policy; political interest; that is, who benefits from a particular policy and if deregulation/privatization is possibly the only solution to revamping MTEL/NITEL. This research shall be a relevant material for the government and policy makers and others that are interested in developing or undertaking policy studies of this nature; students of administration, the NCC, workers (both public and private sector) and other developing nations will find this

work useful particularly in reshaping and readdressing policy outcomes in the telecommunication industry.

1.6 Scope and Limitation of the Study

This research notes that deregulation and privatization of public sector enterprises as an ongoing policy, constitutes lasting and continuing legacy of the adjustment programme. Therefore, a suitable time frame is not only required but necessary to assess the effects of the reform on the Nigerian telecommunication industry (specifically looking at the performance of MTEL and selected Telecom Outfits like MTN and GLO under the policy). This research covers the period 2000 to 2010. This is justified based on the way and manner in which the Obasanjo administration from 1999 went about implementing the reform almost in every sector of the Nigerian economy, the telecommunication industry inclusive with the intention of reaping immediate and the desired benefits of such reforms. Within the said time frame also(10 years) we should adjudged in telecom outfits like the MTEL/NITEL, MTN and GLO not only the multiplicity of service providers but real value-added in terms of quality service delivery and accessibility of such services to many Nigerians.

In a study of this nature besides time, there are also limitations in terms of finance. Time and financial resources had been a major hindrance for us in gathering all the necessary information needed for this study. There were also constrains in terms of dearth of information especially those regarded to as being 'Top Secret' from the Bureau of Public Enterprises, NCC, government or any of its agencies and or committees concerning what is happening to the nation's telecommunication industry (MTEL/NITEL to be specific) in implementation of the

said policy. The unavailability of some Top management staff slated for interview and the uncooperative attitude of other supporting staff in attending to interview questions constituted another constrain to the study. In situations where particular staff was not forth coming, the researcher either delegated research assistants or made use of other supporting staff.

1.7 Conceptual and Operational Definition of Terms

1.7.1 Deregulation

In an attempt to define the concept of deregulation, we may be tempted to define its opposite concept of regulation. Deregulation involves the liberalization of exchange or trading regimes and the financial system.

Regulation, on the other hand includes “all forms of government control imposed on the economy and businesses of all kinds to ensure standards compliance. For the purpose of this work, deregulation is seen as the elimination of government monopoly, control and intervention in the activities of public enterprises, government participation should be in form of private ownership, private sector participation, removal of subsidy, opening up the telecommunication sector to greater/various competitors (liberalization) of in order to enhance efficiency.

1.7.2 Privatization

Privatization means returning publicly-owned assets to the private sector, usually where the control of an activity is passed from the public sector to the private sector by means of issue of shares’. Steel and Heald (1984) argue that privatization can be carried out through: contracting-out; denationalization and load shedding. In our context, we can use the term to describe a variety of

policies designed to transfer fully or partially government share holding in the nation's telecommunication industry or inviting more competent individuals or organizations to take over(the ownership), management and control of the affairs of the telecommunication industry in order to encourage efficiency. For NITEL/MTEL particularly investors need to buy 76 percent of its equity shares in order to exercise majority control. The owners also need to own 75 percent equity share to be able to alter the Memorandum and Article of Association whose failure can create problems by preventing key decisions to be taken in respect of the company.

1.7.3 Liberalization

Liberalization is the process of regulating government interventions which limits the impact of market forces. This takes the form of re-examination of the cost and the optimal means of achieving social objectives. It also helps diversify the industrial sector, grants a degree of self reliance and wide spread managerial as well as entrepreneurial talent. It could also mean a way of attracting foreign direct investment. It simply means opening up of the Nigerian telecommunication sector to different telecom providers to encourage competition to enhance efficiency.

1.7.4 Quality Service Delivery

This could be described in terms of the way and manner in which telecom operators (in our case MTEL, MTN, and GLO) dull out hitch free telecommunication services regardless of cost and without reservation. Satisfaction consumers derived in terms of value for money paid (affordable price) for consuming particular telecom service compared to the right quantity/quality, clarity, and at the right time. Delivering these services based

terms already identified also means improved performance either for MTEL or MTN and GLO.

1.7.5 Political Will

Political Will or government's will power is a determined effort by persons in political authority to achieve certain economic objectives, such as elimination of inequality, poverty and unemployment through various reforms of social, economic and institutional structures. Lack of government political will is often seen as one of the main obstacles to development and one of the main reasons for the failure of many development plans (Todaro and Smith, 2009).

Political or government's Will Power here is viewed in terms competitive bargaining in the leasing process or government support, commitment and monitoring system of government to service provision of the government owned company (MTEL/NITEL), in relation to other service providers and or funding to achieve the desired results.

1.7.6 Level of Performance

This is measures how efficient and effective service provision has being in the telecom industry and or the satisfaction derived from consuming services a particular telecom outfit. By implication, we assume; the more the satisfaction, the more consumers patronage of a particular Outfit. Level of performance of MTEL, MTN and GLO, should border on hitched free service delivery, level of coverage etc.

1.7.7 Quality of Management

Quality of management here is concern with the caliber of staff be they administrators, trained Technicians, Engineers or expatriates exposed to new

skills/techniques or trained in order to acquire such skills/techniques from the expatriates to spearhead the management for effective results. If MTEL is stocked with the above incentives, it is our assumption that it should be able to compete favourably and survive among other competitors i.e. GLO and MTN.

1.7.8 Resource Flow

This is the flow of income (investment in the quantum of resources), i.e. funds, machines, or and human resources (both technical and managerial levels) to increase productivity and enhance efficiency in telecom business. Successive increases in these income results in efficient and effective service delivery.

1.8 Structure of the Study

The first chapter of this work is the introduction, problem statement, the objective of study, the hypotheses, significance of the study, scope and limitation of the study, and the definition of concepts.

In the second chapter, the study undertook a review of related literature already done in the field, spelling out clearly, the meaning and rationale for public sector reforms, the meaning of deregulation/privatization, the objective of the policy, the process of privatizing or deregulating in Nigeria, arguments in favour of the reforms and a catalogue of privatized corporation in Nigeria. The study also undertook a review of literature on the privatization experience in countries like Latin America, Asia and other African countries in order to draw lessons on the success or otherwise on our own policy process or its implementation. The chapter rounds up with a conceptual framework.

In chapter three, the methodology to be used in the generation and interpretation of data is undertaken. The type of design to use, the method of

questionnaires, interview schedule, sampling techniques and statistical tools for analyzing our data were also clearly spelt out in the chapter.

In chapter four, we examine briefly the historical background of the Nigerian Communication Commission (NCC), NITEL, MTN, GLO, their organizational structure and functions, possible sources of funding, their achievements and the organization of the telecommunication sector in Nigeria.

We interpreted the result of our findings from questionnaires administered and the results of interviews conducted in our fifth chapter. Showing clearly, the success recorded so far in the Nigerian telecommunication industry through the deregulation/privatization process and other possible dimensions for the implementation of the policy where necessary.

Chapter six of this work rounded up the study with a summary, conclusion and recommendation.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.0 Introduction

This chapter seeks to review related literature on deregulation. This it does through the review of scholarly works carried out in the area of deregulation such as those of Oniki et al (1992), Galal (1994), Megginson et al (1994,1998), Boubakri, Cosset (1998) and Alabi (1996) on the effects on deregulation of the telecommunication industry in Nigeria. The chapter also spells out clearly, the reason and rationale for public sector reforms, the process of deregulating/privatization on a comparative basis, drawing lessons from Europe, Latin America, Asia and other African countries on the success or failure of the policy; arguments for and against the policy in Nigeria, the Nigerian experience and lessons to learn from the deregulation process. The theoretical framework rounds up this chapter reiterating why the theory of organizational change and development was adopted for use in this work as it helped us in understanding the policy dimension of deregulation to enable contribution to knowledge.

2.1 The Rationale for Public Sector Reforms

Elekwa, (2007:4), explains that reforms become necessary so as to help amend or alter for the better something that is faulty. Reforms are carried out in order to remove some form of abuse or wrong and put right what is bad or wrong.

Any country that is undergoing political and socio-economic crises may see the need to deliberately introduce policies by its policy-makers that will correct the rigidly or unpleasant situation in order to improve the living standard of her citizens. In other words, the reforms induced in the telecommunication

industry has been a deliberate attempt to introduce of new and better changes that will promote efficiency in the sector for the benefit of the generality of the citizenry. Such changes of a necessity must aim at improving performance or productivity in the public service. Consequent to this, new and innovative policies, structures and processes must be developed in order to respond to its various clientele and to deliver the quality of goods and services expected of a modern public sector.

For some decades now, demands have been made by donor agencies and other bodies for a reduction in the role of the state from an active participant in economic activities to a facilitator and regulatory one. This together with government's belief that there are now activities which can best be handled by the Private Sector and other non–government agencies meant that government would divest itself of some of its responsibilities. The partial withdrawal of state from some activities, necessitate new forms of institutional arrangement to guide the relationship between government and some of their agencies (Green Paper on Public Sector Reform 2008). As needful as this may sound, government still has an active role to play in the macro-economic and social development of the country and the establishment of the regulatory mechanism to ensure that such reforms are not induced to benefit few to the detriment of majority in the society.

A central objective of the macro-economic reform therefore, was to stabilize the Nigerian economy to improve budgeting planning and execution, therefore, policies such as deregulation and privatization was to provide a platform for sustained economic diversification and non-oil growth. A major challenge was to de-link public expenditure from oil revenue earnings by introducing an appropriate fiscal role, as has been the practice in other countries.

The adoption of such rule, could enable the accumulation of government savings which would be valuable whether for precautionary reasons or for smoothening public expenditure or for ensuring intergenerational equity (Baradt and Ossowski 2006).

The 1980s, witnessed steady economic deterioration and seemingly faulty economic policies. At the beginning of the 1980s, the country had entered difficult times where scarcity of foreign exchange had set in. By the mid-1980s, reality had dawn on the nation's economy and due to fallen oil revenue which culminated into scarcity of foreign exchange as already seen, retrenchment of workers became rampant in both private and public sectors. There was also rising inflation, for example, 20 percent increase between 1973 and 1980 and more than 20 percent per year between 1980 and 1984.It dropped to 5.5 percent in 1985, 5.4 percent in 1986 and 10.2 percent in 1987, before rising to 38.3 percent in 1988 and 47.5 percent in 1989. (Federal Research Division. The Country Studies Series. Published 1988-1999).

Additionally, the national unemployment rate, estimated at 4.3 percent in 1985, increased to 5.3 percent in 1986 and 7.0 percent in 1987, before falling to 5.1 percent in 1988 as a result of some remedial measures taken under the SAP. Most of the unemployed were city dwellers, as indicated by urban jobless rates of 8.7 percent in 1985, 9.1 percent in 1986, 9.8 percent in 1987, and 7.3 percent in 1988.((Federal Research Division. The Country Studies Series. Published 1988-1999).The origin of socio-economic difficulties in the country was generally traced to the global economic recession which opened with the decade of the 1980s. Earlier, the socio-economic problems had forced the federal government under

President Shehu Shagari to embark on an Economic Stabilization Programme (Aboyade, 2001).

It is against this background that the structural Adjustment programme (SAP) proposed a kind of reform which would affect the goals, administration and management of the public sector enterprises for the purpose of efficiency. One of the main objectives of SAP also was, therefore to pursue deregulation and privatization leading to removal of subsidies, reduction in wage expenses, and retrenchment in the public sector ostensibly or trim down to size. (Federal Republic of Nigeria, 1986).The CBN (1993 :42) puts it that; a substantial proportion of the expenditure of the Federal Government comprise of grants or subventions to a larger number of unprofitable and inefficient public enterprises, to this, the elimination of such subventions through privatization and commercialization, therefore became major aspects of the reform.

2.1.1 A Comparative Approach of Deregulation/Privatization Process In selected countries

Privatization has been a key element of structural policy reforms since the beginning of the 1980's in many countries of the world. This portion examines briefly the experiences of some selected countries in Latin America, Asia and other African countries.

A study by Bishop and Kay (1988), compared the performance of a number of privatized firms in the United Kingdom (shipping, airline, gas, telecom, oil and automobile industry) with another set of firms under state control (in rail, steel and postal sector) using several indicators, including revenue, employment, profit margin and total factor productivity. Their finding was inconclusive since both privatized and non-privatized firms experienced an upsurge in all the

indicators used. Thus, the emphasis on privatization policy as a means of enhancing efficiency is not supported by the evidence on the relative performance of private and public enterprises in the United Kingdom.

Galal et al. (1994) probably represents the most comprehensive study on the impact of privatization policy on efficiency and state budget. They examined the welfare consequences of privatization in Chile, Malaysia, Mexico and the United Kingdom through a sample of 12 firms covering telecommunications (three firms), airlines (four firms), electricity (two firms), a lottery company, and a port and transport company. The welfare implications were measured in terms of the impact of divestiture on major economic actors (the government, consumers, buyers of firms and competitors). The study compared the post-divestiture performance of the selected enterprises with what their performance would have been without divestiture. Thus, study created a scenario for each enterprise, with the difference between the level of welfare without divestment and the scenario attributed to divestment. With the exception of Mexico Airlines, divestment was found to improve welfare in all the 12 cases. The expected stream of benefits to the society from divestment was estimated at an annual average of 26%.Galal et al. (1994)

This was attributed to several factors, including a dramatic increase in investment and improved productivity in 9 of the 12 firms. In all but five cases, consumers were considerably better of or unaffected. This study is deficient on two grounds, however. First, it omits countries typical of Africa, which are characterized by low per capita income, highly distorted markets and relatively weak institutional capabilities. Second, despite the scope and subtlety of the methodology used, the underlying assumptions were highly tenuous, did not

relate to the environmental realities and hence incompatible with the policy-oriented nature of the study.

World Bank (1996), conducted an innovative on the political economy of state enterprise reform, the study investigated the economic problems that arise when governments own and operate enterprises that could be managed by the private sector and the political obstacles to reforms. It substantially advanced privatization beyond its current micro and macro studies to include areas such as laws, regulations and institutions. The 12 countries constituting the sample for the study included Chile, China, the Czech Republic, Egypt, Ghana, India, Mexico, the Philippines and Poland. Others were the Republic of Korea, Senegal and Turkey. The study appraises common obstacles to reform and ways in which some countries have overcome them. It reports a wide range of experience on the basis of which the performance of each country was assessed relative to the criteria established by the study team. At one extreme are Chile, Korea and Mexico with success stories, and at the other are India, Senegal and Turkey with woeful results. The others were adjudged to have recorded mixed results. Ghana was the only marginally acceptable success story in Africa. The report thereby offers guidance for successful SOE reform and suggests ways in which foreign assistance can be harnessed to enhance the success of these reform efforts.

The report is flawed on several grounds, especially from an African perspective. First, the criteria for the inclusion of the countries in the sample were not explained. Second, regardless of the basis for the selection, the problems and issues identified in the sample countries do not adequately reflect the situation in most African economies, in spite of the presence of Egypt, Ghana and Senegal in the sample of countries studied. Apart from the very limited coverage,

there are several formidable obstacles confronting privatization policy in Africa. These include the technically difficult nature of the privatization process, lack of transparency in the conduct of the exercise and absence of well-established capital markets. The general analyses and findings do not hold sway as privatization in Africa has been adopted against the background of extremely distressed economic circumstances. It is therefore not surprising that privatization policy has failed to meet expectations in several countries.

Several cross country and multiple industry studies have also been conducted, beginning with the pioneering study by Megginson et al. (1994). They compared the pre- and post-privatization financial and operating performance of 61 firms that experienced full or partial privatization through public share offerings from 32 industries in 18 countries (6 developing and 12 industrialized) between 1961 and 1990. Several financial indicators were examined, including mean and media level profitability, sales level, operating efficiency, capital investment, leverage (gearing) ratios and dividend pay-out figures. The study documents strong performance improvements undertaken without sacrificing employment security. After privatization most of the firms experienced an upsurge in real sales, profitability, capital investment spending, operating efficiency and labour force. While the study overcame the difficulty of obtaining comparable pre and post-privatization data for a large, multinational, multi-industry sample of countries, it is unfortunately limited to mostly Organization for Economic Cooperation and Development (OECD) and other developed countries. Moreover, the method of privatization was through the issuing of shares on the local stock exchange (often referred to as an “initial public offering”, or IPO). One could argue that since most of the cases reviewed came from industrialized

settings, and that the IPO method is usually applied to high-quality candidates, then the positive findings might not apply in non-industrialized countries, or to firms divested by methods other than share issuing.

In a related study, D'Souza and Megginson (1998) compared the pre- and post privatization performance of 78 firms from 25 countries privatized through public offering between 1990 and 1994. The sample included 14 firms from banking, 21 in utilities and 10 from telecommunications. The performance indicators are mean and median levels of returns on sales, employment, sales efficiency, capital expenditure/sales and debt/assets. The study represents a marked improvement on the earlier study on two counts. First, it includes samples from 21 developing countries. Second, it also differentiates between competitive and non-competitive sectors. The results are sufficiently robust for proponents of deregulation/privatization. Profitability increases significantly, although the increase is more in regulated or non-competitive industries, whereas operational efficiency increases less in those cases indicating that a certain degree of market power is being exploited. The study reports that employment increases in all cases and this is inconsistent with the literature.

Boubakri and Cosset (1998) extended the analysis by looking at privatizations conducted in developing countries. They examined transactions in 21 developing countries—mainly middle income, but including Bangladesh, Jamaica, Nigeria, Pakistan and the Philippines. They document that privatized firms, on average, show significant increase in profitability, operating efficiency, capital investment spending, real sales, employment levels and dividends. This study is quite encouraging for proponents of privatization policy, since it finds positive results in non-industrialized settings, arising from a variety of sales

methods. However, the study also documents an important fact that the number and degree of success of privatization are significantly associated with a country's level of income. The lower the income level of a country, the more difficult it will be to start privatization, and the more likely it will be that results will be modest. On a sad note, African economies should have learnt from the experiences of other countries before the importation of the policy reform. (Nigeria inclusive)

La Porta and López-de-Silanes (1997) analyzed the performance of 218 enterprises in 26 sectors privatized in Mexico between 1982 and 1991 using seven broad indicators, including profitability, operating efficiency, employment, and wages and capital employed. Others were taxes, total output and prices. For each firm, they measured the change in any given indicator of performance by comparing its value in 1993 with its average value of the four years preceding privatization (year t-4 to t-1). The study controlled for macroeconomic and industry factors by computing the same indicators for a sample of private firms. It documents remarkable increases in profitability after privatization, underpinned by higher operating efficiency: on average, a 24-percentage-point increase in the ratio of operating income to sales, significant increases in profitability and output, and substantial decreases in unit costs and employment levels (though the blue-collar workers who retained their jobs received large salary increases). The authors attribute 57% of the performance improvement to productivity gains, 30% to lying off workers and 10% to price increases. They also document that deregulation—particularly the removal of trade barriers and price controls—is associated with more rapid convergence to industry performance using regression analysis.

Several sector specific studies have also been conducted on the outcome of reforming telecommunications services, albeit in developed economies (Takano, 1992; Oniki etal., 1992; Imai, 1994; Foreman-Peck, 1991). Most of the studies on the impact of reform in the telecommunications sector have relied on total factor productivity analysis. Foreman-Peck (1991) appraised the success of the British privatization programme. Specifically the study examined whether the transformation in the telecommunications sector altered or improved performance over that of the previous state regime. Estimates of changes in internal efficiency were obtained by two methods: total factor productivity analysis and econometric simulation. Both approaches suggest a substantial improvement in the productivity performance of the telecommunications industry after privatization.

Takano (1992) examined the process, as well as benefits and losses stemming from the partial privatization of Nippon Telegraph and Telephone Corporation (NTT), a government monopoly producer of domestic telecommunications services in Japan. The study evaluated the benefits to four important actors: NTT proper, stockholders, users and government. The methodology adopted was to analyze in depth the changes that took place before and after privatization between 1985 and 1990. It estimated the overall net benefit to be US$65.8 billion, with the largest gains accruing to the government and users. Oniki et al. (1992) assessed the impact of deregulation on NTT through improved management and operations by estimating a trans log variable cost function for 1983–1989 fiscal years. According to the study, deregulation resulted in a cost reduction of 1.31 or 2.29%, depending on the specification of the cost function adopted. In the same vein, Imai (1994) estimated the cost reduction associated with the 1985 deregulation of international telephone

services in Japan. The study estimated that NTT's unit cost fell by a wide margin after deregulation (54.5%). The efficiency gain was fully passed on to telephone users in the form of user rates. The increment of consumers' surplus was estimated at 253.4 billion yen after deregulation.

Recent studies in the telecommunications sector seek to explore the regulatory institutions of different countries using the new institutional economics (Levy and Spiller, 1996; Galal and Nauriyal, 1995). A common feature of these studies is lack of formal statistical testing; rather, they rely on an analytical framework and systematically collected and researched evidence. Levy and Spiller (1996) conducted a comparative analysis of the impact of core political and social institutions on regulatory structures and performance in the telecommunications industry in Jamaica, the United Kingdom, Chile, Argentina and the Philippines. The study examines, among others, how each country resolved its regulatory problems and explicates the relationship between regulatory outcomes and performance.

Galal and Nauriyal (1995) explored the relationship among the outcomes of regulatory reforms, regulatory incentives and government commitment on the basis of the recent regulatory experience of seven developing countries: Argentina, Chile, Jamaica, Malaysia, Mexico, the Philippines and Venezuela. They attempt to link the performance of the telecom sector with the extent to which these countries successfully resolved the information asymmetry, pricing and contracting problems. Chile was found to be the most successful in resolving the information, incentives and commitment problems through competition, benchmark pricing and embodying the regulation in a law that is difficult to change. On the other hand, the Philippines were the least successful despite

over four years of private sector involvement in the telecom sector. Consequently, the sector continues to suffer from under-investment and low productivity. Other countries had mixed results.

In Brazil, the privatization of state-owned enterprises began with advocates of privatization emphasizing economic efficiency and competitiveness as a response to the fiscal pressures on the public sector. The sale of the enterprises was to private buyers, both domestic and foreign. The first sale provided an immediate revenue gain for the government. At the Second, to the enterprises sold were operating at a loss even though fiscal burden on the public sector reduced. Finally, the conversion of a state enterprise into a profitable private one increased the future tax revenues of the government. In all, the sale of thirty-eight enterprises provided total receipts of only US$723 million for the government before 1990(Naim, 2009).

The Collor government in 1990 brought about significant change in policy when it made privatization one of the major planks of its economic platform. While the Franco government (1992-94), laid greater emphasis on sales for cash. Summarily, Brazil recorded a success story in its privatization process so much so that by the year 2010, the economy of Brazil ranked the world's eight largest by nominal GDP and ninth largest by purchasing power parity, the largest among all South American nations, second largest in the western hemisphere and one of the fastest-growing major economies in the world with an average annual GDP growth rate of 5%. In Reais (Brazilian currency), its GDP is estimated at R$ 2.9 trillion dollars in 2009. The Brazilian economy has been predicted to become one of the five largest economies in the world in the decades ahead to come, the GDP per capita following and growing (http://country/studies.us/brazil 2010).

Table 2.1 Statistical table showing performance of the Brazilian Economy

Year	Inflation (IPCA)	Gross Fixed Capital Formation (% of GDP)	Year	Average GDP growth rate 1950-2008
2001		19.47%	1950-59	7.1%
2002	12.53%	18.32%	1960-69	6.1%
2003	9.30%	17.78%	1970-79	8.9%
2004	7.60%	19.58%	1980-89	3.0%
2005	5.69%	19.99%	1990-99	1.7%
2006	3.14%		2000-08	3.7%
2007	4.46%			5.91%
2008	5.91%			

Source: Brazilian Average Exchange Rate (2009)

Brazil's success story as indicated in table 2.1 is easily linked to the fact that it is a High Income Earning country (HIC) and has a well established capital market as compared to most developing countries like Nigeria ranked as a Low Income Earning country. The reason is not far fetched because success stories of privatization have been associated with a countries level of income. Although some people may argue that Nigeria is one of the major oil producing countries in both Africa and the world respectively and has accumulated much foreign reserve from oil, the criteria used in determining weather a country fall within a high or low income group is per capita real gross national product (GNP),of which Nigeria's GNP per capita per year decreased 4.8 percent from 1980 to 1987, which led to Nigeria's classification by the World Bank as a low-income country as result of falling oil output and prices in 1989. In 1989, the World Bank also

declared Nigeria poor enough to be eligible for concessional aid from an affiliate, the International Development Association (IDA)along with countries like Bangladesh, Ethiopia, Chad, and Mali. (The Country Studies Series. Published 1988-1999).

It however interesting, to know that this situation of low GDP growth has continued unabated and there is no guarantee that oil prices may not go down again since many other countries have discovered oil Niger inclusive. Besides, the oil sector in Nigeria has been enmeshed by bunkery and corruption which has hindered its anticipated benefits so much so that deregulation of the oil sector seems to be government's best option for now.

Singapore, According to Tongzon (2006:2), also recorded an impressive performance in the Ports and shipping industry as a result of privatization. The reliance on public sector income has created some uncertainty on the fate of port infrastructure which has caused a number of ports including those in Nigeria to move towards privatization (Baird 1997).

It should, however, be pointed out that the privatization policy in terms of ownership does not guarantee an improvement in efficiency. Just as government can fail to allocate resources efficiently, there is also such thing as market failure. Although private ownership may be a necessary condition for port efficiency improvement; it is also not a sufficient condition. In many countries, the reason for the poor performance of the maritime sector is related to the lack of the capacity to govern on the part of the state and the private sector.(Iheduru,1993). Under these conditions, a change in ownership of the port assets does not lead to an improvement in the port management. Hence, the finding of previous

studies on this has provided quite a mixed evidence of the implementations of privatization in terms of ownership for port efficiency.

Economic theory fails to provide unequivocal propositions on the issue of the relative efficiency of public vis-à-vis private enterprises (Liu, 1995). Based on the principal agent, private ownership should be more efficient than the public one. It is believed that the transformation from public to private ownership even without change in the competition will be associated with improved efficiency (Hartley et al, 1991, and Parker, 1994). However, a number of economist (for instance, Vickers and Yellow, 1989 and Estrum and Perotin, 1991) have argued against the strength of the opinion in favor of private sector as a result of capital market imperfections. Thus, the question of the relative efficiency of alternative forms of ownership is an empirical one (Liu 1995).

Although the port of Singapore has been marked as one of the most successful ports in the world based on its world-class infrastructure, up-to-date information technology and well-motivated work force; This is attributed to the resulting economic recovery of the economies of the ASEAN region which started in 2001 and not rely the result of the privatization of its ports (Tongzon and Heng 2005). Besides, Singapore's strategic location, high level of efficiency, high level of connectivity and frequent ship visits, adequate infrastructure can also be attributed to its resounding progress and status as the regional hub in Southeast Asia. (Tongzon 2006:10).

The foregoing review suggests the paucity of empirical evidence to gauge the success of state enterprise reform programmes in African economies. The need for more empirical studies in this direction has become apparent in view of the desirability and even the inevitability of SOE reform as a major tool for

meaningful and sustainable economic reform. It is necessary to identify the major factors that need to be considered to ensure an appropriate design and to facilitate successful implementation of SOE reform in Africa.

2.1.2 Some Selected African Countries Experiences

In February 2002, labour researchers from Ghana, Nigeria, Zimbabwe, South-Africa and Namibia met in Windhoek, Namibia to discuss their countries experiences with privatization and deregulation and possible policy alternatives. They participated in public panel discussions and debates with Namibian Trade unions to “bring home” Africa’s experience with privatization in a “popular format”. It has been observed, that despite the often very negative social implications of the policy, it is still being pushed for by the international financial institutions like the World Bank and the International Monetary Found (IMF) as well as the industrialized countries. Most African governments have fallen prey to the economic dogma of economic liberation and sometimes have vested personal interest in the privatization policy process. It is thus critical that mass-based organization, which represented important social groups as trade unions, women organizations and community based-organizations begin to pressurize governments to pursue policies in favour of those who excluded the marginalized. The truth has remained that most often, policy debates are taking place only among the political economic elites of our countries while the people who are directly affected by such policies have no (or very little) say, (Baah, 2002). Changing or in some cases reversing these policies is certainly one of the Issues that we will need to confront and there is much to learn from experiences with the African approach.

In **Ghana**, for example, Nkrumah's government adopted a policy of "African Socialism". It wanted to encourage collective (instead of individual) ownership of assets as a means of strengthening unity and advancing prosperity in the new Ghanaian state. To this, 300 SOEs were established in all sectors of the economy from agricultural plantation to Industries and Hotels. (Baah 2002).

Zimbabwe also adopted an interventionist and regulated approach towards development in its first 10 years of independence and spent large resources on the provision of social services like education and health as well as on development projects. The change in policy towards privatization emanated firstly, when several of the SOEs were adjudged inefficient, poorly manage, unable to sustain themselves, and therefore had to be subsidized by government and secondly was the growing dominance of "neo-liberalism" as a model (and ideology) of economic development driven by the global capitalist system of highly flexible manufacturing technologies which produces high quality goods for specialist markets, rapid growth of the tertiary sector (service industries), deregulation of collective bargaining etc. (Baah 2002).

To recap, countries not usually willing to adopt such policies have often come under heavy pressure from the World Bank and IMF. They make economic liberalization a condition for qualifying for a loan. In other words, countries which needed loans from these international financial institutions are normally forced to implement neo-liberal programmes of economic reform which took the form of Structural Adjustment Programmes ((SAP), Public Sector Reforms, Direct sale of assets and shares to the private sector, Corporatization, Commercialization, Contracting-out/ sourcing, Public-Private partnership just to mention a few. Although the IMF, World Bank and other supporters of the neo-liberal ideology

continue to claim that privatization as policy benefits a country's development by bringing about greater economic efficiency, the experience in Africa show a different picture.

Zambia, followed a state-driven development strategy during its first three decades of independence and also established 300 SOEs. State involvement was extended to almost all sectors of the economy in an attempt to free Zambian economy from foreign domination and transfer economic power to Zambians. The privatization programme resulted in the direct lost of 61,000 jobs. Some SOEs were closed down and their assets were sold, for example the United Bus Company of Zambia, the National Wholesale and Marketing Company and Zambia Airways. Some SOEs retrenched workers as they were preparing for privatization. This happened through internal restructuring, outsourcing and downsizing. Other SOEs were privatized and then collapsed shortly afterwards, for example General Pharmaceuticals, Eagle Travel, Kapiri Glass Factory and the RAMCOZ copper Mine. Women were especially hard hit by these retrenchments because most companies put female workers first on their "Exit list"(Muneku, 2002).

Privatization as a policy has also resulted in a change of employment conditions. Permanent, good quality jobs in the formal sector were replaced by contract work and casual jobs without jobs security and benefits (This is a true reflection of the situation in the Nigerian Telecommunication Sector). The privatization programme has drastically reduced the government's role in the economy and SOEs no longer have any monopolies. Some privatized companies like Chilanga Cement, Zambia Breweries and the Zambia Sugar Company managed to increase production and profits. Other privatized agricultural

businesses performed poorly and the state is now trying to take over some of their functions again.

Overall, Zambia's privatization programme has failed to achieve its stated objectives like generating income for the state, safeguarding jobs and improving efficiency. In some sectors, privatization has resulted in the shift of a public monopoly to a private monopoly as TNCs took over the SOEs. These foreign companies have taken over strategic enterprises with a potential for large profits. The results were price increases for the consumers and the introduction of a policy of "no pay – no service". Before privatization, the United Bus Company, for example, used to service all routes in the country (urban and rural) and provided all Zambians with affordable public transport. After privatization, the private owners closed down the unprofitable (mainly rural) routes and increased the bus fares. As a result, many Zambians now walk many kilometers to their workplaces and schools because they cannot afford to pay the bus fares of 4000 Kwacha (U$ 1) per day(Muneku, 2002).

Likewise, the introduction of "cost sharing Schemes" in public schools and hospitals has made education and health services unaffordable for the majority of households. In Zambia's major towns, the provision of water was transferred from local authorities to commercialized water companies who are charging commercial rates. Due to widespread poverty many households could not afford to pay these rates and their supply was cut off. As a result, water-related diseases like cholera are now on the increase again. (Muneku, 2002)

The commercialization of SOEs in Nigeria led to huge increases in product prices. In 1995, electricity prices were 9 times as high as in 1985. Postal services

increased by 25 times, telecommunications by 50 times Kerosene prices by 60 times and petrol by 283 times during that period!

Table 2.2: Price increases in commercialized SOEs in Nigeria

Product	Unit price in 1985	Unit price in 1995	Increase in percent
NEPA Electricity	0,06 Naira	0.53 Naira	883%
NIPOST Postal services	0,20 Naira	9 Naira	2500%
NITEL Telecommunications	0,10 Naira	5 Naira	5000%
NNPC Kerosene	0,15 Naira	9 Naira	6000%
NNPC Fuel	0,30 Naira	85 Naira	28 333%

Source: Office of the Accountant General of the Federation 2001

Table 2.2 clearly shows the unit price increase in essential commodities and services from the result of commercialization between 1985 and 1995 which also entails accumulated revenue to government's advantage for developing the economy. By 2000 for example, the Nigerian government had earned about 3.3billion Naira from the sale of 55 SOEs. This money was supposed to be used to revive 2 vehicle assembly plants and to restructure Nigeria's railway system. However, only a fraction of the money was spent for these purposes and it remains unclear where they ended up. The privatization process was not transparent at all and some public officials used the opportunity to buy SOEs at give-away prices.

Like Zambia, Nigeria also experienced huge job losses as many companies were closed down shortly after being privatized. Another problem that Nigerian workers experienced was the employment conditions. Collective agreements no longer applied and the new owners introduced "labour market flexibility" with poorer conditions of service after privatization.

During the second phase of privatization, 10% of the shares in each privatized SOE had to be given to workers. However, the process of transferring

these shares to the beneficiaries departed from the common international practice where governments determine the modalities of the transfer. In the Nigerian case, the new owners could decide how to distribute the shares. Under such an arrangement, the new owners could ensure that unions did not use the shareholding of workers to influence decision-making at the privatized companies, (Lukman, 2002).

In **Namibia**, the commercialization of SOEs did not result in retrenchments yet. The Namibian government, however, plans to sell several SOEs to the private sector and this will probably lead to job losses. The commercialization has had mixed economic results so far. Some companies are doing quite well in terms of cost recovery and profits (especially those with monopolies) while others continue to require large sums of money from government in order to survive. Air Namibia alone has accumulated a debt of N$1,6 billion (U$160 million).(Wallis, 2001).

The commercialization of SOEs led to immediate price increases for consumers. Water prices were increased by 20% annually which is double to country's inflation rate. The Namibian government plans to abolish the water subsidies for rural communities in the next few years, which is likely to result in price increases of about 60%. Likewise, the prices for local telephone call cost three times as much as in 1999. The SOE in the postal sector NAMPOST also increased its fees for "ordinary mail" by 43% in 2001.

In **South Africa**, the privatization of the telecommunications company Telkom resulted in over 15 000 job losses due to retrenchments and outsourcing. The commercialization also made a mockery of the government's policy to create access for all. Under apartheid, there was one telephone for every 10 white

persons. The new government wanted to redress such inequalities but the commercialization of Telkom led to drastic increases of domestic phone calls. This excluded even more black people from basic telephone services. Since 1994, South Africa's public service has lost over 100 000 jobs, partly because of privatization and outsourcing, especially in the state forests and hospitals(Wallis, 2001).

In **Zimbabwe**, the privatization programme was implemented without clear policy guidelines, without workers participation and without transparency and accountability. Over 300 workers were retrenched when Air Zimbabwe was commercialized, the Cotton Company of Zimbabwe reduced its workforce from 3,000 to 500 and the Grain Marketing Board retrenched half of its 2,500 workers within a year. Most retrenched workers were forced into the informal sector to survive(Murray, 2000). Privatization at local government level like the refuse collection in Harare resulted in the deterioration of services as rubbish was not collected for days while the private contractor was being paid.

The Dairibord of Zimbabwe introduced the "Dairibord Employee Share Ownership Trust Fund" when the company was privatized. The Fund was supposed to raise funds for employees to buy shares in the company. The contributions to the fund were based in the individual earnings, which meant that management contributions were much higher than those of workers. As a result, workers had very little ownership of the company and management has almost total control over the trust, (Murray, 2000).

Ghana's privatization programme was hailed by the IMF as a success despite the increase in unemployment and poverty that many Ghanaians experienced. The privatization of a single SOE, the Ghana Cocoa Board, resulted

in over 100 000 job losses. Due to the large number of dependents' of each worker, this resulted in poverty and increasing hardships for close to a million people. The introduction of cost-recovery programmes in the health and education sectors (known as "cash and carry" programmes) resulted in higher fees for these essential services. The impact was especially felt by women. They were the ones who had to find ways of survival when family incomes declined while the prices of goods and social services were rising. Girls were the first to be taken out of schools, when school fees became unaffordable and women were forced into the lowest paid jobs or into the informal sector(Wallis, 2001).

These examples show some of the results of privatization in Africa. Supporters of privatization point out that some privatized SOEs have performed well and even increased the number of workers they employ. Some managed to improve conditions of services, but those were exceptions. In most cases, privatization programmes increased the hardships for the poor. The worst consequences of privatization in Africa were the retrenchments of thousands of workers and worsening conditions of employment for those who were lucky enough to keep their jobs. The wages of African workers support large families in urban and rural areas and retrenchments therefore increase poverty. This has always hit African women the hardest who have to shoulder the main burden of running the household, raising the children and looking after the sick and elderly.

Another negative result of privatization has been the increase in the prices for social services. Driven by mere profit motives, privatized SOEs usually waste no time in increasing prices and offering services only to those who can afford them. In a situation of mass poverty that exists in almost all African countries, this usually means that a large part of the population cannot pay for services and

therefore does not receive them. In many cases, privatized health and education services prevented people from going to hospitals or sending their children to school. This means they simply could no longer afford to do so.

In other cases, essential services like access to water and electricity became unaffordable to the poor. Water and electricity cuts for those who are too poor to pay have become a sad reality in several African countries (Lukman 2002).

Summarily, results of privatization in several African countries have shown that:

i. Privatization led to the loss of over 60 000 jobs in Zambia while several hundreds thousand workers were retrenched in Ghana.

ii. Privatization led to increases in the price of services. In Zambia, a privatized bus company dramatically increased the bus fares and closed down unprofitable – mostly rural – bus routes. As a result many Zambians now walk many kilometers to their workplaces and schools because they can no longer afford the bus fares or because the busses no longer service the areas where they live.

iii. In Nigeria the prices for Kerosene increased by 6,000% between 1985 and 1995.Postal and telecommunications services increased their prices by 2 500 – 5 000% during that period while electricity prices increased by 883%.

iv. In Ghana the introduction of cost recovery programmes were part of privatization and resulted in increased fees for health and education services. As a result, they became unaffordable for the poor.

iv. In Zimbabwe, privatization also led to retrenchments and increased prices for services. The Cotton Company of Zimbabwe, for example, reduced its workforce from 3 000 to 500 after privatization.

Despite all odds, there are, however, specific interests in Africa that wants the privatization programmes to continue. Some governments feel that their SOEs are not efficient and that privatization is the only answer to this problem. They believe that privatization will help them to get rid of their responsibility to give financial support to SOEs. In some countries, (including Nigeria) high ranking government officials have personal interest to buy SOEs themselves at give-away prices; privatization programmes offer them a good opportunity. (Wallis, 2001).

Local and foreign businesses have often pushed for privatization because it opens up new possibilities for them to make profits. They want to use the opportunity to buy public assets cheaply – at a fraction of real costs. A practical example in Nigeria is the state owned telecommunications company NITEL cost about U$ 8 billion to set up was sold for only a little more than U$ 1 billion(Wallis, 2002).

Consultants and banks are also interested in the privatization process. Consultants make millions out of advising governments on how to privatize while banks make huge profit by helping governments to sell SOEs. Privatization is also important for some parts of black business, because it opens up new opportunities. As a result of apartheid policies in South Africa and Namibia, black entrepreneurs were shut out of the mainstream of the economy. They therefore now push for the sale of SOEs for black companies in the name of black economic power, which means empowering a handful of black business people

at the expense of black working class communities who suffer as a result of retrenchments and unaffordable services.

There retrenchment syndrome, made trade unions to seriously kick against the privatization programme in Ghana in 1993 under the Ghana Trade Union Congress (TUC), in Nigeria under the Nigeria Labour Congress (NLC) and the Namibian Trade Union in 2001 (Wallis 2001).In the situation where core labour issues are addressed in the privatization process and the unions found it very difficult to succeed because of governments commitment to neo-liberalism, protest is justified on the pretext that workers who lose their jobs may hardly find new ones.

Trade unions in Zimbabwe, Zambia and South Africa have also seriously opposed the privatization process taking the fight against privatization at various levels. Not withstanding, the neo-liberal economic policies are strongly promoted by powerful groups such as local and international businessmen, the IMF and World Bank and most governments. (Wallis 2002).

2.1.3 Arguments in Favour and Against Privatization and Commercialization in Nigeria

Proponents of the privatization syndrome argument in Nigeria is based on the failure of public enterprises in living up to the expectation of discharging the responsibly entrusted upon them in spite monies and natural resources concealed into them. For example, an Enquirer only needs to review the level of coverage of the Power Holding Company of Nigeria (PHCN) and its inefficiency in providing electricity balance against what it draws from the Federal Treasury. It has further been observed that public enterprises consume about N200 billion of the natural resources annually by way of grants, subsidies and import duty waive,

tax exemption and the like. Also, data obtained from various government departments and estimates, reveal that in 1998, Nigerian Public Enterprises enjoyed about N265 billion in transfers, subsidies and waivers which could have been better invested in our education, health and other social sectors. (National Council on Privatization 2000).

Additionally, the neo-liberalists have emphasized more the concept of government failure in favour of market mechanism. Their argument, coupled with the emergence of conservative “market apologist” regimes in Europe and America is that the continued deterioration in the external finance of developing countries especially non oil exporters, facilitated the application of a universal solution to solve a perceived common problem Darma (2007). As true as this may be, why is it that in spite of the application of the market approach (Deregulation/Privatization) in solving economic problems, many developing countries (Nigeria inclusive) have continually depended on the World Bank and the IMF for more external loans to financed same economic policies to the contrary.

Iweala and Kwaako (2006:12), have also argued that the Nigerian public sector was underperforming and that it imposed a significant financial drain on the treasury besides large public investment that yielded very few concrete benefits which necessitated structural reforms in order to improve the domestic business climate and address the various structural constraints of growth.(Enweze, 2005),simply puts it that these public bodies have failed to allocate resources efficiently. Additionally, state owned enterprises often were poorly managed, infested with a great deal of both hidden and outright corruption

and incurred repeated loss to the extend that they required annual government transfers to remain operational.

For example, direct government financial support to state-owned enterprises in 2001 totaled about US$323 million (or 0.68 percent of GDP) with about one-half of the total subsidy allocated to oil refineries and the telecom sector. The actual overall cost of operating government enterprises in form of indirect subsidies; such as tax exemption and loans were included. The Adam Smith Institute estimated that for the period 2000 to 2003, it cost the federal government about ₦74.3 billion (US$558 million) to operate the Nigerian Ports Authority from 2000 to 2003, in form of direct financial flows and various foregone earnings to the government (Adam Smith International 2006). See Appendix E on Government's support to state-owned enterprises (by sector).

This necessitated the deregulation/privatization of government activities in sectors to improve the efficiency of these enterprises, curb corruption and also to reduce the financial cost to the federal government as was demonstrated practically inthe unbundling of the power holding company of Nigerian (PHCN) into 18 companies, Ports and the sale of 51% of government stake in the Transcorp Hilton (in Abuja) and the state-owned Nigeria Telecommunications limited (NITEL). This was a way of stimulating broad-based participation of Nigeria individuals directly in productive activities through shareholding; relieve government of the necessity to be the all encompassing agent of development therefore allowing it to focus on the areas where its intervention is critical, and the channeling of scarce public resources to areas of higher priority such as infrastructure. Zayyad (1991).

As logical as some of this arguments may sound, this shift of focus by government further recognizes the growing sophistication of Nigerians who have accumulated wealth and entrepreneurial skills since independence (and) are now better prepared and equipped to take the risk of productive investment.

Ojobo (2005) summarized further the argument in favour of privatization as follows:-

a. Privatization and concentration of wealth in a few hands do not have to go together, on the contrary an even spread of ownership can be achieved with sound planning of privatization.

b. Governments, all over the world are not supposed to run certain enterprises efficiently. As stated in the Business concord editorial of June 7, 1985. “The History of public utilities in Nigeria has been such that continued maintenance of these corporations will only amount to general economic myopia”.

c. African nations under the economic slump can no more bear the inefficiencies of public enterprises.

d. Privatization will improve the efficiency of the enterprises

e. Privatization is talking place in many countries of the world, including the United States of America, Britain and Germany.

f. Government can still control enterprises without necessarily owning them. For example, the central Bank of Nigeria controls the commercial Banks through prescribing reserve ratios, stipulated credit guidelines.

g. Revenue can be raised for government through better corporate taxation instead of corporate ownership and through the proceeds from the sale of public enterprises.

h. The problems facing most public enterprises can be traced to the fact that they are government owned and this is why they are used for political and other patronage, the management is not given a free hand to manage and the organizations do not care to collect their debts. Privatization will remove political interference and administrative red tape from public enterprises.

i. Privatization will abolish unproductive use of scarce National resources, eliminate fraud and embezzlement and infuse financial discipline into these organizations.

j. Tight control by government which might result if there is no privatization is not necessarily in the best interest of the country. For instances, if the government was in complete control of commercial banks in Nigeria, the banks should have embarked on unnecessary retrenchment of workers. Besides, watertight control of the economy may degenerate into totalitarianism.

k. If public enterprises are privatized, they will generate greater wealth, provide more employment and their efficiency and productivity levels will rise.

Even though, these elaborate arguments in favour of privatization, the market approach to solving economic problems are plausible, theoretical and empirical evidence abounds to suggest that unregulated free enterprises may after all not work in the best interest of society. The Great Depression of the 1930s, the 2007 Global Financial Crisis are good cases in point. It is indeed argued and experience has shown that the market determined efficient pattern of economic activity is not necessary (and in fact it hardly ever is) the pattern

regarded by society as equitable. Karl (1963:96), in his classic work, “The Great Transformation” presents an eloquent and ominous argument on the market system when he pointed out that;

> *The ideal of a self – regulatory market implied a stark Utopia; such an institution could not exist for any length of time without annihilating the human and natural substance of man; today even the most ardent advocates of the free enterprise are quick to acknowledge the fundamental weakness of the self-regulatory market system and concede to the fact that, to the extent that the system (free enterprise) succeeds, it generates an efficient economy, but that pursuit of efficiency necessarily creates inequalities.*

Ojobo, (2005:20), observes that much of the confidence reposed on the price system by the advocates of free enterprises, rest on the assumption that the market operates in a competitive environment. But we know that perfect competition hardly exist in real life. There are a number of imperfections ranging from an imperfect knowledge of the market to the existence of monopolies which combine to grossly limit the perfect competition in the market system. In a situation of monopoly more so if it is backed by a government, its allies, individual cliques and lack of a clear regulation in market, the unit price of obtaining some services may be out of the reach of majority of people in the society (this is the current situation in the Nigerian telecommunication sector particular the initial years MTN and GLO started their operations within the Nigerian environment).

Additionally, the market, provides very large incomes to those whose labour commands a high price and those who posses particularly valuable kind and capital. The market system deals harshly with those of modest skill and those who are without any accumulated or inherited possessions. Haveman, (2006:43). This is also clearly demonstrated the massive lay off of workers not

only in the telecoms industry, but other sectors of the economy by reason of deregulation or privatization thereby subject the nation to economic stagnation, fluctuating prices and highly susceptible to external domination(Umoren, 2002:64).

To this, therefore, government's role in regulating the economy, is generally considered an essential and integral part of development progremme, hence market forces by themselves cannot overcome the deep-seated structural rigidities in the economy. These realities contribute and sustain the idea that;

> *The state shall take an active, indeed decisive role in the economy, by its own acts of investment and enterprise, an by its various control, inducements and restrictions, over the private sector. The state shall initiate, spur and steer economic development.*

2.1.4 Deregulation/Privatization: The Nigerian Experience

In Nigeria, the process of allotment of shares in the privatized enterprise was guided by government policy of wide geographical spread of ownership. It was directed that all share allotments should be published in national news papers and the shares on offer to Nigerians to be sold on the basis of equality of federal constituencies. A minimum of not less than 1% of total shares on offer should be reserved for the staff of any privatized enterprise, and no individual, except core investors, should hold more than 1% of the shares in any privatized SOE (Privatization Handbook).

Nigeria must have adopted this "guided form of privatization" from the former Soviet Union and Eastern Europe as observed by (Ramanadham, 1993).This must have spurred the TCPC under the chairmanship of Dr. Hamza Zayyad to privatize111 Public Enterprises and commercialize 34 others as

directed by Decree No 25 of 1988 in order to encourage more individual share holding among Nigerians. (Nwoye, 1997). See Appendix F on Privatized/Commercialized Institutions by 1991.

This radical approach to privatization must have necessitated Obasanjo's follow up action as observed by "Policy", an Economic and Business News Magazine said in its edition of April 5, 1999. That; "the president elect was likely to bring his 1970 command mindset to bear on the people's freedom and self-improvement". As a military ruler between 1976 and 1979, the magazine pointed out that the Obasanjo's administration, "sought to nationalize everything that mattered…. He even nationalized land". Over seven years later, it became clear as daylight that the magazine couldn't have been more wrong in its fears and prediction because the loudest chorus and propaganda machine of the Obasanjo's regime was that of economic and more economic reforms. The administration and its Amen Choir were never tired to remind Nigerians that this economic reform is, despite all evidence to the contrary, on its way to transforming Nigeria into an EI Dorado (Haruna 2006:51).This further led the privatization of 46 public enterprises in 2005/2006 as indicated in appendix G& H in order to;

i. Restructuring – rightsizing was conducted to further re-position the Bureau for better performance.

ii. Relearning the strategic planning and evaluation units as well as transaction forum for speedy execution of transactions and quality assurance and institutionalizing post-privatization monitoring to monitor and ensure compliance by investor post-sale. To this, another 38 transactions were concluded (Ibrahim 2007).

We must bear in mind that that there may be nothing wrong in pursuing a good policy particularly if its intended consequences far outweighs the unintended ones because critics of the privatization/commercialization syndrome have argued, that the application of these especially privatization under duress, such as that undertaken to fulfill conditionality associated to the structural adjustment could obfuscate the policy signals that may be beneficial. (Haruna 2006).

Zayyad (1991), points out that the reforms is an attempt to improve the lives of many people since inception. This is because although the actual implementation stated in 1987 it took the then military government two (2) years of intense debate to promulgate the decree. He also observed there were inadequacies in the capital market which even the most developed in Black Africa adjudged secured including newly emerging ones by the International Finance Corporation (IEC) in 1989, 1990 and 1991. Nevertheless, these lacked operators with relevant experience. (Business concord, 2nd July 1991).

> To this, Kwanashie, (1998) observes, *that "Globalization which simply is a process of intensified and broadened interdependence among nations involve the integration of economic decision making such as consumption, investment and savings across countries. It is a process of creating a global market place in which increasingly, all nations are forced to participate through their government via trade, creating structures that support and facilitate dependence and interconnection and creating a global market place"*

When the government announced that adjustment policies are "home grown", it carefully guaranteed the IMF and World Bank role in the shaping of the programme from public scrutiny. As the policies emerged, and the role of IMF and World Bank became more visible against a background of policies whose

implementation help bring about a rapid decline of living standards (e.g. through withdrawal of subsidies) questions stated to be raised about the suitability of the policies (Umoren 2007:77).

In the mid and late 80s riots broke out throughout the country triggered off by the second increase in the petroleum prices at the insistence of the IMF and the Word Bank. The government responded with great force and several people were killed. Although some palliative measures were offered after such incidents of public oppositions, the government generally brooked no question about the policies. It always insisted “there is no alternative to SAP and its planks”. Attempts to work out alternatives were consistently and brutally suppressed. (Umoren, 2007). Additionally, government’s insistence has always being on the pretext of satisfying the concept of allocative efficiency in consonance with relying on optimum net return on investment (profit) probably forced African countries (Nigeria inclusive) to adopt IMF/ World Bank Adjustment policies which they believed that private sector is more abreast. (Odoma and Aiyedun 2004:99).

Another assumption is that constructs such as commercialization and privatization are alternative sources of attracting foreign direct investment needed to generate output, growth, employment and income in the developing countries. In the content of a freer capital and resource flows advocated by the paradigm of globalization, technical competence and financially capable core investors emerged to take over ownership, management and control of the newly privatized enterprises. From the foregoing, one wonders whether Nigeria has policies and if such policies have actually been able to address issues such as increased output, growth, employment and foreign direct investment in an ill prepared environment (Odoma & Aiyedun, 2001).

It is also believed that the scope and scale of efficiency has increased and economics of scale reaped in various sectors such as Telecommunications, Power and Steel, Transportation, Hotel and hospitality, Banking and Insurance, Petroleum and Gas, Mining and Mineral extraction; But literature also abounds to suggest that one does not need to blink an eye to notice the degree of inefficiency in some of this sectors especially in the power and oil theft in the sector. (For example, recent accounts, puts the loss of the Nigerian government to illegal oil bunkering at $7.7 billion daily. This is calculated based on estimated US$7.7 million on every 100,000 barrels los per day (Opara,2010)). Literature also abounds to suggest the same story of a giant, globally operating transnational corporation emerging as a core investor in the privatized arrangements. In some instances, it becomes a technical adviser to a supposedly indigenous firm that successfully emerges as a core investor. In other arrangements, it is granted a franchise to operate on a lease or a build, and transfer arrangement.

Conglomerate such as British Telecom, Alcatel of France, Nokia of Sweden, Erickson of Finland, Conoco Oil of United States, just to mention a few, have utilized fatly the instrumentally of their regional trading arrangements characterized by doses of government support and preference to accumulate larger capital and resource base that facilitate their competitive ability to bid and pay for such concessions and stock offered in developing countries privatization programme (Odoma & Aiyedun 2001). This situation a true reflection of what is going on in the Nigerian telecommunication industry. With the deep internal crisis that included high rates of inflation, unemployment, external debt obligations and foreign exchange misalignment, Nigeria and many other African countries were

told that privatization will help cut public sector inefficiency and waste and provide greater economic growth. Not so much of this have been experience in Nigeria sad to say (Nwoye, 1997).

All said and done, there is yet to be literature abounding on the continual operational efficiency, better utilization of public resources, enhanced performance, employment generation, service delivery just to mention a few and the effectiveness of such deregulated/ privatized corporations. It has also been observe between the periods 1981 when the privatization programme started, that the TCPC offered 1, 486,772,063 shares to Nigerians from all spectrums of life. That privatization also expanded personal share ownership in the country in former public enterprises. As at 1993, over 800,000 shareholders were created, almost twice as many as there were in 1988 when TCPC was established (Privatization Digest 2007). As true as this may be, one wonders the category of, and equitability in the distribution of shares, because research has confirmed that over 70% of Nigerians are still living below the poverty line of one dollar per day (Daily Trust, January 18, 2010). Another concern which has constituted a basic hoop in the policy exercise is the low rate (as per monetary value) in which most of these public enterprises were sold out. For example, it has been observed that the Bureau for Public Enterprises (BPE), in 2007 sold 125 firms for the meager sum of N540bn (Privatization Digest, 2007).

Several other arguments against the reform especially privatization have been pushed forward in the area of rising prices. Opponents fear that the private sector will exploit consumers (the exact situation in the telecom sector) where there is monopoly or oligopoly power such as raising the prices of goods. At the heart of the criticism of privatization, is the perception that it has not been fair-

hurting the poor and the vulnerable workforce, while benefiting the rich, the powerful and the privileged- thereby perpetrating poverty. To add, workers dismissed as a result of privatizing have had great difficulties finding other jobs, a large number of people without jobs are forced to accept jobs with lower pay, less security and fewer benefits. They, therefore, believe that the aims of privatization are to reduce labour cost and numbers and to brake Union power (Nwoye 1997).

One other argument is that even if the policy contributes to improve efficient and financial performance, it has not been able to address the issue of equitable distribution of wealth possibly due to corruption. Corruption is the single most distinctive factor responsible for the pitiable state of affairs in many developing countries including Nigeria. It distorts the economy through waste and misallocation of resources and creates need for external assistance. Transparency International has for a long time decried the evil consequences of corruption and has identified acute corruption in many developing countries. For example in 1997, its Annual corruption index rated Nigeria as the most corrupt country on earth, followed by Pakistan and Kenya. By 1998 the index moved and Cameroon, displaced Nigeria as number one. (Transparency International, 1997 &1998).

Some misguided Nigerians have argued thus "…….after all, corruption is everywhere including industrialized countries. It is true that corruption is a widespread phenomenon, and so are industrial development and technological advancement. Why it then that when industrialized countries are pushing for technological invention, African countries are busy expanding only the frontiers of corruption and poverty prone ventures? (Nwoye, 1997).

Some critics have also argued that a policy like privatization is neo-colonialism since it is being pushed by IMF, World Bank, and their agencies. It is not an indigenous idea; therefore, it will not work. This assertion is true because (Omoren, 2007) observed that right from the onset, the most publicly persistent and organized opposition of the policy in Nigeria has come from labour movements. There have always been strikes and counterstrikes in Nigeria against any decision to privatize a government agency, increased school fees, none payment of salaries or the inability of new managers to settle outstanding allowances. Sometimes, workers have succeeded in blocking or slowing down the privatization of specific enterprises. In other cases the government simply has brushed aside labours opposition leaving a legacy of anger and political tension. What is obvious is that workers are reacting against threatened jobs or the possibility that benefit might be jeopardized under new management. The fact remains that critics of the privatization are consistently portraying its negative effects on income distribution and workers welfare.

2.1.5a Lessons from the Nigerian Deregulation/Privatization

Firstly, the way and manner, in which the privatization policy is being pursued in Nigeria looks as if government just wants to establish a reputation that there is no alternative to the policy, on the one hand, signal to potential investors the direction of government continual policy. From all indications, privatization posits necessary steps in the establishment market (capitalist) mode of distribution of goods and services in Nigeria which may not work. Another question in the minds of inquirers is how to fully implement these policies in the face of an ill prepared private sector. To this, Nwoye (2006:4) puts that;

Given the fact that the initial impetus for privatization policy in Africa (Nigeria inclusive) came from creditor institutions, especially the IMF and the World Bank, as part of the push for structural adjustment, many believed that there must be a hidden agenda in the form of economic exploitation. It is principally the conditionality that was attached to privatization vis-à-vis debt relief and the financial assistance that provoked resentment from the public view, especially labour, which views privatization as creditors' initiative hence a good number of the larger enterprises being privatized are bought over by foreign interests.

Secondly employment creation has been one of the basic objectives of the deregulation reform. In Nigeria unfortunately, more job loses have been experienced by labour in many privatized public enterprises including the telecommunication sector. Empirical evidence and research findings have revealed this. For example, in a more recent study conducted, a catalogue of privatized public enterprises and their status compiled in 2011 revealed thus; Federal Superphosphate fertilizer Company-2005, Daily Times Plc-2004, Electricity Metre Company of Nigeria-2002, Peugeot Automobile of Nigeria-2004, Nigerian Sugar Company Bacita-2005, Nigerian Paper Mill-2006, Ajaokuta Steel Complex-2007,Delta Steel Company Ltd-2005, Oshogbo Steel Rolling Mill Company Ltd-2005, Jos Steel Rolling Mill-2005 and NITEL 2006, all except Peugeot Automobile which is shaky are not performing and massive job lost was also witnessed (Abubakar, 2011). This has made many to question the authenticity of the deregulation/Privatization reform even as most existing literature has shown that job losses or destruction in the public sector is assumed to be exogenous and independent of the labour market. Garibaldi and Brixcova (1998:296-703),Wildu and Ferhat (1997:105).

Shonekan (1998:7) observed that "the surge in imports on the account of trade liberalization however, meant increase competition for local manufacturers.

Many of them who could not compete were forced to go out of business. This of course affected a number of poorly managed establishments, which in turn lay off their workers thereby aggravating unemployment. Massive jobs destruction have continued unabated in Nigeria as a result of privatization/deregulation.

To Okigbo (1986), in Baiye, (2003), unemployment initially was viewed by the ruling class as a normal feature of the economic structure, graduate unemployment created by the same economic crisis is now given attention because of its threat to political stability. In respect to mass unemployment, it seems government has placed its faith on the organized private sector for curbing the situation (this is not really working). The ruling class also expected the economy to expand massively and become self-sustaining to at least solve some of these problems by the year 2000 A.D (we are yet to witness such massive expansions for over a decade now). (Baiye, et'al ,2003),

Thirdly, the liberalization exercise has been controversial in part and fraught with a great deal of resistance from entrenched interest who were accustomed to diverting public resources for private gain. Though there have been questions about the privatization of particular public enterprises (such as whether the process was fair and transparent, or whether private monopolies were being created). To this, the then vice president Goodluck Jonathan conceded to the fact that due process was not followed in the sell of some national assets. (Odo, 2007).

Fourthly, there is this strong believe from several quarters that privatization policy is not necessary. Public enterprises need not run at a loss; all they require is good managers, less political interference, competent board of directors and especially more rational pricing policies. There is also the assertion that it is the

politicians and the bureaucrats that caused the public enterprises to perform poorly, but only labour are asked to carry the burden of the reform; critics view this as injustice. To add, the Ibrahim Babangida government (1985-1993) was the first to adopt a privatization progaramme. The policy was one of the prescriptions usually imposed by the IMF and World Bank, and Nigeria was desirous of working with the two institutions. The privatization primary concern was the notion of efficiency and performance of the public enterprises (Daily Trust, 2010). Policies such as privatization, therefore, are seen as an imposition by foreign capitalist and agencies like the IMF and the World Bank; therefore, the policy must be meant to exploit the developing countries.

b. Lessons from Empirical Works

From empirical works captured in the African Economic Research Consortium (2002), the methodology adopted by scholars like Ajakaiye, O, Soludo,C, Ogunkola, O, Megginson et al (1994,1998), Boubakri and Cosset (1998) is faulted on the premise that, they, relied heavily on total factor productivity in assessing the impact of deregulation in the Nigeria telecommunication sector; a pure macro-economics analytical approach predicated on differentials effects on telecommunication to determine the level change from one point to the other in terms of cost, expenditure, profits etc. and levels of patronage. NITEL/MTEL; being a public organization, later a government company was established sorely for service and welfare purposes, not necessarily profit maximization. For a commercialized company to provide services at cheap and affordable prices (not profit emphasis) as purported by government was not in tandem with objectives. Moreover, NITEL/MTEL witnessed a persistent low level of patronage and or rationalization of staff with

deregulation as against employment and wealth creation. Additionally, time lapse of split into terrestrial line (NITEL), NITEL GSM (MTEL) arm and eventual liberalization of the sector was not sufficient enough to adjudge the impact of their methodology.

Alabi's work (1996) essentially focused on socio-economic, technical and policy issues in the telecommunication sector. We will more or less assume that his work was more on technical issues of deregulation policy and not impact on people social wellbeing, because, he concurred to the use of government as an effective organ if the country must develop technologically and that operational maintenance strategy be premise on a structural organization that assigns full responsibility to zonal/state administration working directly with the central office of the administration as one of the key recommendations. If his work were socio-economic impact focused, we would have been able ascertain the effect of deregulation on wellbeing (social) business (economic) and efficient/effective service delivery (technical).

2.2 Theoretical Framework: Theory of Organizational Change and Development

Parsons (1962:71) sees a theory as a set of logical relationship used to classify empirical phenomenon and, in empirical reference, attempts to account for whatever may be the degree of uniformity and stability of such phenomena. In this work, some theories were considered for adoption as theoretical framework in order to logically assess and explain deregulation as key public sector reform. First, is the capitalist model which stems from the works of Smith (1776) in his book the "Wealth of Nations" where he emphasized private capital accumulation

or the ownership of the means of production. The basic assumption of the capitalist is built around the invisible hands (The forces of demand and supply), be allowed to dictate the tunes of the economy, that is, demand and supply of labour are both functions of real wage rate (i.e. wage cutting and reduction in domestic consumption). This model may not be very suitable for the fact that the markets approach is not only being associated with economic, social and political imperfection, but has failed to explain in content those aspects that ensures or bring about change in an organization.

The theory of organizational change and development was found more appropriate in explaining relationship amongst variables and examining the reforms in Nigerian public enterprises. Organizational change and development as a concept attributes change to both exogenous and endogenous factors which could be directed to induce desired changes in specific systems or organizations. The reform strategy in the Telecommunication Sector by our understanding is believed to be exogenous (IMF/World Bank) in nature. As observed earlier, deregulation taking the form of trade liberalization, privatization and commercialization are the major planks of the reforms going on in the Nigerian Public enterprises vis-à-vis the telecommunication sector.

The justification for the choice of organizational change and development as the theoretical framework for this work is that it is in conformity with the objectives of the public enterprises reforms, which are designed to effect positive changes in the structure of the enterprises (Nigerian Telecommunications Plc) in particular and the Nigerian economy as a whole. Structural changes in the economy must necessarily be accompanied by changes in institutional and organizational structures which are supportive of the macro-economic system.

Organizational change and development is explained by Paine and Naumes (1978); McKinney and Howard (1979); Fredrickson (1983); and French and Bell (1992) as involving a number of deliberately planned alterations in organizations aimed at bringing about efficiency. McKinney and Howard (1979:135) considers organization development to be “top-directed, planned, organization-wide change in order to achieve effectiveness and productivity.” In other words, organizational change must be seen to have its origin in policy decisions that aims at transforming an organization from a present state into a desired future form (Caphin and Sahay 1992). It is however; clear that organizational or systemic change programmes and development must originate at the highest levels of management or government. The liquidations, rationalization, commercialization, privatization and or deregulation have their origin form highest policy making bodies, in Nigeria.

It is important that certain elements concerning the organization to be changed and developed be clearly identified. This must start with the identification of the individual boundary of the organization spanning through the legal definition of the organization (Public enterprise) to description of its operators and objective.

On the whole, development of an organization should have positive impact on the following aspects:

i. Organization content

ii. Organization structure

iii. Information and communication

iv. Goals and objectives

v. Decision making procedures

vi. Rewards and control systems.

Any attempt by the initiators of organizational change and development should be able to explain the present state of the organization, where we want to be and how to get to where we want to be. In the process of deregulating, necessary alterations must take place as stated above in the organization (NITEL/MTEL) where and when the need arises to achieve the desired result or impact.

Our opinion here is that the move to induce desired change to enhance efficiency in the telecommunication sector through deregulation or privatization had the above objectives. This involved deliberately alterations/reorganization in NITEL/MTEL such as dissolution and reconstitution of new boards, restructuring of departments and sections, reviewing existing policies and new business strategies, investment (machineries, personnel etc.) and the implementation of new programmes design to enhance effectiveness with which NITEL/MTEL was supposed to respond to the change just to mention a few. Secondly, certain elements concerning NITEL/MTEL to be changed and developed were at least or clearly ascertained and especially the identification of individual boundary (leasing out telecommunication services), within their legal definition (Public Enterprise/Statutory Organization) and the description of activity (telecommunication business) and those who participate in its operations, objectives or both. Such individuals must of a necessity embrace:

i. change management;

ii. team building;

iii. culture change management;

iv. total quality management;

v. business process re-engineering;

vi. Performance management as vital aspects of organizational development to ensure the desired transformation.

Additionally, organizations structure must not only be patterned in such a way to ensure effectiveness and productivity, but policy decisions that aims at transforming NITEL into a modernized telecom outfit for the benefit of all and sundry. With the commercialization between 1992 and 1993, there was the restructuring of the NITEL which subsequently gave birth to MTEL in 1996.There was the restructuring of the boards (both NITEL/MTEL), management structure, tariff structure besides the provision of modern digital exchanges and new modern technological devices in order to enhance the provision of services. The eventual liberalization of the telecom sector in 1999 was to ensure more changes, new challenges, broader choice to the Nigerian populace, service provision at affordable prices and much effectiveness in the industry.

The TCPC in its recommendation mentioned that organizational content, structure, information and communication, goals and objectives, decision making procedures, rewards and control systems should feel the impact of organization development (Zayyad, 1991). It is in our view, therefore, that the reform strategies (deregulation) in the Nigerian Telecommunication sector had the objectives same as above. Most probably, the inability of NITEL/MTEL to keep pace and other possible problems must have stalled the reform process as indicated somewhere in our analysis.

Nigerian public enterprises need changes (the telecommunication industry inclusive). These changes may not always be positive. This means that certain changes in an envisaged programme (deregulation) of organization development

may indeed be dysfunctional. Frederickson (1983) says “change in the organization can either be positive or negative e.g. increase in wages and salaries or, retrenchments in the organization, introduction of new services or cutting down on existing services. Negative change in the organization could result in threat of resistance from employee, damaged reputation to the organization, threats of litigation, suspicion on the organization.” The deregulation reforms in the telecommunication sector also resulted in all or some of the above mentioned outcomes.

2.2.1 Process of Organizational Change:

As earlier stated, organizational change could be internal or external and is characterized by the following process:

i. Organizational change involves learning.

ii. Learning, in this context, involves changes in both ends and means- the Goals such as survival, profitability, service to clients and growth that seem to be quite stable.

iii. Change is a constant in an organization’s learning process, hence dictates dynamic equilibrium. Organizations could adapt to changing conditions and still maintain stability (French and Bell, 1992). Here, we are interested in knowing the extent to which NITEL/MTEL under deregulation have not only learn but is at equilibrium with MTN and GLO, profitable, effective service delivery to clients, survive in the face of competition and maintained stability (based on the resources available to them and or support from government).

2.2.2 Sources of Organizational Change

a. Environmental change is a stimulant to organizational change. The environment cuts through technological, legal, economic, demographic, political, cultural and ecological elements. (Nigerian) environment is very relevant to the dictates of the ongoing reform in the telecommunication industry.

b. Modification of the goals of the organization is a source of change

c. Changes in organization are also gingered by introduction of new methods of processing materials and/or information (technology).

d. Psychological and social systems are also impetus for organizational change, as motivation is a source of lasting changes on organizations.

e. Another source of organizational change is the structural subsystem. For example, different ways of dividing work and new means of co-ordination can be introduced to make an organization more efficient as already seen earlier. (Paine and Naumes, 1978)

Planned change should among other things, be both (quantitative and /or qualitative) so as to enable future evaluation. Lastly, after the change has been implemented, there should be a follow-up appraisal of actual results compared to the plan.

However, changes of whatever sort, should anticipate resistance. Time, energy and money are costs which could constitute strong source of resistance to changes especially when so much effort has been sunk into the existing system (NITEL/MTEL in particular). Lack of clear lines of communication could result into resistance to change. Stakeholders should be made to understand the reason and importance of such changes.

As indicated already, the environment for change is a necessary condition for success or failure of a policy (in our context deregulation). Our focus is on the regulatory environment within which telecom operators and potential new entrants functioned driven by the political and cultural ethos within a country, traditions or practices of respect that may not allow for open critique of state processes or institutions. Just like Berg (1999: 262), observes, “What is feasible and desirable to contract out or spin off (or lease) to private agents depends on a large number of situation-specific circumstances, such as; the suitability of the political and regulatory environment; the centrality of the activity to the agency’s operations; the degree of inefficiency of in-house operations and potential supply of competitive providers and the feasibility of competition-enhancing interventions by the state” (the above seriously demonstrate government’s will power, more so as it deals on monitoring and bargaining power to the best bidder(s) in the event it becomes necessary leasing out government property). In cases where performance indicators show performance satisfactory but perception is low, the problem is easily linked to that of regulatory actions especially if it involves alleged corrupt practices and lack of transparency in the policy. For example, the general believe is that due process was not followed in the privatization/deregulation process in the Nigerian Telecommunication Sector beside other corrupt practices and insincerity.

Secondly, stakeholders with an interests of improving the sector to help the public e.g. academics, research organizations, journalist, telecom consumers or user groups, the civil society, other government agencies just to mention a few may have meaningful contributions on how to improve policy which may not really

have any impact hence power lies with the regulatory agency, policy making body and the minister of communication.

Chang and Singh (1993) have argued that since numerous factors (besides ownership) affect the efficiency of any firm, some of the policies pursued under deregulation may not be the only solution for reversing the poor performance of outfits such as the NITEL/MTEL. In fact, implementing these reforms under duress-such as that undertaken to fulfill conditionality related to the structural adjustment-could obfuscate the policy signals that are so beneficial. We indicated earlier that specific interest have often pushed for privatization because it opens up new possibilities for them to public assets cheaply and also as some parts of black business, because it opens up new opportunities. When they are under pressure, government may implement the reforms when the conditionality is still binding, and become lax or non-responsive afterwards. Thus, conditionality-driven reforms could lead to time- inconsistent behavior and to loss of credibility.

To this, Odife (1988: 85) succinctly puts it that no one could question the intended consequences of the package “SAP” and its various planks except for reasons that the unintended consequence have been seen in various countries where the package does not appear to have worked and that if the IMF package is to be of benefit, then, the unintended consequences must be re-examined as a way of solving the problem particularly in the Nigerian public organizations.

There is no doubt we should begin to question more seriously the market fundamentalist and their policies which have continually preach the ideology of perpetual dependence of developing economies on the IMF whose dealings have always been with the finance ministries and Central Banks. (Stiglitz 2001:37).

There is also no doubt from the Marxists point of view that the “capitalist system” or rather “market approach” right from time has been associated with economic, social, and even political imperfections, restructuring and unemployment (Stiglitz, 2001:36).

It is now clear as crystal to every keen observer that the market system has failed as justified again in the 2008 financial “melt-down”, and that solution needs be sought out elsewhere to forge developing economies development ahead (Nigeria inclusive).

It is important to note that the major proponents of these reforms such as America, Germany, Britain, and Japan just to mention a few are all facing recession. “In fact good economic policies have the power to change the lives of the poor. Our believe is that governments need to, and can adopt policies that not only help countries grow, but that also ensures that growth is shared more equitably. To Stiglitz (2001), deregulation or privatization as the case may be is important if only it helps companies become more efficient and lower prices for consumers. Impliedly, deregulation and privatization as policies (change) initiated from the top should of a necessity benefit all and sundry in Nigeria.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents and describes the various instruments used in carrying out the research. These include explanations on the design of the research and sources of data; the method and criteria uses in collecting data and the various techniques used for analyzing the data collected. Furthermore, the basis for the use of field work vis-à-vis the analysis of data as carried out by the researcher will be explained.

3.2 Research Design

In this research, the survey research method as one of the investigative techniques or rather a primary source of generating or direct acquisition of relevant data from the field because of its originality was used. The survey research studies both larger and smaller groups of the population. According to Ijaya (2000) and Razak (2006), “survey research is an investigation of an entire population of people or items where sample data are drawn from such population with the assumption that these samples are a true representation of the entire population”. The survey method studies large and small populations whose samples are selected and studied in order to obtain relative incidence, distribution and inter relation of variables in the study, (Kerlinger, 1999; Obasi 2000, Osuala, 2005). To Osuala, (2005:255), this kind of survey by definition is the sample survey and is found more appropriate in describing and interpreting exiting situations, through face-to-face interviews and questionnaire administration.

This technique also provides information on facts, attitudes, and opinion of people towards an event, problem or object. The survey research will not only give direction to the study, but is more economical helps the use representative samples of the target population to make inferences, deductions and generalization of the entire population. Hence, the views of respondents on the effects of the deregulation policy in the Nigerian telecommunication sector were captured using the survey method.

3.3 Instruments for Data Collection

Data is mainly classified into two i.e. Primary and Secondary data. Data was collected basically from these two sources.

3.3.1 Primary Data

This is meant to originate from first hand information derived by the use of some techniques like discovery, interviews and the outcome of the administration of questionnaires.

3.3.2 Questionnaire

The questionnaires in this research consisted of questions relating to the three hypotheses administered amongst staff of MTEL/NITEL, MTN, GLO and consumers of telecom services to ascertain reasons for and government's preparedness before deregulating, the performance of telecom outfits in terms of level of coverage, service provision (how efficient and effective), pricing, accessibility of services provided, affordability of the services by customers and other positive changes that must have occurred as a result of deregulation like employment creation, quantum off low resources (in form of technical and competent personnel, improved skills based on modern training, better management, adequacy of staff, finance etc.). The questions were specifically

structured after the Likert scale questionnaire method in such a way that was used for seeking answers which the respondent filled himself. However, back up questions were also used to provide explanation especially on areas of doubt.

3.3.3 Interview.

This method of gathering primary data was used in this research because of its many advantages. As a face-to-face interview situation, the interview especially with political and enterprise top-shots, permitted the researcher to obtain first-hand information concerning the respondents perceptions, experiences, attitudes and beliefs on deregulation. In this research, structured interview questions were used. Selected respondents for interview include; the Director Generals and other top management staff of (NITEL/MTEL) the Bureau for Public Enterprises, Nigerian Communication Commission (NCC), Directors of MTN, GLO and Consultants that are playing key roles in the implementation of the policy in the telecommunication sector.

Others include political office holders/members of the civil society (including the Vice President/ Chairman National Council on Privatization, former Personal Assistant to Dr. Hamza Zayyad, former Chairman of the Technical Committee on Privatization and Commercialization), union leaders of NITEL/MTEL (past and present).Fourteen (14) persons in all were selected on appointment and given the interview schedule in advance. Only seven (7) persons were successfully interviewed representing 50 percent of the sampled population, the information gathered from the respondents was judged very useful for corroborative purposes.

This method was used because it is particularly useful as an explanatory device and it permits follow-up questions that the questionnaires did not allow.

This was carried out by both the researcher and by experienced field assistants. For the highest officials and political office holders, the researcher himself interviewed.

3.3.4 Non – Participant Observation.

Personal observation was also employed in this study. Through the use of this technique, the researcher by way of interaction attempted to assess present behavior of consumer respondents on preference of particular GSM outfit or service to another as a corroborative process particularly where our questions were unreliable in capturing some facts and occurrences. Below is a checklist of what was specifically observed on behavior among consumers as regards the quality of service.

Checklist.

i. Clarity of calls: Constant complaints on poor calls clarity and lines.

ii. Quality of dialing tone: Complaints on poor and low dial tones and call cuts.

iii. Text messages and their delivery: Untimely/delay delivery of text messages.

iv. Congestion of lines: Constant congestion which has often resulted in consumers trying several times before calls get through.

v. Quality of Mast: There have been cases of collapse of communication mast on people and buildings resulting to deaths besides constituting health hazards around residential areas.

vi. Nature and type of workforce: Majority of the workforce engaged by new telecom outfits are contract staff.

vii. Billing System: Complaints on removal of charges by consumers even when calls are not delivered.

viii. Spread of Service: Many travellers have complained of being out of service areas and therefore cannot make calls even in the face of danger.

3.3.5 Secondary Data

This research made extensive use of secondary data especially relevant data of quantitative nature (empirical data) that had direct relevance to the research questions and hypotheses such as enterprise prices, investment, personnel strength and newly acquired skills (quality) and output under the new managers. Other sources of secondary data that were used include official publications of the Bureau of Public Enterprises (BPE), National Planning Commission (NPC), Central Bank of Nigeria (CBN), Federal Office of Statistics (FOS) Nigerian Communication Commission (NCC). Annual reports, National Dailies, News letters and publications from the selected telecom outfits and their various websites to source information on why (efficacy) or what the country stands to benefit from the deregulation of the telecommunication sector. Data was also sourced from empirical researches, documents of the World Bank, UNDP, ILO, IMF, and other journals and publications. Text books, monographs, the internet, magazines also formed part of the secondary data. This was used to complement our primary data.

3.4 Data Collection

a) Population Size

The total population of this study is Eleven Thousand Five Hundred and Seventy Six (11,576) comprising of both staff and consumers of telecommunication services i.e. NITEL/MTEL, MTN, GLO and the represented in table 3.1c.

b) Sample and Sampling Procedure

Sampling helps to deal with part than the entire populations for better supervision to enable us obtain quicker results.

In taking sampling for this research work, the staff population of NITEL/MTEL MTN, GLO and the BPE, was stratified into Top management, senior staff and the junior staff as presented in table 3.1a, i.e. NITEL/MTEL, Two Thousand Seven Hundred (2700), BPE, One Hundred and Seventy Six (176) MTN Three Thousand Eight Hundred (3800), GLO Four Thousand Six Hundred (4600) and Consumers of services presented in table 3.1c, Three Hundred (300), giving us a total of 11,576.

However, using the judgmental sampling method, only the top management and senior staff were used i.e. NITEL/MTEL Six Hundred (600), BPE One Hundred and Fifty Four (154), MTN (1800), and GLO (2000). Three Hundred (300) respondents, fifty (50) each selected from the six geo-political zones of the country (North-East, North-West, North-Central, South-West, South-East, South-South) using the accidental sampling technique as consumers of the services of the telephone were also included in our sample size. The reason for this is not far fetched; these groups are considered relevant in terms of

appreciating the value of research as well as having access to the required information used in this study.

Table 3.1a: Population and Sample Size of study

S/N	Organization	Overall Staff pop.	No. of Staff (Top Mgt/Snr. Staff)	Sample Size of Respondents	Percentage
1	NITEL/MTEL	2700	600	48	13
2	BPE	176	154	11	3
3	MTN	3800	1800	147	40
4	GLO	4600	2000	162	44
TOTAL		**11276**	**4,554**	**368**	**100**

Source: Researcher's Survey, 2010.

In determining the sample size of the population of study, Yamane's (1967) formula as expressed by Israel (1992) is used thus;

$$n = \frac{N}{1 + N(e)^2}$$

Where n = sample size

N = Total population

e = Level of Significance (95%)

$$\frac{4{,}554}{1 + 4{,}554(0.05)^2}$$

$$\frac{4{,}554}{1 + 4{,}554(0.0025)}$$

$$\frac{4{,}554}{1 + 11.385}$$

$$\frac{4{,}554}{12.385} = 368$$

The sample size for the study is 368 respondents representing 8.1% of the total population of 4,554. The sample population was hinged on Best and Kehn (1989) who opined that a minimum of 5% of the population is a good

representative sample for any research. To arrive at the percentage of respondents, we divided each staff population with the overall population (4,554) multiplied by 100. Now to arrive at the sample size of respondents for NITEL/MTEL, MTN, GLO, BPE, we divide the percentage of each of our population by 100 and multiplied by 368 as represented in Table 3.1a. Our total sample size therefore is Three Hundred and Twenty Seven (368) drawn as follows; NITEL/MTEL 48, BPE 11, MTN 147 and GLO 162. Using the judgmental sampling method, The Three Hundred and Sixty Eight (368) respondents were selected systematically given by $\frac{N}{n}$. Where:

N = Total of population

n = Sample size population

We can therefore number our respondents thus; 4,554 divided by 368.

$$N = \frac{4{,}554}{368} = 12$$

The "n" 12th was used as the starting point. As such, staff were numbered and picked accordingly e.g., 12th, 24th, 36th, 48th, 60th, etc. The researcher is of the opinion that this number deems a good representation of the entire population. Our relevant interviewees were also picked using the judgmental sampling method in sub-heading 3.3.3 page 73.

The importance of selecting staff and consumers of products and services as subjects of this research cannot be overemphasized. One, it is considered here that only top management and senior staff of sampled organizations and that of the BPE could have relevant information and insights regarding relevant subjects on deregulation in areas like increased service delivery, efficiency, employment etc.

Table 3.1b Sample Size of Consumers

S/N	location	Sampled Respondents
1	North-East	50
2	North-West	50
3	North-Central	50
4	South-West	50
5	South-East	50
6	South-South	50
TOTAL		**300**

Source: Researcher's Survey, 2010.

Secondly, the second group i.e. the consumers of the products /services since their number in undetermined as represented in table 3.1c, 50 respondents were selected from each of the six geo-political zones. These are very important because, questions asked bother on efficiency in terms of quality of service provided, availability, tariffs and affordability of services of the telecommunication outfits involved. The respondents from this group cuts across Business men, Civil Servants, the academia, Students, Traders just to mention a few. To the researcher, only the views of these groups would be more acceptable in respect to services rendered by the telecommunication outfits in the face of deregulation. As stated earlier, the systematic sampling technique was used in the case of staff from NITEL/MTEL, MTN, GLO and the BPE, while from the second group accidental sampling was used.

Table 3.1c:Summary of Sample Size Population of Service providers and Consumers

S/N	Organization	No. of Staff (Top Mgt/Snr. Staff)	Sample Size of Respondents	Percentage
`	NITEL/MTEL	600	48	13
2	BPE	154	11	3
3	MTN	1800	147	40
4	GLO	2000	162	44
TOTAL	**-**	**4554**	**368**	**100**
5	Consumers	Undetermined	300	-
TOTAL		**-**	**300**	**-**

Source: Researcher's Survey, 2010.

The sample size is considered highly representative of the entire population for making inference and arriving at a general conclusion over the total population of the study.

3.5 Procedure for Data Analysis

This research used tables and chi-square for data presentation and analysis.

The simple percentages were employed for descriptive analysis, while chi-square was used for the purpose of inferential analysis.

Chi- square is usually used to measure the level of disparity between observed and expected frequencies and given as:

$$\chi^2 = \sum \frac{(0-E)^2}{E}$$

Where: X = Chi-square

O = Observed Frequencies

E = Expected Frequencies

Σ = Sigma or Summation

The expected Frequency is usually calculated by multiplying the column total by the row total and dividing the result by the grand total for each cell.

$$E = \frac{CT\ x\ RT}{GT}$$

The Degree of Freedom in the number of freely varying scores within the sample is always one, less than the sample size and is given as:

V = (Row - 1) X (Column – 1)

This was calculated at 95 % level of significance.

Decision rule (DR); Accept H1 when calculated value is greater than critical value and reject the H0.

The questionnaires used for our analyses were designed after the Likert scale method of questionnaire and centred on the necessity of deregulating the telecommunication sector, the effect of deregulation on increased lines, trunks the extent of network coverage, efficient and effective service delivery, tariff and affordability of services by consumers etc. The tables/variables were analyzed with the aid of Statistical Package for Social Sciences (SPSS) products.

CHAPTER FOUR

HISTORICAL BACKGROUND OF THE TELECOMMUNICATION SECTOR IN NIGERIA

This chapter examines briefly the historical background of the NCC, NITEL/MTEL, MTN, GLO and their organizational structure.

4.1 Brief History of the Nigerian Communication Commission (NCC)

The Nigerian Communications Commission (NCC) was created under Decree number 75 by the Federal Military Government of Nigeria on 24 November 1992 as an independent regulatory body for the Nigerian telecommunications industry. The NCC was charged with the responsibility of regulating the supply of telecommunications services and facilities, promoting competition, and setting performance standards for telephone services in Nigeria(www.ncc.gov.ng/).

4.1.1 Organizational Structure of the NCC

The Nigerian Communications Commission's organisational structure is comprised of Fifteen (15) departments, including the Four (4) departments under the Human Capital & Infrastructure Group.The commission is headed by a board of nine commissioners, composed of the Executive Vice Chairman/Chief Executive Officer, two Executive Officers, and five non-executive commissioners.The EVC and the two Executive Commissioners are members of the board and in charged with the governance of the Nigerian Communications Commission and have oversight functions over all of the Commission's activities.

The Executive Vice Chairman (EVC)directly oversees nine (9) departments, including the Human Capital & Infrastructure Group, and the independent Internal Audit Unit.

There is also an Executive Commissioner - Technical Services (ECTS) directly supervising the departments charged with the oversight of technical standards, spectrum and engineering issues governing the Nigerian telecommunications industry.

The Executive Commissioner – Stakeholder Management (ECSM directly supervises the departments charged with addressing the needs of telecommunications industry stakeholders including vendors, service providers and consumers. Other departments include Spectrum and Administration, Licensing, Technical Standards & Network Integrity, Legal and Human Capital and Infrastructural Group Directorates. All these offices report to the office of the chief executive (www.ncc.gov.ng/).

4.2 Historical Background of Nigeria Telecommunication (NITEL/MTEL)

In Nigeria, telecommunication services were introduced by the advent of the British with the installation Magneto Exchanges in the 1920s. As these increase in number, the Posts and Telecommunication (P&T) Department was created to manage the domestic telecommunications infrastructure. It was in charge of the postages and telecommunication services within the country.

The evolution of the Nigerian External Telecommunication (NET) limited can be traced far back to 1886., when the first direct telegraph services between Lagos and London were operated through submarine cable by the African Direct Telegraphy Imperial and International Telecommunications (I&TC) Limited, London. The I & IC, limited changed the name to Cable and Wireless (C&W) limited responsible for Nigerian External Telecommunication Services throughout the pre-independence epoch.(FRN National Policy on Telecommunications1995).

The cable and wireless (C&W) company of the United Kingdom were providing external telecommunications services. On the attainment of independence, this was subsequently incorporated into 50-50 joint ventures between C & W and the Federal Government of Nigeria, to form the Nigerian External Telecommunications (NET) limited.

Precisely in December, 1963, the company, (NET) had the Federal Government holding 51% equity share and 9% held by C&W. subsequently, the Federal Government acquired the 49% held by C&W and consequently in October 1, 1972, NET came under the full control of the Government. The Nigerian External; Telecommunications limited and the posts and Telecommunications were merged on December 20, and by January 1, 1985 the merger was announced. The resulting company was the Nigerian Telecommunications limited (NITEL). The integration of the two parent organizations commenced in July 1985 and was more or less concluded by the end 1986. At inception, the company inherited NET's authorized share capital of 4 million shares of N1.00 each with N2 million fully paid. The company was commercialized and renamed NITEL Plc. in 1992 and further split in 1996 creating its GSM (MTEL) component to expand its coast of doing business. Even though NITEL was split in 1996, MTEL actually started as a separate affiliate mobile telephone arm of NITEL in 2003(AERC Research Paper 129, March 2002,NITEL's Privatization Short profile February 2006).

4.2.1 Organizational Structure of NITEL/MTEL

NITEL is structured on a tripartite basis i.e. the Headquarters, the zones and the Territories. The entire responsibilities are fashioned in such a way that corporate strategic and policy matters are handed at the headquarters directorate

level. While technical matters are handled at the zonal levels and operational aspects at the territorial level. The zones comprises a group of states while the territories are based on state structure except Lagos which is divided into two territories due to the number of exchange and the volume of business.

The Organization (NITEL) is headed by a Managing Director (MD) who equally is the Chief Executive and member of the Board of Directors. The MD is assisted by five (5) Executive Directors (ED) in charge of long distance communication; planning operations; Finance and Investment; Administration and Corporate and Zonal Administration. Under each of these EDs we have a number of General Managers (GM) with their various portfolios.

The GM in charge of legal and secretarial including three other Deputy GMs in charge of Internal Audit, Public Relations and Corporate Affairs, and Management Information System and Data Processing are directly answerable to the Chief Executive. This is against the GMs and DGMs who are first and foremost answerable to the EDs. This is so because of the sensitive nature of these units. (See Appendix B pg.39 for NITEL's organizational chart).(AERC Research Paper 129, March 2002).

As a separate affiliate mobile telephone arm of NITEL, MTEL had a Director General and seven (7) General Managers i.e. Marketing and Sales, Finance, Operations and Maintenance, Project Planning, Human Resources, Legal and Secretariat, and Technology and Communication besides three (3) other assistant General Managers in Corporate Communication, Audit and Admin and Logistics (Mnews, 2004).

4.2.2 Achievements of MTEL

With the MTEL sale to Transcorp in 2006, Ndi Okereke-Onyiuke, Chairman of TransCorp said the company was going invest over $1bn to turn NITEL and MTEL around and that TransCorp had secured €1bn at 4% interest from the European Union Development Council (EUDC) to fund the acquisition at a minimum cost. With this, MTEL went into network rolled out quickly to provide coverage to major cities such as Lagos, Abuja, Kaduna, Kano, Ibadan and Port Harcourt, but after the first year of GSM services the company had only 10,000 subscribers as we indicated somewhere in the next chapter. There was another effort by Ericsson in 2003 Ericsson to upgrade to provide 400,000 lines. This however turned things around by increasing MTEL's efficiency, further network expansions to the 776 government areas in Nigeria and improving the network management systems which were previously losing the operator valuable revenue. Most of the contracts awarded to Motorola and Ericsson in 2004 were actually completed by mid 2005. But the question here is whether there was sustainability of these achievements (mobilecomms-technology.com, 2010).

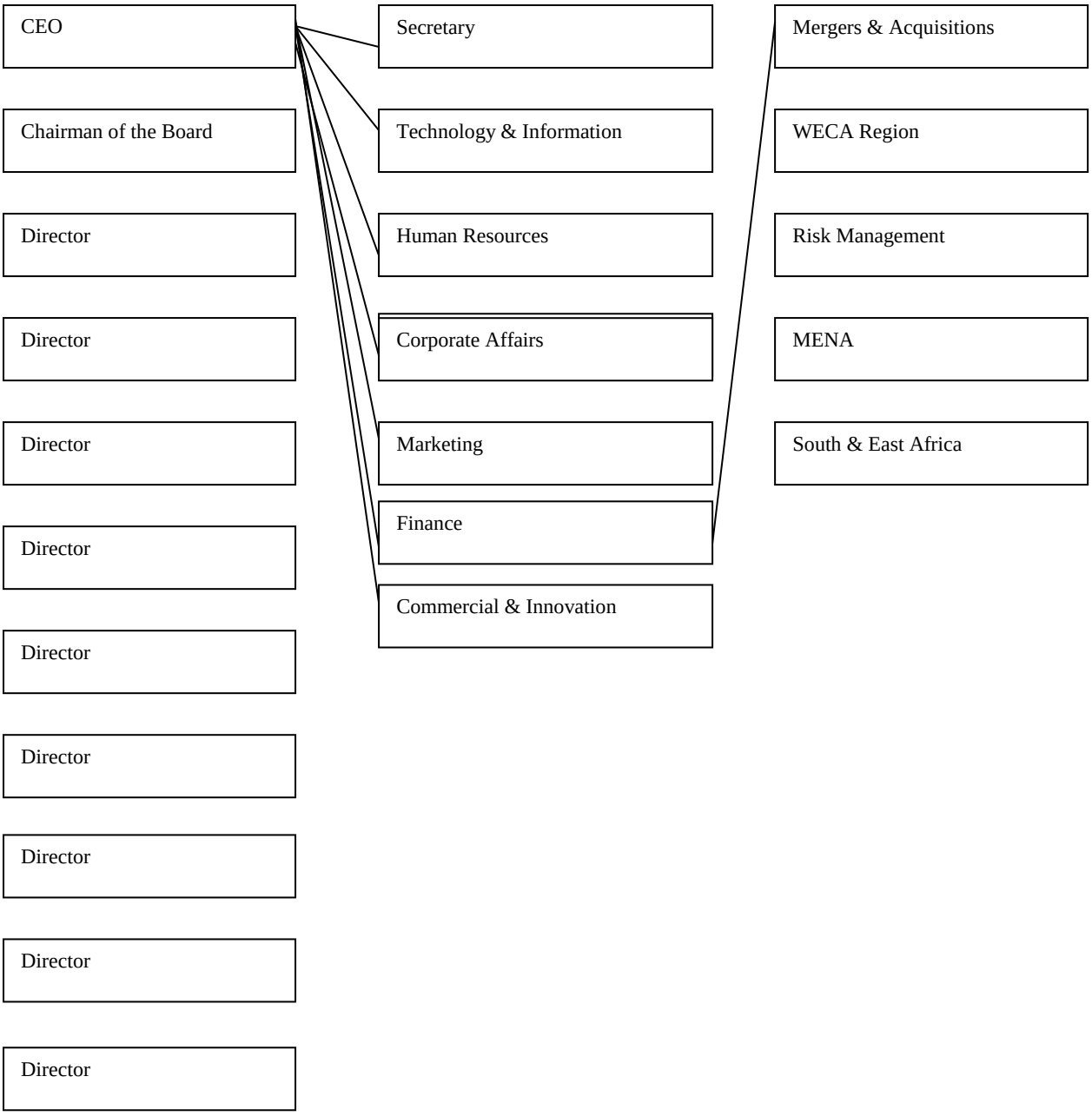
4.3 Brief History of MTN

MTN Nigeria was launched in 2001 and since then has grown with coverage in almost every part of the country. The telecom outfit has grown to be one of the needed catalysts in the Nigerian communications. The operator has gone through different stages. i.e. Sim Cards selling to others services and features like: free midnight calls, friends and family, xtraconnect, xtracool, xtrapro as well as GPRS services which offer great opportunities and data transmission speeds of more than 115 kbps.

4.3.1 Organizational Structure of the MTN

The organization structure of the MTN is highly centralized hence the company is not wholly owned by Nigeria. 75.8% of the shares are owned by MTN international, (MTNI) Limited, while only 21.2% is held by Nigerian partners and 3% owned by the International Finance Corporation. At the helm of affairs, is the Chief Executive Officer. The Management Board is made up of nine directors excluding the chairman of the board and the CEO who are also members of the board. All other departments i.e. the Secretariat, Technology and Information, Human Resources, Corporate Affairs, Marketing, Finance and Commercial and Innovation are directly responsible to the CEO. The department of Mergers and Acquisitions is directly under that of finance while regional organizations and Risk Management are to report directly to the board (www.mtn.org 2009).

Figure 1: Organizational Chart of the MTN



Source: www.mtn.org 2009.

4.3.2 MTN's Achievements

MTN is one of Nigeria's leading GSM Operators with coverage in almost ever part of the country and has grown from one stage to another with the company daily flirts to its customers with a wide array of services. Their sim cards selling which was as high as N15,000 at their launch gradually reduced to as low as N400 and below to enable the ordinary Nigerian enjoy their services. MTN has Nigeria facilities like MTNN digital Microsoft backbone, increased from a 2.3G bandwidth since 2009, a fibre optic network, vsat and still investing in more for consistency in performance and service delivery.

In terms of corporate social responsibility, MTN also gives back to the very communities it profits from by supporting HIV/AIDS victims, widows, orphans and the less privileges as well as sponsoring lots of footballing and other programmes through the MTN's Foundation. (See Appendix 12 Table 11a on activities, facilities…….) (www.mtnonline.com 2009).

4.4 Brief History of Globacom Nigeria

GLO was launched in Nigeria in 2003, with the vision of becoming the market leading service provider in Nigeria and an aspiration of building Africa's biggest and best telecommunications network. With over 25 million subscribers, GLO have realized the dream of being Nigeria's leading service provider. GLO has also extended its coverage to other African countries like the Republic of Benin, Ghana and the Ivory Coast, and are well on track to achieving their goal of being the biggest and best telecommunications network in Africa (www.gloworld.com 2009).

4.4.1 Achievements of GLO

As a company, Globacom recently made history as the first single company to build an $800 million high-capacity fibre-optic cable, known as Glo-1. The first submarine cable from the United Kingdom to Nigeria; which is expected to decrease telecom process and provide excess bandwidth to all the cities connected to the cable, digital network lines, a 3G Bandwidth and land lines phones (although land lines have been observed not really feasible in GLO). In the area of social corporate responsibilities, GLO like the MTN has been more into footballing and music (Also see Appendix 12 Table 11a). (www.gloworld.com 2009).

4.5 The Organization of the Telecommunications Sector in Nigeria

Major actors in the telecommunications industry include:

Ministry of Communications,

Utility Charges Commission

Nigerian Communications Commission (NCC)

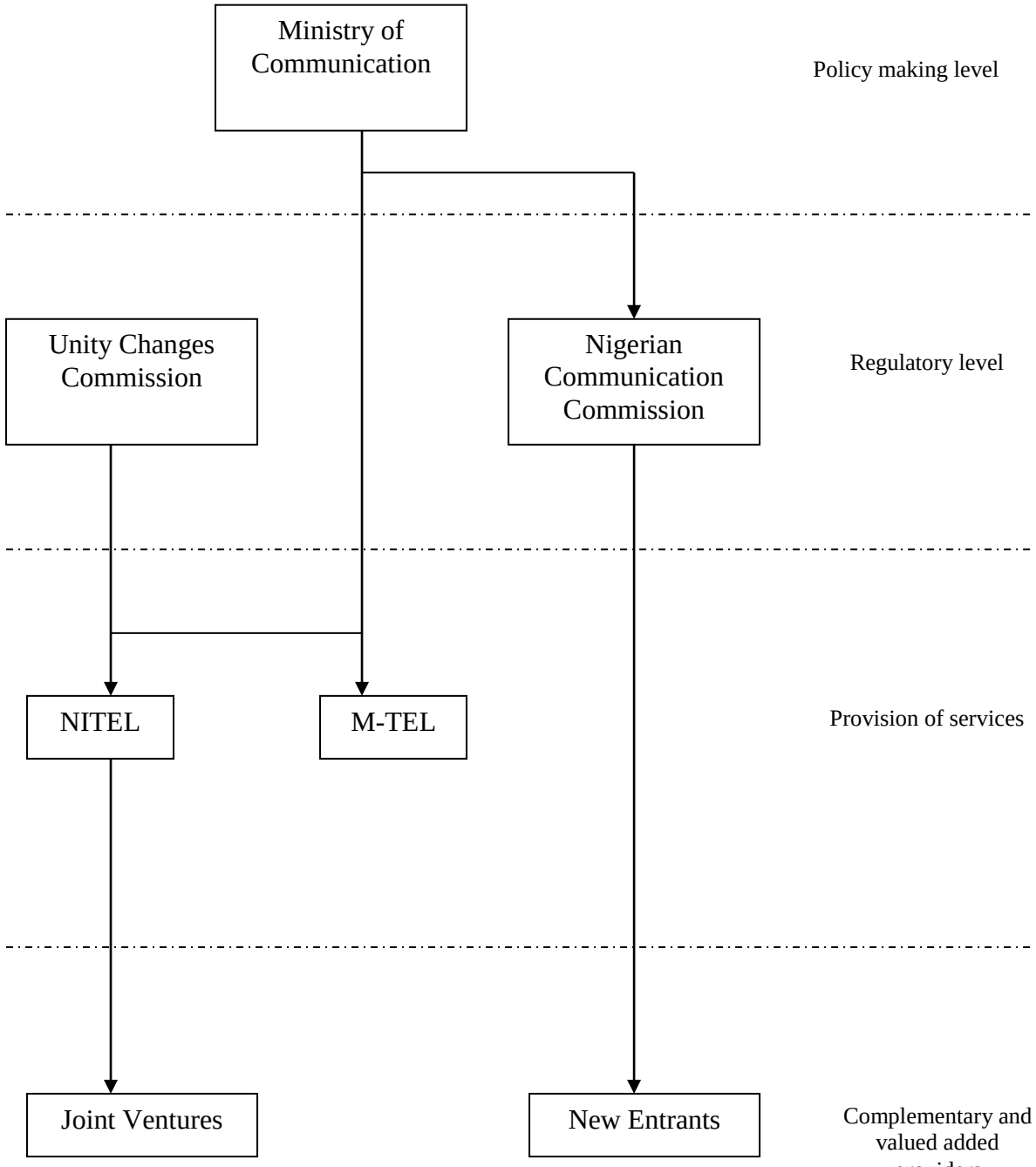
NITEL,

M-TEL

Joint Ventures

New Entrants

Figure 2: The organization of the telecommunications sector in Nigeria



Source: The Survey 2010

The above stated and as represented in figure 2, are the major actors in the telecommunications industry. The Ministry of Communications, which represents the government, determines policy and supervises NITEL, (The

incumbent operator), M-TEL and the Nigerian Communications Commission (NCC) a regulatory organ. Created in 1992 to regulate the industry, NCC is responsible for the approval of standards as well as the licensing and regulations of operators and service providers. The federal government, through the promulgation of Nigerian Communications Commission (NCC) Decree No. 75 of 1992, introduced private participation in the provision of telecommunications services in Nigeria. The second schedule of the decree listed telecommunications businesses open to private operators in different telecommunications services to competition.

The Utilities Charges Commission is responsible for the regulation of NITEL/MTEL's tariff. The functions are clearly an abnormality considering that telecommunications services cannot be treated as utilities in the strict sense and the NCC can best perform this role. The Bureau for Public Enterprises and the Ministry of Finance are other organizations that influence the telecommunications sector even though they not located in the official sectoral set-up. In isolated areas, the ministry of communications has granted private radio stations licenses, subject to security clearance. There are about 1125 licenses, as at the time of this study, and categories (HF, UHF and VHF) for fixed(AERC, March 2002).

CHAPTER FIVE

DATA PRESENTATION AND ANALYSIS

5.1 Data Presentation

In this chapter, data collected from both primary and secondary sources were analyzed. The bulk of the analysis is based on data gathered from primary source in order to determine if there have been significant improvements in service delivery in the telecommunication sector as a result deregulation. This data is a collection of responses questionnaires administered to the368 staff of our five selected organizations. From this total, 271 representing 73.64% of the total number of questionnaire administered were duly filled and returned.97 representing 26.36% did not return.

The rate of return of the Questionnaire is presented in table 5.1 below displays the responses on each question in a tabular manner for subsequent analysis.

Table 5.1a; Rate Return of Questionnaire by Respondents from Telecom Organizations and the BPE

S/N	Organization	Total No. of Questionnaires Administered	Total No. of Questionnaires Returned	Percentage (%) of Questionnaires Returned
1	NITEL/MTEL	48	46	96
2	Bureau of Public Enterprises (BPE)	11	10	90
3	Mobile Telecommunications of Nigeria (MTN)	147	98	66.67
4	Global Telecommunications of Nigeria (GLO)	162	117	72.23
	Total	**368**	**271**	**73.64%**

Source: The Survey, 2010

From table 5.1, 261 out of the 271 questionnaires return representing 96.30% were from the staff of NITEL/MTEL, MTN and GLO. The remaining 10 representing 3.69% were from the staff of the Bureau of Public Enterprises as the

major organ saddled with the responsibility of deregulating or privatizing Public Enterprises. For the Nigerian Communication Commission, interview was particularly useful because as the major regulatory agency of the telecommunication industry in Nigeria, issues raised bordered on policy and regulation matters and approval of standards in order to enhance the overall efficiency on service provision in the sector.

The consumers of telephone services in table 5.1b overleaf, are very important because as recipients of the services, we want to know if they are actually satisfied with the level of quality service delivery by telecom outfits compared to what they pay. The views of this group are not only acceptable with respect to services rendered but vital in corroborating responses from employees and policy makers. The responses were measured on the 5-point Likert Scale.

Table 5.1b; The Rate Return of Questionnaire by Consumers of Telecommunication Services in Nigeria

S/N	Location	Total No. of Questionnaires Administered	Total No. of Questionnaires Returned	Percentage (%) of Questionnaires Returned
1	North-East: Borno, Yobe, Adamawa, Taraba, Bauchi and Gombe.	50	28	56
2	North-West: Sokoto, Kebbi, Zamfara, Kaduna, Katsina, Kano, and Jigawa.	50	41	82
3	North-Central: Kwara , Niger, Benue, Plateau, Nasarawa, Kogi, and FCT.	50	37	74
4	South-West: Lagos, Ogun, Oyo, Osun, Ekiti, and Ondo.	50	32	64
5	South-East: Anambra, Abia, Ebonyi, Enugu, Imo.	50	34	68
6	South-South: Rivers, C.Rivers, Akwa-Ibom, Bayelsa, Delta and Edo.	50	36	72
	Total	**300**	**208**	**69.33%**

Source: The Survey, 2010

5.2 Data Analysis

5.2.1 Hypothesis 1

Our first hypothesis states thus;

H_0: Deregulation did not really improve performance and quality service delivery in MTEL and other telecommunication outfits in the nation's telecommunication industry.

H_1: The desired quality of service delivery has been achieved and the performance of MTEL improved with deregulation in the nation's telecommunications industry.

Table 5.2: Respondents Perception on the Deregulation of the of the Nigerian Telecommunication Sector

Response	**Frequency**	**Percentage**
Very High	98	36.16
High	69	25.46
Low	19	7.01
Very Low	75	27.68
Undecided	10	3.69
Total	**271**	**100**

Source: The Survey, 2010.

From table 5.2, perception on the deregulation of the Nigerian telecommunication sector was rated very high as indicated by 61.62%of the respondents, while 34.69% had a very low perception on the policy. 10/(3.69%) of the respondents were undecided. As indicated in our table, majority of the respondents felt the deregulating the telecommunication industry was to further expand and improve telecom services generally due to the inefficiency that bedeviled the sector for several years as indicated in the telecommunication's policy objective, break the monopoly power once enjoyed by NITEL, open up the

sector to further competition and broaden individual choice unlike when the telephone was only restricted to very few (particularly the rich).

The other set of respondents with very low perception on deregulation and mostly MTEL/NITEL staff felt even though the cardinal objective of the policy was to achieve efficiency in service delivery, not much has been achieved with the policy.

Table 5.3: Government's Intention for Deregulating the Telecommunication Sector has fully been achieved

Response	**Frequency**	**Percentage**
Strongly agreed	107	39.48
Agreed	60	22.14
Strongly disagreed	85	31.37
Disagreed	19	7.01
Undecided	-	-
Total	**271**	**100**

Source: The Survey, 2010.

Apart from enhancing efficiency in telecom services, ending the monopoly once enjoyed by NITEL through increased competition, deregulation (as intended by government) was also expected to achieve modernization and rapid expansion of services, reliable and affordable telecommunication system as key to promoting rapid socio-economic and political development in the section as enunciated in the national policy on communications (Appendix 3 National Policy on Communications).

Here, we are interested in knowing if the above stated has actually been achieved in the telecom sector with deregulation. As indicated in table 5.3, 167 representing 61.62% of our respondents held a very strong opinion that government's intention for deregulation had been achieved while 85/(31.37%)

and 19/(7.01%) had a contrary opinion on the issue. To the first group of respondents, the reform brought in new entrants into the telecom business (i.e. MTN, GLO, ECONET just to mention a few) leading to improved telecom services, affordable, broader choice, regulated cost and cheaper tariff in telecom services thereby improving overall efficiency in the sector.

Our second category of respondents (with contrary opinion) wondered whether the idea of integrating Nigeria into the globalized telecommunications environment has actually been achieved and if telecom services are efficient, affordable reliable and available to all.

One of our **INTERVIEW** questions, wanted to know "if efficiency has been achieved generally in MTEL/NITEL and other telecom outfits with deregulation". The response from some of them reveals that there is simply no efficiency and in what most of the new telecom outfits are doing. Practical examples are "Text messages" that take longer days before reaching the recipient. Further interview with some former NITEL/MTEL staff also revealed that most of the switches these new outfits are usually off and because the transmitters are not boosted enough to cover the links, there are usually weak signals from stations that are expected to overlap the radios resulting in poor network coverage. Obviously, efficiency should be given a second thought with the catalogue of problems faced in the telecom sector ranging from interconnectivity to low calls duration. Tables 5.4i.ii and iii, corroborates further on efficiency through increased lines and trunks.

Table 5.4 i: Growth in Installed Lines Capacity and Connected Lines in the Telecommunication Sector since Deregulation

YEAR	ORGANIZATION					
	NITEL/MTEL(GSM)		MTN		GLO	
	Installed capacity (000s)	Connected capacity (000s)	Installed capacity (Millions)	Connected capacity (Millions)	Installed capacity (Millions)	Connected capacity (Millions)
1992	600.000	320.934	-	-	-	-
1993	780.000	342.278	-	-	-	-
1994	N/A	N/A	-	-	-	-
1995	N/A	N/A	-	-	-	-
1996	N/A	N/A	-	-	-	-
1997	N/A	N/A	-	-	-	-
1998	N/A	N/A	-	-	-	-
1999	N/A	N/A	-	-	-	-
2000	N/A	N/A	N/A	N/A	N/A	N/A
2001	10,000	4,000	N/A	N/A	N/A	N/A
2002	118,000	10,000	N/A	N/A	N/A	N/A
2003	400,000	90,000	N/A	N/A	N/A	N/A
2004	400,000	120,000	N/A	N/A	N/A	N/A
2005	700,000	-	N/A	N/A	N/A	N/A
2006	1,000,000	32,500	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	38,683,520	-	19,627,415	-

Source: i. Nigerian Telecommunications. African Economic Research Consortium (AERC) Research Paper 129, March 2002
ii. Business Day – www.businessdayonline.com

Table 5.4 i, is run down of the total installed and connected GSM lines of MTEL, MTN and GLO during deregulation period i.e. 1992 to 2010. This is important because we want to see the progressive increase in both installed and connected lines capacity of the NITEL GSM (MTEL) as compared to those of MTN and GLO. Between 1992 and 1993, NITEL had a total of 1,380,000 installed digital lines while connected capacity stood at 663,212 (AERC, 2002). With the split in 1996 into terrestrial and GSM lines, the MTEL network went through a series of phase expansions to increase the coverage of its GSM network across the nation's cities and townships. Even though (mobilecomms-technology.com, 2010) claimed MTEL had well over 20 million mobile subscribers across Nigeria, our

records in table 5.4i is silent about that although MTEL still had much potentials for growth.

In 2001 for example Ericson was only able to deliver a GSM network with a capacity of 10,000 connected lines out of the 118,000 lines for subscribers contracted to it by MTEL after the first two years. Another effort in 2003 to Ericsson to further round up expansion to 400,000 lines for subscribers, only120, 000 were completed for MTEL as at mid 2004 compared with over two million for V Mobile and MTN (mobilecomms-technology.com, 2010).Other contracts were equally awarded to ZTE of China, Motorola and Ericsson in late 2004 to be completed by mid 2005 for series of expansions to take the GSM network to a further 13 cities and 776 government areas in Nigeria. In 2006 Motorola was awarded a further GSM expansion contract by MTEL for installation, commissioning and the upgrading of sites in the cities of Benin, Ikorodu and Yola (mobilecomms-technology.com, 2010). If these achievements were sustained MTEL probably would have been better disposed in rendering free hitch services to Nigerians.

The situation was not different in Delta state, where the 18 exchanges with an installed capacity of 32, 500 telephone lines were slated for Asaba, Agbor, Ogwashi-Ukwu, Warri, Sapele and Ughelli,. Unfortunately, besides the fact that these MTEL installations had remained comatose since 2006, weeds have since taken over the exchanges with little or no presence of security agents to check the activities of vandals (mobilecomms-technology.com, 2010). This explains for MTEL particularly the unavailability of records for 2007 – 2010. Efforts by the researcher to getting data on installed and connected capacity lines for preceding

years for MTN and GLO the period 2000 to 2010 were unsuccessful, except for figures provided by the Nigerian Communication Commission for 2010 only.

Nigeria now has 83, 348,243 million active lines GSM according to the latest figures received from the Nigerian Communications Commission (NCC) as at 2010 out of which MTN presently leads the GSM market with a total number of 38,683,520 lines with over 35 million subscribers, closely followed by GLO with19, 627,415 lines with over 25 million subscribers (as indicated in table 5.4i). Airtel 15,834,243 lines and Etisalat 6,791,986 lines. In a related development, NCC reports that total active phone had grown to 89,840,343 in 2009, where the GSM sector accounted for 82,618,510 lines; mobile CDMA – 6,186,442 and fixed – wireless – 1,035,391(Business Day – www.businessdayonline.com March, 2010).

During the same period, total connected lines in the telecom's market peaked at 114,626,533 lines with mobile GSM accounting for 96,547,864; while mobile CDMA accounted for 12,338,686, and fixed and fixed - wireless 2,741,983. The nation's overall installed telecoms capacity as a January 2010 stood at 158,256,859, with GSM sector providing 131,720,867 lines: mobile CDMA 17,187,721 lines, and fixed and fixed – wireless 9,348,271 lines. (www.businessdayonline.com March 2010). This generally indicates that there has been serious expansion of lines and trunks in the nation's communication industry. The fact that an increase in the nation's telecoms line installed capacity has been achieve, does not mean efficient level of service delivery had been achieved. Analysis for subscriber's data is represented in appendix10 and 11.

Tables 5.4 ii & iii (appendix 10 &11) clearly indicates that subscribers' data, steadily increased as a result of various commercial activities of telecom

outfits by attracting more customers. As indicated in the table on monthly subscribers' data, connected lines rose from 98,672,461m in April 2010 to 111,517,229m in December 2010, installed capacity from 146,600,937m to 157,839,983m and active lines from 78,854,603m to 88,348,026m during the same period. Generally as indicated in tables 5.4iii connected lines rose from 866,782 thousand in 2001 to 111,517,229m in 2010. Installed capacity stood at 157,839,983m as at 2010 with 88,348,026m active lines. In year 2009 alone it is estimated that mobile subscription surpassed 72.6m resulting in a penetration rate of 50% of the population. It is estimated that by the year 2014, pyramid project subscription will surpass 128m. This simply means more employment (for mobile vendors), more lines to the Nigerian end users, businesses and social transaction. The Nigerian Communication Commission in its 2010 Report indicated that there is network availability in all the states of the federation and geo-political zones to the tune of 85%.

In spite of the above, the impact on efficient services delivery is yet to be felt amongst Nigerians due to series of problems and constant complaints by consumers on calls clarity, congestion in the lines and trunks, low dial tunes, call cuts and interconnectivity. More unfortunately is that the so called installed and connected lines are not actually landlines. Besides, the NITEL Fibre Optic Cable with an unlimited bandwidth should have naturally set MTEL on edge on the GSM and land telephone above other telecom outfits. But with the MTEL comatose state, other GSM outfits (MTN&GLO) are not really willing to venture into the land lines. This has contributed to the negative growth infixed GSM lines from 2007(Calandro et'al 2010). Our **INTERVIEWEES** when asked to explain their

choice for particular lines and why, their responses were that is depends on the telecom outfit that can give them what they want at that point in time.

Table 5.5: New Changes affected Pricing in the Telecommunication Sector

Response	Frequency	Percentage
Strongly agreed	90	33.21
Agreed	81	29.89
Strongly disagreed	60	22.14
Disagreed	40	14.76
Undecided	-	-
Total	**271**	**100**

Source: The Survey, 2010.

With new entrants in the telecommunication business, changes were necessitated in order to improve overall service delivery. For any value added services provider (telecom outfits), the most important of such changes is the Content Aggregation. Distribution and Marketing of the service, Service Management, Network Delivery and Billing of its service. These are generally referred to as Value Added Services to end users(VAS). (Changing dynamics of the telecom industry, www.telecomcircle.com. 2010).These changes were adopted by the MTN,GLO and MTEL to enhance connection between physical devices and online services, translate personal data into useful personal, social and visual to help define the services landscape, create an ecosystem with huge services business and increase handset vendors for efficient service delivery in the telecom industry.

This made telecom outfits (MTEL/NITEL, MTN and GLO) embarked on series of service rollouts (network expansion) i.e cable networking, bandwidth expansion, digital network lines, modem installation and fibre optic cable just to

mention a few. The above affected pricing (new pricing policy), brought about increased profits, effective and better service quality, attracting more customers and hiring of more skilled staff.

As indicated on table 5.5, 90 representing 33.21% and 81 representing 29.89% of our sampled respondents agreed that new changes affected pricing in the telecommunication industry. 60 representing 22.14% and 40/(14.76%) of the sampled respondents felt that the changes must have not been different with those of MTEL. But the question is how MTN declared a profit after tax of over ₦12 billion after its first year of operation while NITEL/MTEL which accomplished a most impressive and extraordinary performance of profits after commercialization with revenue increase of about 300% at the end of 1992, 400% by May 1993, a net traffic revenue from ₦3.124 billion in 1991 to ₦6.367 billion in 1992 and ₦9.885 billion in 1993, ₦10.074 and ₦16.886 billion respectively in 1994 and 1995 attributed to increases in the years' prices, especially for international telephone in (1991, 1993 and 1995). (AERC, 2002) could not be sustained. The suspicion from the scenario here is that there must have been a deliberate down play of the efforts of MTEL by its competitors in order to ensure typical exploitation of the Nigerian consumer by monopoly and oligopoly power of MTN and GLO through the instrumentality high prices of services which could not be regarded as positive but negative change.

As indicated on (See figure 2 page 91 on the organization of Nigeria's telecommunication industry), after the Ministry, (the major Policy making level) and the NCC (at the regulatory level), NITEL/MTEL is supposed to have spearheaded service provision as the backbone of the telecommunication

industry but the new entrants have since taken over while MTEL remains moribund.

Table 5.6: Telecommunication services since 2001 have been effective and affordable with increased competition

Response	Frequency	Percentage
Strongly agreed	80	29.52
Agreed	70	25.83
Strongly disagreed	82	30.26
Disagreed	30	11.07
Undecided	9	3.32
Total	**271**	**100**

Source: The Survey, 2010.

Our table 5.6 shows that 150 representing 55.35% the sampled respondents indicated that increased competition in the telecom sector did not only lead to increased but efficient service delivery as a result of wider coverage thereby increasing customers patronage as a result low and affordable prices. We should have expected this from the first category of respondents because majority was from MTN and GLO. 112 representing 41.33% of the sampled respondents disagreed on the premise that most of the services are poor and could not be said to be affordable due to high tariff charged by new telecom outfits envisioned by counter moves among the operators and inter-operation fights which does not allowed calls to other networks. The quality of service is a reflection of the overall regulation, investment infrastructure and network rollout, prevailing interconnection regimes, conformity of equipment/terminals to GSM/UIT, conformity of technical equipment to GSM standards, call quality, connection speed which is still unattainable among the telecom outfits studied. MTEL between 2001 and 2002 was plagued by connection problems and the

inability to reach cross network agreements with the two largest Nigerian mobile concerns, V Mobile (formerly ECONET Wireless) and MTN who wanted exorbitant amounts of money from MTEL for each call carried from an MTEL caller to one of their subscribers. MTEL since then has had difficulties even with the network rollout expansion contract by Motorola and Ericson since 2001 and even though other networks (MTN to be specific) couldn't offer the desired quality of service to Nigerians they made sure they scuttled MTEL's efforts to deliver. As observed in the theoretical framework and from **interview**, this problem constitutes one of the major hindrances to MTEL/NITEL keeping pace with the reforms.

Table 5.7: Nigerians are satisfied with services offered by your Telecom Outfit

Response	**Frequency**	**Percentage**
Strongly agreed	70	25.83
Agreed	50	18.45
Strongly disagreed	42	15.50
Disagreed	92	33.95
Undecided	17	6.27
Total	**271**	**100**

Source: The Survey, 2010.

In table 5.7, our respondents were asked if they think Nigerians were satisfied with services offered by MTN, GLO and MTEL. From the table, 120 representing 44.28% of the respondents indicated Nigerians were satisfied with services of their various outfits. 134 representing (49.45%) of the sampled respondents indicated there was nothing like satisfaction. 17 representing 6.27% of the respondents were undecided. Based on majority responses, there cannot be said to be customer satisfaction with problems of telephone inaccessibility by

many Nigerian, complaints on high tariff rates, interconnectivity rates, spread of service contributing stifling competition and high prices for end users and poor coverage still persist in the sector. Satisfaction can only be attained with reduction in some of the problem and good value for customers' money.

Table 5.8: Prices charged by MTN, GLO are cheaper to those of MTEL.

Response	Frequency	Percentage
Strongly agreed	40	19.23
Agreed	30	14.42
Strongly disagreed	78	37.5
Disagreed	60	28.85
Undecided	-	
Total	**208**	**100**

Source: The Survey, 2010.

In table 5.8, our respondents (consumers) were asked if they think Glo and MTN prices are cheaper and affordable than those of MTEL and if those prices new telecom giants were commensurate with services offered. Table 5.9 corroborates further on the different prices by telecom outfits studied.

Table 5.9: Charges and Rates of MTEL, MTN and GLO between 2002&2010

Organization	Call/SMS (Local)	Rates
MTEL/NITEL	MTEL to MTEL MTEL to other Networks SMS	N15/min N15/min Free SMS
MTN	MTN to MTN MTN to Any Network SMS	N15/min N21/min N10/SMS
Globacom	Glo to Glo Glo to Any Network SMS	N18/min N18/min N8/SMS

Source: http//www.mtn.com,/August 2009. http//www.gloworld.org/August 2009, AERC Nairobi, March 2002.

In table 5.9 is a catalogue of prices charged by the telecommunication outfits we studied. As indicated in the table, MTEL charges were cheaper

compared to those of GLO and the MTN.MTN's charges during its first two years of operation 2001/2002 was (N45 per minute call). This was very high compared to MTEL within the same period. During the last quarter of 2010 there was still a public outcry in the media and dailies by Nigerians on the extent of exploitation by these giant outfits. This therefore posits that prices charged by these outfits were still very high and out of reach of the common man. From all indications, most consumers could be said to have been partially and not effectively satisfied due to lack of alternatives envisioned by the high tariff .Additionally, regulatory authorities (NCC and UCC) have not really come up with strong regulation on interconnecting rates amongst operators. This has left affordability and efficiency under serious scrutiny and the idea of a new regulatory environment on both prices and equipment as a policy objective dicey.

An **INTERVIEW** (phone chat) with Julius Bala on cost effectiveness and service provision reveals that *"there is no cost effectiveness assessing different levels of tariffs by various telecom outfits and that continued political interference has been another major problem that has hindered effective regulatory process in Nigeria".* Corroborating this closely, a study carried out in 2009/2010 amongst 26 African countries including Nigeria, indicated that "tariff regulation is regarded overwhelmingly as an area of ineffective regulation and that high tariff rates have been a key barrier to access to telecommunication services and often a key indicator of lack of competition". Despite not having particularly low prices, Mozambique was the only country perceived to have had an efficient tariff regulation (Calandro, E. et'al, 2010). Certainly pricing of services has continued to remain a constraint on the usage of the telephony to many Nigerians.

From our table 5.8, there is a strong indication that tariffs charge by MTN, GLO etc. were still very high and unaffordable to the common man besides the fact that many Nigerians that don't own phones. Calandro et'al (2010)corroborated this strongly when he observes even though Mobile penetration rates continue to demonstrate significant growth, but these figures were mask by the fact that millions of Nigerians still do not own means of communication or cannot afford the use of mobiles. To the average Nigerian, affordability of mobile telephony continues to remain a challenge and a relative term in view of price charged besides other indicators of poor quality service i.e. Low call completion rates, poor dial tone reception, loose calls, delay in delivery of text messages etc. impinging customer satisfaction.

Table 5.10: Other networks as listed above are doing better than MTEL

Response	**Frequency**	**Percentage**
Strongly agreed	162	77.88
Agreed	9	4.33
Strongly disagreed	20	9.62
Disagreed	17	8.17
Undecided	-	-
Total	**208**	**100**

Source: The Survey, 2010.

In table 5.10, 162 representing 77.88% and 9 representing 4.33% of sampled respondents had a clear preference to GLO and MTN over MTEL while 20 representing 9.62% and 17/(8.17%) of the respondents still preferred MTEL being indigenous and cheaper as clearly seen in table 5.9.the preference of GLO and MTN over MTEL is probably due to access and coverage compared to MTEL that is moribund.

INTERVIEW with some of the top management staff, union leaders, and former MTEL/NITEL staff on effective transformation of the telecommunication industry with deregulation policy reveals there is only mere consolation in lots of Nigerians having access to services and not satisfaction. The situation would have fared better with MTEL but more damage had already been done. For example, the situation with other telecom outfits particularly MTN is exploiting the masses in terms of prices charge. Specifically to mention, while MTN as at 2002 was charging N45 per minute call MTEL was charging N15 and free SMS and would have further reduce if MTEL were properly managed. Additionally, the Director General of MTEL/NITEL wondered why transmission, expansion, digitalization and the new line projects were stopped when the privatization issue was ongoing in the nation's telecom outfits (MTEL/ NITEL). To the (MDs), ***"you don't stop a company from modernizing".*** *If government really wanted to ensure efficiency, through effective competition, then it shouldn't have stopped NITEL/MTEL from further investments as other networks were doing if there wasn't a deliberate intention by government of killing MTEL for some ulterior gains.*

On effective service delivery in the telecommunication industry in Nigeria, a catalogue of facilities, services and corporate responsibility of MTN, GLO and MTEL/NITEL presented in table 11a appendix 12 page 227 offers more explanation. Our assumption is that the level of facilities owned by these telecommunication outfits enhances not only service provision but their commitment in transforming the various communities in which they operate through corporate/social responsibilities also determines their level of effectiveness.

As indicated, in table 5.11a are facilities, services provided by MTEL/NITEL, MTN, GLO and areas of corporate social responsibilities covered at respective years no doubt led to improvement in services rendered by the telecom outfits generally. With what NITEL/MTEL were able to build between1992, 1996 and 2005/2006,MTEL should have been the leading GSM outfit in Nigeria because, besides the fact that the company's subscribers base increased from 90,000 when MTEL started 2003/2004 to 700,000 and over a million subscribers during the second half of 2005, NITEL's generated revenue after commercialization increased by 300% at the end of 1992 and 400% at the end of 1993. Their traffic revenue climbed from N3.124billion in 1991, N6.367billion in 1992, N9.885billion in 1993, N10.074billion in 1994 and N16.886billion in 1995. (AERC, March 2002). This aided the split in 1996 to an GSM arm and the expansion contract by MTEL worth $75m for the CDMD2000 1 x network to Motorola in 2006 (www.mobilecomms-technology.com 2010).In terms of other facilities i.e. the Fibre Optic Cable, V-SAT, Land Lines, NITEL had an edge, over any other telecom outfit is yet to achieve.

Put simply, NITEL/MTEL provided the first Gateway and backbone other telecoms rode on to success (MTN & GLO) paying little or nothing for subscribing from the broadband and in spite of the above facilities owned, the desired level of efficiency is yet unachievable among telecom outfits in the country possibly also due to infrastructural inadequacy. The singular factor of infrastructural inadequacy has been a basic problem that has hindered 'Mobile Number Portability' a key ingredient to improved service provision among service providers since the inception of the GSM in 2001.

In terms of corporate social responsibilities in our table 5.11a, MTN and GLO have restricted themselves mostly to selective empowerment e.g., Dancing, Football, the Millionaire programme, MTN Family and Friends, Project Fame just to mention a few instead of investing more in critical government capital projects like Power, Transportation, Roads, Water, Accommodation, Agriculture and other areas that would open up the economy and create more employment. NITEL/MTEL did well between 1993, 1997 and 2000 they sponsored the continental force (ECOMOG), pay police salaries who threatened to embark on strike action in 1998/2000 and sponsored some other government programmes as indicated in table 5.11a (appendix 12 p.227).These to some extent serve a wider Nigerian population than those of MTN and GLO .To add, one major objective of deregulation or privatization was to bring about even spread of wealth amongst Nigerian through equity share holding.

It's glaring since2001 when these telecom giants began operations (MTN & GLO), there hardly exist records on declaration of shares let alone encouraging Nigerians to buy them. That's why we easily concluded that the policy lacks transparency since very few Nigerians have had such opportunities. Judging from the above telecom outfits could not be said to have been effective. Table 5.11b corroborates further on the above.

Table 5.11b: Improve facilities led to improved service provision, accessibility to services/ service related problems

Response	Frequency	Percentage
Strongly agreed	155	57.20
Agreed	52	19.19
Strongly disagreed	34	12.54
Disagreed	30	11.07
Undecided	-	-
Total	**271**	**100**

Source: The Survey, 2010.

As indicated in table 5.11b, from 207 representing 76.39% of our sampled respondents improved facilities have enhance services like international calls, roaming services, internet services, voice calls, SMS, data tracking, black berry services etc. our basic argument here is that the result of such improved modern telecom technology or facilities (efficient and effective service delivery) as cited in the first Medium Term Objectives is not yet felt among Nigerians.

In spite of the above, one major problem of telecommunication in Nigeria as indicated by the 64/(23.61%) of the sampled respondents is that of access to the telephony and telecom services especially amongst rural dwellers due to adequacy and quality of facilities, mast and spread of service as captured in our checklist. For example, in some villages (the Southern Part of Kaduna State where I came from),villagers will have to travel long distances to nearby towns or ascend hilly areas to access telephone services/calls. This certainly is not in tandem with the third Medium Term Objective of ensuring that telephone facilities are brought within 5km distance from any community. To this, Colandro et'al (2010) observes that mobile penetration rates demonstrated significant growth, but these figures were masked by the fact that millions of Nigerians hadn't any means of communication or could not afford mobile phones. And even with the

high proliferation of low -cost hand sets, penetration remained low in some areas. This could easily be blamed on two issues, first, the quality/adequacy of equipment (Mast and Data tracking Machines), and secondly, connectivity/portability from one GSM line to another. Judging from the above, some of our telecom outfits cannot be adjudged as being effective.

Table 5.12: Deregulation has led to the Creation of more jobs in the Telecommunication Sector.

Response	**Frequency**	**Percentage**
Strongly agreed	98	36.16
Agreed	67	24.72
Strongly disagreed	80	29.52
Disagreed	13	4.80
Undecided	13	4.80
Total	**271**	**100**

Source: The Survey, 2010.

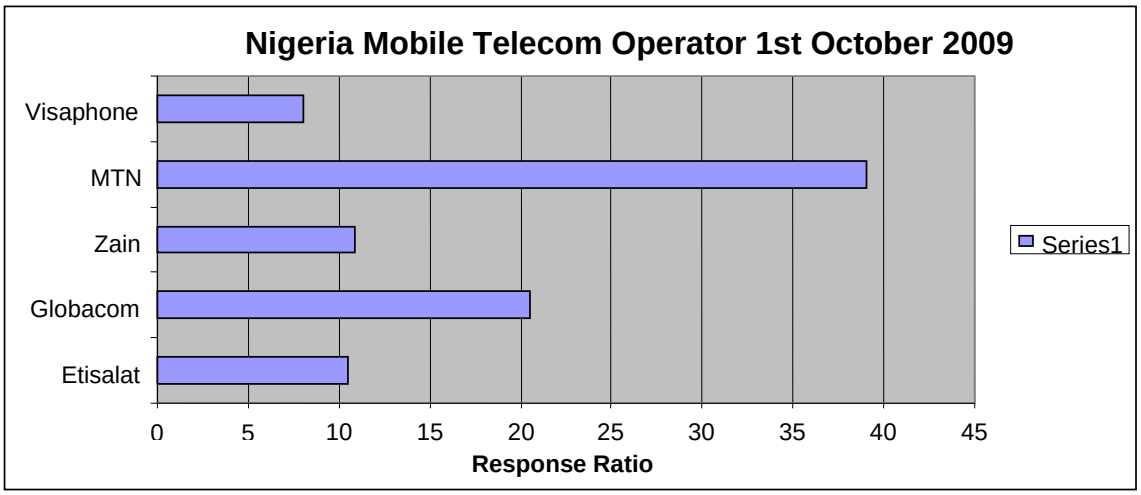
As indicated in table 5.12, 98 representing 36.16% and 67 representing 24.72% of our sampled respondents were of the opinion that there has been more job creation in the telecommunication industry as a result of deregulation while 80 representing 29.52% and 13/(4.80%) of the sampled respondents had contrary opinion. 13 representing 4.80% of the sampled respondents were undecided. From the foregoing, it was obvious from majority respondents that deregulation have brought about increased employment in the telecommunication industry. On the other hand, other respondents felt it had not, looking the number of jobs lost in NITEL and MTEL as a result of the same policy and the general unemployment level in the country. Literature abounds to prove this; For example, before the revocation of the sale of NITEL/MTEL to TRANSCORP by the Federal Government in 2009, it was discovered 30 months after

TRANSCORP took over NITEL/MTEL, the workforce of the telecommunications operator shrank dramatically from 13,000 to fewer than 1,000. This is also consistent with the assertion that only 3,000 employees were requires for their operations compared to the former employed (The Guardian, 2009). Our observation is that deregulation as plan change was initiated from the highest level of government led to job loses among Nigerians in NITEL/MTEL. Deregulation did not take into account the interest of employees as stated in the telecommunications Short-Term Objectives

Besides, some of the respondents faulted the issue of employment base on the nature of jobs provided by MTN and GLO. Almost 80% of employees by these telecom outfits are casual/contract and not tenured staff. Additionally, one would not describe Nigerian youths dancing behind trucks/GSM vendors as gainful employment but rather a means of survival.

Figure 3 below presents the employment profile of some selected telecom outfits in Nigeria.

Figure 3: Employment Profile of Five (5) Leading Telecom Giants in Nigeria



Source: Jidaw.com User Experience Survey, 2009

Figure 3,on the local content profile of five of the leading telecom giants in Nigeria further indicated that none of these telecom outfits employed close to 40% of the Nigerian workforce during the period under study. As indicated, MTN had the highest percentage with on a staggering 39%, followed by GLO 21%, Zain 11%, Etisalat 10.5% and Visaphone 8%. As observed earlier, most of the employees of these organizations are not tenured but contract staff. This have not complied with the Local Content Act which (the Nigerian content Development Bill 2003), set 45% local content in 2006 and 70% 2010. The Bill (Nigerian content), says that there most be the deliberate utilization of Nigerian human and material resources and services in all sectors of the economy, the Nigerian telecommunication sector inclusive (Nigerian Content Development Bill, 2003). To some extend, other telecom outfits as studied, made efforts in creating jobs even though on contract and casual basis. In NITEL/MTEL, it was the opposite (retrenchment of staff). This change was rather a negative one for NITEL/MTEL. This is further corroborated the two weeks industrial action embarked by NITEL/MTEL staff sometimes in December 2008 for non payment of staff salaries by Transcorp and for sabotage). (Olaniyi, 2008).

5.2.2 Statistical Test of Hypothesis I

In this section, we applied results of testing our hypothesis through the SPSS computer output using the Chi square distribution.

Using the one tail-test, only the H_0 was tested. The implication is that if the H_0 is accepted, the H_1 is rejected and vice-versa. In our first hypothesis, the independent variable (X) for the study is deregulation while improve performance and quality service delivery in the telecommunications industry are the dependent

variables (Y). The responses on both the dependent and independent variables were analyzed using the five point likert's scale presented in tables 5.2 to 5.12.Summary is presented in table 5.15.The level of significance (α) for the test of hypothesis is 95% (0.05) while the degree of freedom (V) was twelve (12).

Table 5.13: Responses on perception on the Deregulation of the Nigeria Telecommunication Sector (Independent Variable)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very High	98	36.2	36.2	36.2
	High	69	25.5	25.5	61.6
	Low	19	7.0	7.0	68.6
	Very Low	75	27.7	27.7	96.3
	Undecided	10	3.7	3.7	100.0
	Total	271	100.0	100.0	

***Source*: Computer Product of SPSS**

Table 5.14 Responses on efficient (clarity, affordability, tariff etc.),effectiveness (availability, accessibility, coverage etc.) and increased performance and quality service provision in the Nigerian Telecommunication Sector as a result of Deregulation (Dependent Variable)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agreed	155	57.2	57.2	57.2
	Agreed	52	19.2	19.2	76.4
	Strongly disagreed	34	12.5	12.5	88.9
	Disagreed	30	11.1	11.1	100.0
	Total	271	100.0	100.0	

***Source*: Computer Product of SPSS**

For the purpose of the Chi-square operations in testing our first hypothesis, the values of the dependent and independent variables summarized in tables 5.3…5.12 and were also cross tabulated to test the hypothesis with the aid of Statistical Package for Social Sciences (SPSS) whose products were presented in tables 5:13, 5.15 and 5.15.

Crosstabs

Table 5.15: Responses on perception on the Deregulation of the Nigerian Telecommunication sector Independent variable) *Responses on efficient, effective, increased performance and quality service provision in the Nigerian Telecommunication Sector as a result of Deregulation (Dependent Variables)

			Responses on efficiency, effectiveness, increased performance/quality service provision in the Nigerian Telecommunication Sector as a result of Deregulation (Dependent Variables)				
			Strongly agreed	Agreed	Strongly disagreed	Disagreed	Total
Responses on perception on the Deregulation of the Nigerian Telecommunication sector (Independent variable)	Very High	Count	98	0	0	0	98
		Expected Count	56.1	18.8	12.3	10.8	98.0
		% within Responses on perception on the Deregulation of the Nigerian Telecommunication sector (Independent variable)	100.0%	.0%	.0%	.0%	100.0%
		% within Responses on Telecommunication sector in Nigeria through efficient effective and quality service provision as a result of Deregulation (Dependent variables)	63.2%	.0%	.0%	.0%	36.2%
		% of Total	36.2%	.0%	.0%	.0%	36.2%
	High	Count	57	12	0	0	69
		Expected Count	39.5	13.2	8.7	7.6	69.0
		% within Responses on perception on the Deregulation of the Nigerian Telecommunication sector (Independent variable)	82.6%	17.4%	.0%	.0%	100.0%
		% within Responses on Telecommunication sector in Nigeria through efficient effective and quality service provision as a result of Deregulation (Dependent variables)	36.8%	23.1%	.0%	.0%	25.5%
		% of Total	21.0%	4.4%	.0%	.0%	25.5%
	Low	Count	0	19	0	0	19
		Expected Count	10.9	3.6	2.4	2.1	19.0
		% within Responses on perception on the Deregulation of the Nigerian Telecommunication sector (Independent variable)	.0%	100.0%	.0%	.0%	100.0%
		% within Responses on Telecommunication sector in Nigeria through efficient effective and quality service provision as a result of Deregulation (Dependent variables)	.0%	36.5%	.0%	.0%	7.0%
		% of Total	.0%	7.0%	.0%	.0%	7.0%
	Very Low	Count	0	21	34	20	75
		Expected Count	42.9	14.4	9.4	8.3	75.0
		% within Responses on perception on the Deregulation of the Nigerian Telecommunication sector (Independent variable)	.0%	28.0%	45.3%	26.7%	100.0%
		% within Responses on Telecommunication sector in Nigeria through efficient effective and quality service provision as a result of Deregulation (Dependent variables)	.0%	40.4%	100.0%	66.7%	27.7%
		% of Total	.0%	7.7%	12.5%	7.4%	27.7%
	Undecided	Count	0	0	0	10	10
		Expected Count	5.7	1.9	1.3	1.1	10.0
		% within Responses on perception on the Deregulation of the Nigerian Telecommunication sector (Independent variable)	.0%	.0%	.0%	100.0%	100.0%
		% within Responses on Telecommunication sector in Nigeria through efficient effective and quality service provision as a result of Deregulation (Dependent variables)	.0%	.0%	.0%	33.3%	3.7%
		% of Total	.0%	.0%	.0%	3.7%	3.7%
Total		Count	155	52	34	30	271
		Expected Count	155.0	52.0	34.0	30.0	271.0
		% within Responses on perception on the Deregulation of the Nigerian Telecommunication sector (Independent variable)	57.2%	19.2%	12.5%	11.1%	100.0%
		% within Responses on Telecommunication sector in Nigeria through efficient effective and quality service provision as a result of Deregulation (Dependent variables)	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	57.2%	19.2%	12.5%	11.1%	100.0%

Source: **Computer Product of SPSS**

From the cross tabulated values, we produced the chi-square output presented in table 5:16

Table 5.16: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	384.572[a]	12	.000
Likelihood Ratio	394.200	12	.000
Linear-by-Linear Association	210.538	1	.000
N of Valid Cases	271		

a. 6 cells (30.0%) have expected count less than 5. The minimum expected count is 1.11.

Source: **Computer Product of SPSS**

From the Pearson Chi-square output in table 5:16 above, the calculated X^2 value was 384.572.Degree of freedom (df) = 12 while critical or table value at 12 df and α value of 0.05 level of significance was 21.026. The chi-square calculated X^2 value of 384.572 in table 5.16 is greater than the critical (tabulated) value of 21.025 on the Chi-square distribution table in appendix 5.

Decision Rule: Reject Null Hypothesis if calculated value is greater than critical value and accept the alternate. We conclude thus that the null hypothesis (Ho) which states "that deregulation did not really improve performance and quality service delivery in MTEL and other telecommunication outfits in the nation's telecommunication industry" is rejected while the Alternate Hypothesis (Hi) which states "that the desired quality of service delivery has been achieved and the performance of MTEL improved with deregulation in the nation's telecommunications industry" is accepted. This indicates that there is significant relationship between increased performance and quality service delivery in the Telecommunication industry (Dependent variable) and deregulation (Independent variable).

Discussion of Results: From the statistical test of our first hypothesis, we accepted the Alternate hypothesis (Hi) which states “that the desired quality of service delivery has been achieved and the performance of MTEL bettered with deregulation in the nation’s telecommunications industry” based on the decision rule. Although we seem to have committed a type two error here by accepting an hypothesis which ordinarily we should have rejected, the fact remain that rapid expansion of the telecommunication networks through increased trunks and lines have been achieved besides breaking the monopoly of NITEL/MTEL with increased competition but quality of service in NITEL/MTEL vis a vis MTN and GLO still remains poor due to obvious problems of congestion, interconnectivity, SMS, low dial tones, poor call clarity problems just to mention a few has impinged operational efficiency. In an **INTERVIEW** with of Atama, former Checkno-Switching Manager North-West Zone of NITEL; when asked if he thinks efficiency has been achieved with the new entrants in the telecoms industry, his response was;

> *There is simply no efficiency in the sector and what most of the new telecom outfits are doing. Take for example the “Text messages” they sometimes take more than two days before reaching the recipient. Besides, most of the switches used by these telecoms are usually off resulting in poor network coverage. And because the transmitter is not boosted enough to cover the links, there are usually weak signals from stations that are expected to overlap the radios. Another thing is that NITEL/MTEL never charged for calls not received unlike new telecom outfits. To me, If somebody is actually responsible for the workability of these facilities and its not so happening, then, why talk of efficiency?*

Besides, availability, access to the telephony and spread of services as discussed already are other major impediments that have hindered effective and

efficient service delivery in telecom operations in Nigeria. Discussion from data proves this.

5.2.3 Hypothesis 2

$H_{0:}$ There no relationship between resources flow, quality of management with the performance of MTEL, MTN and GLO services in the deregulated telecommunication's industry.

$H_{1:}$ The performance of MTEL, MTN and GLO services is a reflection of the level of resource flow and quality of management.

Table 5.17: Your Organization has employed better trained and adequate staff for carrying out your operations.

Response	**Frequency**	**Percentage**
Strongly agreed	120	44.28
Agreed	118	43.54
Strongly disagreed		
Disagreed		
Undecided	33	12.18
Total	**271**	**100**

Source: The Survey, 2010.

In table 5.17, 138 representing 87.82% of sampled respondents indicated their respective organizations had adequate and better qualified staff handling their operations. 33 representing 12.18% of the respondents were undecided. As indicated by majority of the respondent most of these includes engineers, (TSE) technicians, customer service representatives, marketers and call centres representatives who most have worked in similar outfits with many years of experience. These are the management cadre staff/Board members and usually constitute only 20 – 30 of the entire staff. Others include Executives Directors

who are experts in Financial Management/Services, Information Technology Practices and Communication, Corporate Strategy and Global Development and Marketing Research besides those with specific specialization and expertise in designing, marketing, graphics, ergonomics and advertising, and creativity ininternetservices(http//www.mtnonline.com/August2009,http//www.gloworld.org/ August 2009). As observed earlier, 70 – 80% of staff employed by new telecom outfits is contract or casualization particularly with the MTN which was captured in a recent report as one telecom outfit depending on outsourcing camps to outsource employees on their behalf on contract. (Tell Magazine, 2010)

NITEL/MTEL also had well trained tenure personnel and very competent in operating their computers i.e. Engineers, Technicians handling services like operating the National Trunk network, international gateway, interconnection facilities for other carriers and operators and provision of quality service and compliance with tariff regulation before and with deregulation. **INTERVIEW** with the DG NITEL/MTEL revealed the company to some extent maintained a tenured employed staff till the privatization saga in 2001.

Table 5.18: What Major Reorganization took place in your organization with Deregulation?

Response	
i.	Rationalization of staff
ii.	Rationalization of departments
iii.	Dissolution of boards
iv.	Reconstruction of boards/better managers
v.	Additional functions/services

Source: The Survey, 2010.

On Table 5.19 are some major reorganizations that took place amongst some of the telecom outfits we studied i.e., dissolution and reconstruction of boards, staff rationalization and that of departments dissolution and reconstruction of boards, injection of better managers as the case may be for

better results. Outfits like the MTN and GLO from time to time embark on such especially when there are additional function and new services in order to better services to their customers. But not withstanding such reorganizations, the desired level of satisfaction with services dull out from them by consumers is considered unsatisfactory at the time of this study. NITEL/MTEL also had such reorganizations but the major problem with theirs was dissolution and reconstruction of boards with overlapping and without clearly defined functions. For example, membership of the National Frequency Management Board (NFMB) was drawn from the Ministry of Communication, Nigerian Communication Commission (NCC), Nigerian Broadcasting Commission (NBC), Security and Aviation, Maritime as well as a representative of the licensed operators. With these, there must have been conflicting ideas among members especially the licensed operators or their allies who may want to scuttle government business for theirs to thrive. Besides, other board members particularly from the ministry may have little or no expertise in telecommunication especially if their selection was based on some primordial considerations.

Summarily such restructuring in NITEL/MTEL Board was not done in a way to effect result oriented change nor did it captured telecommunications objective of a National Frequency Management Board (NFMB) responsible for planning, co-ordination, allocation registration and monitoring of the radio spectrum and planned alterations aimed at bringing efficiency. If it had, MTEL/NITEL should have been spearheading all telecom operations in the country and not its facilities merely used as back bone of other telecom outfits.

Table 5.19: Deregulation has affected Investment/innovation in your organization.

Response	Frequency	Percentage
Strongly agreed	118	43.54
Agreed	143	52.76
Strongly disagreed		
Disagreed		
Undecided	10	3.7
Total	**271**	**100**

Source: The Survey, 2010.

On table 5.19, we wanted to know how deregulation affected investment in MTN, GLO, & MTEL/NITEL. From the table, 261 representing 96.30% of our sampled respondents indicated their respective organizations had more investment opportunities due to service expansion and other innovations. Specifically, MTN Nigeria invested in facilities like MTNN digital Microsoft backbone, fibre optic network, vsat etc. and partnered with MTN international, (MTNI) Limited Mauritius and the International Finance Corporation for funding into such ventures (www.mtnonline.com).Glo had trade partnership with large business associates such as; Telecos AT&T, BT, France Telecom, Telia Sonera, Sprint and T-Systems and through their funding were able to invest in Fibre-Optic Cables (GLO 1), 3G Band Width Modem, Digital Network Lines (ISDN) etc.(www.Gloworld.org).While MTEL/NITEL partnered with ITU, INTELSAT, INMARSAT and the WTO for investments into its SAT 3, Vsat, Domsat and the new CDMA20001× network. T. it is specifically mentioned that Motorola was given a $33m contract fee for the rollout of the CDMA2000 1× network. T (National Policy on Communications/www.mobilecomms – technology.com). In spite of the above, the impact of such investments is yet to be felt in terms of effective service delivery as observed earlier.

Table 5.20: What Modern, Equipment, Gadgets and Machines did your organization acquire for effective service delivery?

Response	
I.	Feed horns
II.	Rectifiers
III.	Antennas
IV.	3G Internet Platforms
V.	Inverter Switches
VI.	Sub-Marine and Fibre cables
VII.	RCM
VIII.	Latest Automatic Call Distributors etc.

Source: The Survey, 2010.

Even though we had earlier treated the state of facilities of NITEL/MTEL and other telecom outfits we studied, from respondents views and from other available data in tables 5.11a Appendix 12 it became necessary to reiterate further in order to ascertain if NITEL/MTEL, MTN and GLO could be said to be satisfied with what they had at a given point. Obviously as indicated in table 5.20, outfits like MTN and GLO invested more on the above and other special device for dictating and solving problems faster than NITEL/MTEL did because no one expected further investments after its moribund state. Interview with the NITEL Boss corroborated this further when she observes that “while GLO and MTN have been investing every year, NITEL/MTEL did nothing since 2001.

5.2.4 Statistical Test of Hypothesis 2

From our second hypothesis, our independent variable (X) is the performance of NITEL/MTEL, MTN and GLO occasioned by resource flow and quality of management our dependent variables (Y). The responses on both the dependent and independent variables were also analyzed using the five point likert’s scale presented in tables 5.17, 5.18, 5.19 and 5.20 at the same level of

significance (α) 95% (0.05) to test the hypothesis while the degree of freedom (V) was four(4).

Table 5:21Responses on Quality of personnel, Management/Reorganization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agreed	120	44.3	44.3	44.3
	Agreed	118	43.5	43.5	87.8
	Undecided	33	12.2	12.2	100.0
	Total	271	100.0	100.0	

Source: **Computer Product of SPSS**

Table 5:22 Responses on Areas of Investment in Telecommunication Outfits

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agreed	118	43.5	43.5	43.5
	Agreed	143	52.8	52.8	96.3
	Undecided	10	3.7	3.7	100.0
	Total	271	100.0	100.0	

Source: **Computer Product of SPSS**

In testing our second hypothesis, the values of the dependent and independent variables in tables 5.17, 5.18, 5.19 and 5.20 were also cross tabulated to test the hypothesis with the aid of Statistical Package for Social Sciences (SPSS) whose products were presented in tables 5:21, 5.22 and 5.23.

Table 5.23**:** **Responses on Quality of personnel, Management/Reorganization * Responses on Areas of Investment for performance in Telecommunication outfits**

			Responses on Areas of Investment for performance of Nitel/MTEL, MTN & GLO			
			Strongly agreed	Agreed	Undecided	Total
Responses on Quality of personnel, Management/Reorganization	Strongly agreed	Count	118	2	0	120
		Expected Count	52.3	63.3	4.4	120.0
		% within Responses on Quality of personnel, Management/Reorganization	98.3%	1.7%	.0%	100.0%
		% within Responses on Areas of Investment for performance of Nitel/MTEL, MTN & GLO	100.0%	1.4%	.0%	44.3%
		% of Total	43.5%	.7%	.0%	44.3%
	Agreed	Count	0	118	0	118
		Expected Count	51.4	62.3	4.4	118.0
		% within Responses on Quality of personnel, Management/Reorganization	.0%	100.0%	.0%	100.0%
		% within Responses on Areas of Investment for performance of Nitel/MTEL, MTN & GLO	.0%	82.5%	.0%	43.5%
		% of Total	.0%	43.5%	.0%	43.5%
	Undecided	Count	0	23	10	33
		Expected Count	14.4	17.4	1.2	33.0
		% within Responses on Quality of personnel, Management/Reorganization	.0%	69.7%	30.3%	100.0%
		% within Responses on Areas of Investment for performance of Nitel/MTEL, MTN & GLO	.0%	16.1%	100.0%	12.2%
		% of Total	.0%	8.5%	3.7%	12.2%
Total		Count	118	143	10	271
		Expected Count	118.0	143.0	10.0	271.0
		% within Responses on Quality of personnel, Management/Reorganisation	43.5%	52.8%	3.7%	100.0%
		% within Responses on Areas of Investment for performance of Nitel/MTEL, MTN & GLO	100.0%	100.0%	100.0%	100.0%
		% of Total	43.5%	52.8%	3.7%	100.0%

Source: **Computer Product of SPSS**

From the cross tabulated values, the computer produce the following Chi-square output as presented on table 5.31 below;

Table 5.24Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	331.669[a]	4	.000
Likelihood Ratio	384.213	4	.000
Linear-by-Linear Association	146.628	1	.000
N of Valid Cases	271		

a. 3 cells (33.3%) have expected count less than 5. The minimum expected count is 1.22.

Source: **Computer Product of SPSS**

From the output of the Chi-square in table 5:31 above, the calculated X^2 value was 331.669. Degree of freedom (df) = 4. Critical or table value at 4 df and α value of 0.05 level of significance was 9.488. The chi-square calculated X^2 value of 331.669 in table 5.24 is greater than the critical (tabulated) value of 9.488 on the Chi-square distribution table in appendix D.

Decision Rule: Reject Null Hypothesis if calculated value is greater than critical value and accept the alternate. We conclude therefore that the null hypothesis (Ho) which states that "There no relationship between resources flow, quality of management with the performance of MTEL, MTN and GLO services in the deregulated telecommunication's industry" is rejected while the Alternate Hypothesis (Hi) which states that "The performance of MTEL, MTN and GLO services is a reflection of the level of resource flow and quality of management." is accepted.

Discussion of Results: Findings from secondary data and interview discussions support our acceptance of the alternate hypothesis in hypothesis two (2). Findings

revealed that both telecom outfits studied enjoyed international funding due to partnership with large Telecos/international organizations like AT&T, France Telecom, Telia Sonera, Sprint and T- external, MTN international, INTELSAT, INMARSAT and the WTO. Such partnership facilitated investment in equipment such as the fibre-optic cable, Feed horns, Antennas 3G Internet Platforms, inverter switches and Sub-Marine cables. This also facilitated services such as teleconferencing, distance learning, telemedicine, international roaming, Blackberry, iPad and Data Bundles/Roaming.

In the area of personnel, the few tenured staff is trained engineers and (TSE) technicians. Board members and Directors (also part of the tenure staff) are experts in financial management, information technology, corporate strategy, marketing research, designing, marketing, graphics, ergonomics and advertising and have more often been restructured to meet current challenges. While majority of staff usually graduates (specifically with second class upper degrees) are placed on contract and casualization. There must have been successful rollout of the CDMA2000 1× and other networks by NITEL/MTEL as well as staff, but why NITEL/MTEL were stopped from further investments and why most of their facilities is overtaken with weeds and rust is what this research could not really explain.

5.2.5 Hypothesis 3

In discussing our third hypothesis, the views of respondents particularly NITEL staff were also corroborated more with results from interviews and other available data.

Our Hypothesis 3 states thus:

$H_{0:}$ Government's political will is not desirable in bringing about needed transformation in MTEL and its survival among other competitors.

$H_{1:}$ MTEL's transformation, ability to compete and survive among other competitors in the telecommunications industry is dependent on government's political will.

Table 5.25: Government is not really committed to Reforming NITEL/MTEL

Response	**Frequency**	**Percentage**
Strongly agreed	139	51.29
Agreed	99	36.53
Strongly disagreed		
Disagreed		
Undecided	33	12.18
Total	**271**	**100**

Source: The Survey, 2010.

In table 5.25, 238 representing 87.82% of our sampled respondents felt government was not really committed to reforming NITEL/MTEL considering some of the following reasons; firstly, in terms of facilities, no other telecom outfit has built NITEL/MTEL's facilities and technology yet, other operators should have been on the backbone of NITEL/MTEL and would have been concern with expansion rather than built their own backbones (Daily Trust, Tuesday, December 28, 2010).The question is why NITEL/MTEL is moribund when other outfits are there tapping from their facilities and thriving. In the words of Sa'ab (2010:24), if the deregulation in the telecommunication sector (NITEL/MTEL Particularly) was well intended, then,

government should have build a much stronger modern capacity in NITEL/MTEL before inviting other competitors

Secondly, government did not really follow the suggestions of the Report of the National Council on Privatization Adhoc Committee on NITEL/MTEL Sale Transaction on the ability of the preferred bidder paying the bid sum, because members of the Committee argued they were not in the position to ascertain whether or not the Preferred Bidder was in the position to pay since that cannot be ascertained without first availing them the opportunity to pay. The committee observed that the correspondence between the two bidders and government agencies did not indicate conclusion between the Preferred and Reserved bidders as each of them were actually canvassing to be given the option to pay for the enterprise.(Report of the National Council on Privatization Adhoc Committee on NITEL/MTEL Sale P.5&6). This indicates strongly that there was still government interest from some quarters.

Thirdly, from further **INTERVIEW,** (with Rabiu Mohammed/former NITEL/MTEL staff) NITEL's Landline intensity and capacity are yet unmatched and MTEL,NITEL GSM branch alone would have done far better than what MTN and GLO are doing in terms of the Optic-Fibre, manpower and increased bandwidth but for its moribund state. It is our opinion that NITEL would have competed more favourably and even better than other outfits, and would have operated the system better if allowed to come back. The statement of the Former General Manager (Operations) of the Mobile Telecommunications Limited (MTEL) corroborates the above assertion when he observes "that the repeated failure of the Bureau of Public

Enterprises (BPE) to privatize the Nigeria Telecommunications Limited (NITEL) and its sister company, Mobile Telecommunications Limited (MTEL) has been linked to a sabotage policy of some telecommunications firms operating in Nigeria and that some major players in the telecommunications industry, it was learnt, are not comfortable with the existence of NITEL because of the fear that the former monopoly could give them a run for their money if allowed to remain in the competition" (Ibrahim Shehu-Gusau, 2010).

Table 5.26: NITEL/MTEL has reaped the full Benefits of the Reform.

Response	**Frequency**	**Percentage**
Strongly agreed	-	-
Agreed	-	-
Strongly disagreed	197	72.69
Disagreed	60	22.14
Undecided	14	5.17
Total	**271**	**100**

Source: The Survey, 2010.

From table 5.26, 256 representing 94.83% of our sampled respondents disagreed on the notion of NITEL/MTEL reaping fully the benefits of deregulation. 14 representing 5.17% of the respondents were undecided. It is obvious from majority response that NITEL/MTEL did not reaped fully the benefits of the deregulation policy due to problems of sabotage policy by some telecom firms, insincerity in the bidding process by government and share neglect of NITEL/MTEL by government in spite of its facilities as already seen in table 5.25. One other major objective of deregulation was to ensure that telephone facilities are brought within 5km distance from any community. NITEL/MTEL never achieved this neither did

other telecoms because of some of the problems already mentioned and other numerous problems of new telecom outfits.

INTERVIEW with Kazzah, a former union leader of NITEL on "who is to blame on the unimpressive performance of NITEL/MTEL with the policy" revealed that the privatization process "grounded NITEL/MTEL's services completely, majority of its staff sacked, staff salaries and severance allowances not paid after several months" and that Nigerians never benefited from the process. Abubakar (2010), simply puts it that the deregulation or privatization process in the telecommunication sector killed NITEL/MTEL. We could conclude herein a nutshell, that there was "NO REFORM IN NITEL/MTEL". And that government officials, to the contrary have never seen the unintended consequences of the deregulation package. The impression they have always given is that deregulation and privatization are the only solutions left for transforming the Nigerian economy and should be pursued with all vigor.

Table 5.27: NITEL/MTEL's problems before the Reforms.

Type
• connection problems • cross networking with other GSM networks • poor planning and co-ordination by the NFMB • effective supervision • poor management/mismanagement of funds • corruption • lack of accountability

Source: The Survey, 2010.

From table 5.27 we wanted to know the condition and problems of NITEL/MTEL that necessitated reforms and if privatization/deregulation were the only options left for revamping the nation's telecommunication giant. As indicated in

the table, NITEL/MTEL had connection problems especially those of cross networking with other networks to which ECONET Wireless and MTN wanted exorbitant amounts for each call carried from an MTEL caller to one of their subscribers. Government should have naturally stepped in to mediate, settle or augment such amounts for MTEL being a government company; government never did. Poor planning on the part of the NFMB, resulted in poor co-ordination, allocation registration and monitoring of the radio spectrum. Effective supervision, poor management, corruption etc. are more of like internal problems government should have handled (injecting better management and a competent board of directors etc.) rather than outright sale to TransCorp on speculation which never set NITEL/MTEL on sound footing. It was speculated that the company would invest over $1bn to turn NITEL and MTEL around and that TransCorp had secured €1bn at 4% interest from the European Union Development Council (EUDC) to fund the acquisition at a minimum cost (www.mobilecomms-technology.com). The sale of NITEL/MTEL on speculation and government's inability to tackle some of the above mentioned problems became clear to majority that government was not really committed to implementing the policy in NITEL. Besides, NITEL/MTEL actually came up strongly with partial deregulation (commercialization).

INTERVIEW with the Director General of the NCC, on "if government is to blame for the unimpressive performance of NITEL/MTEL" revealed that government simply lacked the political will to have affected appropriate changes in the two organizations. For example, he(the DG), felt besides the fact that government was in a hurry to sale the nations telecommunication giant, one other major problem was

that of undervaluation of the two arms (NITEL/MTEL) at the time of sale .Adaramola (2010), corroborated the above succinctly when he observes during the botched efforts to privatized the company in 2001, NITEL fixed assets were valued at $2.5 billion; but Investors International London Limited only offered $1.317 million in(2001), Orascom of Egypt $256.53 (2006), Trancrop $500 million (2006) and the new generation consortium $2.5 billion (2010) only for it not to afford to pay an initial 30% ($750 million) of that amount. On the sale, Sani the Acting Deputy General Manager (Management Information System and Data Processing), forewarn even as at 1996 that extreme care should be applied the way government goes about the policy of the deregulation of the telecommunication industry (Sani, 1996).Must certainly, NITEL/MTEL were somehow subjected to public control and subjecting the two Arms to the free market type competition of MTN/GLO should have been gradually done and not hurriedly which in the eyes of the public portrayed some hidden or personal interest.

The aforementioned statement truly reflects the character of the state, the policy and political interest (viewing the BPE's blue print on the privatization of NITEL). This point is strongly supported by Wallis (2001), when he observes that "in some countries, including Nigeria, high ranking government officials have personal interest to buy SOE's themselves at give-away prices, privatization offer them a good opportunity". No wonder that government continued to limp between the privatization of NITEL's assets, MTEL, and SAT 3 as separate entities rather than whole sale probably for better gains. (See appendix C Privatization of NITEL, short profile 2006.pgs.3).

Further **INTERVIEW** with some members the civil society(Julius Bala inclusive) also revealed that while countries like Britain, Germany, and France etc. still operate land line system, this has completely been destroyed in Nigeria with the moribund state of NITEL/MTEL; and GLO, the purported second national carrier has fail to deploy landlines. The truth remains that; we don't and can never have an effective telecommunication system without landlines. NITEL still remains the backbone (gateway) of the Nigerian telecommunication system and can bounce back if restored to its original mandate by the government. Another issue worth mentioning is that this change or policy did not really take into cognizance environmental peculiarities like the distressed economic nature of Nigeria, the level of income (low income earning capacity of the country), the technical difficulty of the nature of privatization, a dilapidated capital as observed earlier from literature and unfortunately rather, the extent and results of the plan change had never been appraised.

5.2.6 Statistical Test of Hypothesis 3

Our independent variable (X) from our third hypothesis is the transformation and survival of MTEL among other competitors while our dependent variable (Y) is government's political will. Similarly, the responses on both the dependent and independent variables were analyzed using the five point likert's scale presented in tables 5.25, 5.26 and 5.27 with same level of significance (α) 95% (0.05) to test the hypothesis. The degree of freedom (V) was four (4).

Table 5.28 **Responses on Government's commitment on reforming NITEL/MTEL (independent variable)**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agreed	139	51.3	51.3	51.3
	Agreed	99	36.5	36.5	87.8
	Undecided	33	12.2	12.2	100.0
	Total	271	100.0	100.0	

Source: **Computer Product of SPSS**

Table 5.29 Responses on Benefits of the Reform's success in NITEL/MTEL.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagreed	197	72.7	72.7	72.7
	Disagreed	59	21.8	21.8	94.5
	Undecided	15	5.5	5.5	100.0
	Total	271	100.0	100.0	

Source: **Computer Product of SPSS**

In testing our third hypothesis, the values of the dependent and independent variable in tables 5.25, 5.26 and 5.27 were similarly cross tabulated to test the hypothesis with the SPSS package products presented in tables 5:28, 5.29 and 5.30.

Table 5.30 **Responses on Government's commitment on Reforming NITEL/MTEL (Independent variable) * Responses on Benefits of the Reform success In NITEL/MTEL.**

			Responses on Benefits of the Reform in NITEL/MTEL for success.			
			Strongly disagreed	Disagreed	Undecided	Total
Responses on Government's commitment on Reforming NITEL/MTEL (Independent variable)	Strongly agreed	Count	139	0	0	139
		Expected Count	101.0	30.3	7.7	139.0
		% within Responses on Government's commitment on Reforming NITEL/MTEL (Independent variable)	100.0%	.0%	.0%	100.0%
		% within Responses on Benefits of the Reform in NITEL/MTEL for success.	70.6%	.0%	.0%	51.3%
		% of Total	51.3%	.0%	.0%	51.3%
	Agreed	Count	58	41	0	99
		Expected Count	72.0	21.6	5.5	99.0
		% within Responses on Government's commitment on reforming NITEL/MTEL (Independent variable)	58.6%	41.4%	.0%	100.0%
		% within Responses on Benefits of the Reform in NITEL/MTEL for success.	29.4%	69.5%	.0%	36.5%
		% of Total	21.4%	15.1%	.0%	36.5%
	Undecided	Count	0	18	15	33
		Expected Count	24.0	7.2	1.8	33.0
		% within Responses on Government's commitment on Reforming NITEL/MTEL (Independent variable)	.0%	54.5%	45.5%	100.0%
		% within Responses on Benefits of the Reform in NITEL/MTEL for success.	.0%	30.5%	100.0%	12.2%
		% of Total	.0%	6.6%	5.5%	12.2%
Total		Count	197	59	15	271
		Expected Count	197.0	59.0	15.0	271.0
		% within Responses on Government's commitment on reforming NITEL/MTEL (Independent variable)	72.7%	21.8%	5.5%	100.0%
		% within Responses on Benefits of the Reform in NITEL/MTEL for success.	100.0%	100.0%	100.0%	100.0%
		% of Total	72.7%	21.8%	5.5%	100.0%

Source: **Computer Product of SPSS**

From our cross tabulated values, the computer produce the following Chi-square output as presented on table 5.30 below;

Table 5.31 **Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	213.228[a]	4	.000
Likelihood Ratio	212.591	4	.000
Linear-by-Linear Association	172.669	1	.000
N of Valid Cases	271		

a. 1 cells (11.1%) have expected count less than 5. The minimum expected count is 1.83.

Source: **Computer Product of SPSS**

From the output of the Chi-square in table 5:31 above, the calculated X^2 value was 213.228. Degree of freedom (df) = 4. Critical or table value at 4 df and α value of 0.05 level of significance was 9.488. The chi-square calculated X^2 value of 213.488 in table 5.30 is greater than the critical (tabulated) value of 9.488 on the Chi-square distribution table in appendix D.

Decision Rule: Reject Null Hypothesis if calculated value is greater than critical value and accept the alternate. We conclude therefore that the null hypothesis (Ho) which states that "Government's political will is not desirable in bringing about the needed transformation in MTEL and its survival among other competitors." is rejected and the Alternate Hypothesis (Hi) which states that "MTEL's transformation, ability to compete and survive among other competitors in the telecommunications industry is dependent on government's political will" is accepted.

Discussion of Results: From findings on respondents' views, interview reports especially with the DG of the NCC, the civil society and former union leaders, retired and present staff of NITEL/MTEL, we accepted the alternate hypothesis in hypothesis three (3). Findings from interview reveal that government really lacked the will power to have affected the desired changes in NITEL/MTEL, considering the speculative nature of the acquisition process of NITEL/MTEL,NITEL/MTEL'S undervaluation at sale, the purported moribund nature of NITEL/MTEL even though NITEL still remains the backbone (gateway) of the Nigerian telecommunication industry and the repeated failure of the Bureau of Public Enterprises (BPE) to privatize NITEL/MTEL which is considered as some form of sabotage or personal interest

Our **INTERVIEWEES** when asked how they would rate NITEL/MTEL, MTN and GLO in terms of facilities, responded that NITEL apart from the advantages of national spread, its mobile arm, and vast real estate, the south Atlantic Terminal Underwater Cable (SAT 3) would always be any investor's toast in telecommunication business. In the words of Mohammed Rabiu;

> *NITEL's infrastructural capacity is obviously second to non in the Nigerian telecommunication industry. NITEL is the only telecom outfit whose land lines had wider coverage to remote Areas, Offices and Post Offices. If NITEL were fully operational, it would have been possible to make GSM calls for N5 per minute hence as at 2002 MTEL was charging only N15 per call. Besides, there are about Four Hundred (400) containers of NITEL facilities sealed. If government were actually interested in the success of the reform in NITEL, things wouldn't have been this way. One other thing is that NITEL has seriously been undervalued due to some conflict of interest as we saw earlier in this work. The truth is that some Ex-Heads of state and Ministers under value it to take advantage. (This statement corroborate strongly that of the NCC). Another wonder is why properties of NITEL are being sold even though NITEL has not been sold by the Federal Government. A*

typical example is House No 1 and No 7 Dendo Road GRA Kaduna formally NITEL Rental Point and SEMEN Technical Office just to mentioned few cases across the country. To add, some retired NITEL staff and top government officials are investors in the two giant companies.

NITEL's Broad-Band in Lagos has continued to be the backbone of new telecom outfits; only in 2010 did GLO lunch its own fibre optic cable. Even the DG of the NCC from interview report, revealed that government simply lacked the political will to have affected appropriate changes in NITEL. Besides, if countries like Britain, Germany, and France to mention a few still use the land line, why did we abandon the landlines in Nigeria?

5.3 Major Findings

(i) Deregulation, achieved expansion of telecommunication network and services in the industry; a cardinal policy objective, broke the monopoly power once enjoyed by NITEL through increased competition and increased access to the use of the telephone to many more individuals in the society.

(ii) Both the sampled respondents and the consumers of telecommunication services felt in spite of the expansion in trunks, lines and number of subscribers, the desired level of efficiency and effectiveness in service delivery is yet unattainable due to of problems of connectivity, congestion, low connection speed etc. impinging direct impact on customers, businesses and symptomatic of low telephone density.

(iii) In terms of corporate responsibilities, respondents observed that MTN and GLO have done little in investing in government capital projects like power,

transportation, agriculture, roads, employment etc. compared to NITEL/MTEL. This is the only avenue of empowering the citizens.

(iv) More rationalization and lost of jobs have been witness in NITEL/MTEL, than with GLO and MTN as a result of deregulation.

(v) One basic problem we discovered with telecom operations in Nigeria is the inability of regulatory authorities (NCC and UCC) to make strong regulations on interconnecting rates and price charges amongst operators which has attributed considerable gains for some telecommunication outfits (like MTN and GLO). This will continue to be a key barrier to effective telephone usage in Nigeria in the face of lack of strong regulation. Additionally, infrastructural inadequacy has been a challenge to Mobile Number Portability and effective service provision despite acclaimed facilities by MTN and GLO.

CHAPTER SIX

SUMMARY CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

All efforts put into this research in this chapter were presented in form the summary and conclusions reached on the effects of deregulation so far on the telecommunication industry. After making analysis to validate our hypotheses, it became necessary to make recommendations that would uphold NITEL/MTEL's original mandate in the telecommunication industry. Finally, the recommendations were made strictly based on the findings.

6.2 Summary

In This section, findings made in the course of the study were presented. This study sets out to establish the extent to which deregulation/privatization as major policy trusts to transforming the Nigerian telecommunication industry has achieved the desired efficiency and effectiveness in service delivery vis – a - vis expansion in the telecom network. Our study revealed that deregulation led to rapid expansion of telecommunication networks through increased trunks and lines but quality of service still remains poor envisioned by constant consumers complaints of congestion, interconnectivity problem, poor SMS delivery just to mention a few.

On whether MTEL's performance and quality service delivery bettered with increased competition (new entrants) in the industry as a result of deregulation, respondents perception and other available data proves that interconnectivity problems, the comatose state of MTEL's installations and exchanges scuttled

MTEL's efforts even though other networks (MTN& and GLO) could not be said to have offered Nigerians the desired and better quality of service within our study time frame.

Our study also revealed that the inability of regulatory authorities (NCC and UCC) to come up with strong regulation on interconnecting rates amongst operators has been responsible for high tariff rates in the telecom industry. The uneven policy regulation has not only constituted a barrier to access of telecommunication services, but has impinged affordability and considerable gains to some telecommunication outfits. Affordability of the mobile telephone has continue to remain a challenge Nigerian in view of price charged coupled with other indicators of poor service quality hindering customer satisfaction.

A major objective of deregulation was to encourage wealth creation and employment generation amongst citizens. Our study revealed that telecom outfits did not really do well in empowering citizens in areas like agriculture, transportation and shares declaration. In the area of employment, more job loses were recorded in NITEL/MTEL .For example,30 months after TRANSCORP took over the operations of NITEL/MTEL; their workforce shrank dramatically from 13,000 to fewer than 1,000. This posits that deregulation did not consider the interest of employees in NITEL/MTEL and even though other telecom outfits like MTN and GLO are said to have employed, 80% of their employees were on contract or casualization.

The undervaluation of NITEL/MTEL at the time of sale, speculative nature of the acquisition process, stopping NITEL/MTEL for further investments in more modern facilities even though NITEL still remains the backbone (gateway) of the

Nigerian telecommunication industry send a clear indication that government lack the political will to have returned NITEL/MTEL to its original mandate.

6.3 Conclusions

Deregulation in the Telecommunication Sector in Nigeria was carried with the intension to transforming the Nigerian telecommunication industry through network expansion as well as achieving efficiency and effectiveness in service delivery. From the data presented and analyzed as well as hypotheses tested in chapter five, the study concludes that even though rapid expansion of telecommunication networks, trunks and lines have increased, much is still left to be desired in the quality of service due to problems of congestion, interconnectivity, low dial tones unhealthy competition and tariff and regulation besides the fact that the fixed-line sector continued to experience negative growth from 2007.

The hypotheses tested indicated that the inability of regulatory authorities' to come up with strong regulation on interconnecting rates and tariff affected affordability of service consumption, efficiency of services dull out by telecom outfits, price charge on services and equipment and that the uneven nature of tariff regulation/high tariff does not only hinder access to telecommunication services but delivers considerable gains to outfits like the MTN and GLO at the detriment of MTEL. Another issue is even though mobile penetration rates demonstrated significant growth; these figures were masked by the fact that a lot of Nigerians (particularly the rural areas)do not have any means of communication or could not

afford mobile phones. And despite the high proliferation of low -cost hand sets, penetration remained low in some areas.

Accessibility to telecom services is a necessary condition not only to increased competition but driving down prices to encourage affordability; but our study revealed that influenced market outcomes such as interconnectivity and high tariff were key barriers to the access of services. A key factor to high prices and accessibility is interconnection. If interconnection disputes were addressed, retail prices would have decreased and number of subscribers would have increased.

The reforms in Nigerian telecommunication sector were exogenously influenced (by the IMF/World Bank). Government should have carefully scrutinized it before adoption if it became necessary or rather used other measures to revamp NITEL and MTEL.

6.4 Recommendations

From the findings made in chapter five, the study recommends that;

(i) Deregulation/privatization has not really help NITEL/MTEL's situation. What NITEL/MTEL needs is good management, competent and well qualified board of directors and less political interference to enable the two arms compete, offer better, cheaper and affordable services to Nigerians (as part of the initial mandate) rather than outright privatization.

(ii) If efficient and effective service delivery must be achieved in the nations telecommunication sector, then, the problem of interconnectivity amongst telecom operators must be tackled as well as more investment in

infrastructure to enhance mobile number portability, service provision and curtail excessive exploitation by dropping call charges.

(iii) The Nigerian Communications Commission (NCC), Utility's Charges Commission (UCC) and regulatory bodies in communication's sector of a necessity must make strong regulations on interconnecting rates and price charges amongst operators in order to encourage effective telephone usage among Nigerians.

(iv) Telecom outfits like MTN, GLO should invest more on programmes targeted at empowering Nigerians. The issue of compliance must also be enforced by government on employment and should also be listed (MTN, GLO etc.) on the Nigerian stock exchange market, so that Nigerians could buy their shares.

6.5 Area for further Research.

This study examined the effects of deregulation on public and private telecom outfits in the Nigerian telecommunication industry. There is the need for another study on regulation development and portability. These are cardinal for enhancing overall efficiency in the Nigerian telecoms industry.

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Appendix 1

Department of Public Administration,
Faculty of Administration,
Ahmadu Bello University,
Zaria.
28th May 2009.

Dear Respondent,

RESEARCH QUESTIONNAIRE

I am a Ph.D student of the Department of Public Administration ABU, Zaria. I am undertaking a research entitled "Effect of Deregulation Policy on the Nigerian Telecommunication Sector: A study of NITEL". This is in partial fulfillment of the requirements for the award of Ph.D Degree in Public Administration.

The attached copy of the questionnaire, therefore, is meant for the collection of data for the research subject matter. I shall be glad if you can assist me in this respect by completing the questionnaire.

Your responses will be treated with utmost confidence. Thank you for your co-operation.

Yours sincerely,

Signed

Anyio Silas Felix.

QUESTIONNAIRE FOR MTN, GLO, NITEL AND BPE STAFF

SECTION A

BIODATA OF RESPONDENTS
Please tick ( ) as appropriate in your answer to the following questions.

1. Sex of Respondents
a). Male ( )
b). Female ( )

2. Age of Respondent
a). 21 – 30 years ( )
b). 31 – 40 years ( )
c) 41 – 50 years ( )
d). 51 – 60 years ( )
e). 61 years and above ( )

3. Last Educational Qualification of Respondent
a). First School Leaving Certificate ( )
b). WASC/GCE/SSCE ( )
c). NCE/OND/ND ( )
d). Degree/HND ( )
e). Postgraduate ( )
f). Others Specify……..

4. Marital Status
a). Single ( )
b). Married ( )
c). Divorced ( )

5. Name of your organization……

6 How long have you being with your organization?
a). 1 – 10 years ( )
b). 11 – 20 years ( )
c). 21 – 30 years ( )
d). 31 years and above ( )

Hypothesis 1
Questions on increased Efficiency and Effectiveness in the Telecommunication through Deregulation

7. The deregulation of the Nigerian telecommunication sector was necessary.
a). Strongly agreed ( )
b). Agreed ( )

c). Strongly Disagreed ( )
d). Disagreed ( )
e). Undecided ( )

Please explain why you think it became necessary……..
……
…..……

8. Government's intention for deregulating the telecommunication sector has fully been achieved
a). Strongly agreed ( )
b). Agreed ( )
c). Strongly Disagreed ( )
d). Disagreed ( )
e). Undecided ( )

Please can you explain some of the changes that have occurred since deregulation?.....
.....
.....

9. Deregulation has brought about increase in the provision of lines (trunks) in your organization.
a). Strongly agreed ( )
b). Agreed ( )
c). Strongly Disagreed ( )
d). Disagreed ( )
e). Undecided ( )

Please mention specifically your level of network coverage. What are some of the problems associated with this if any.....
.....
.....

11. Deregulation has repositioned the telecommunication industry in Nigeria.
a). Strongly agreed ( )
b). Agreed ( )
c). Strongly Disagreed ( )
d). Disagreed ( )
e). Undecided ( )

Which specific areas do your services cover……..
……
……

12. Deregulation has led to the creation of more jobs in the telecommunication industry.
    a). Strongly agreed ( )
    b). Agreed ( )
    c). Strongly Disagreed ( )
    d). Disagreed ( )
    e). Undecided ( )

    If not what has been your experience
    ……
    ……

13. New changes have affected your pricing policy significantly.
    a). Strongly agreed ( )
    b). Agreed ( )
    c). Strongly Disagreed ( )
    d). Disagreed ( )
    e). Undecided ( )
    Please state specifically how……
    ……
    ……

14. Your services are now very effective and affordable with increased competition.

    a) Strongly agreed ( )
    b). Agreed ( )
    c). Strongly Disagreed ( )
    d). Disagreed ( )
    e). Undecided ( )
    Please give reasons if not……
    ……
    ……

15. Majority of Nigerians can be said to have been satisfied with the services under deregulation.
    a). Strongly agreed ( )
    b). Agreed ( )
    c). Strongly Disagreed ( )
    d). Disagreed ( )
    e). Undecided ( )

    What is responsible for your answer above?.....
    ……
    ……

16. Effective service delivery by your organization has increased the level of patronage by your customers.
    a). Strongly agreed ( )
    b). Agreed ( )
    c). Strongly Disagreed ( )
    d). Disagreed ( )
    e). Undecided ( )

Hypothesis 2
Questions on resource flow and quality of management
Please indicate by ticking ( ) the option which best suits the answer.

17. Your organization has now employed better qualified and adequate staff carrying out your operations.
    a). Strongly agreed ( )
    b). Agreed ( )
    c). Strongly Disagreed ( )
    d). Disagreed ( )
    e). Undecided ( )

    What specific category of staff have you employed and what other major reorganization took place to ensure achievement of better and effective results?.....
    .....
    .....

18. Your organization has enjoyed better capital injection with the deregulation of the telecommunication sector.
    a). Strongly agreed ( )
    b). Agreed ( )
    c). Strongly Disagreed ( )
    d). Disagreed ( )
    e). Undecided ( )

    Please indicate any other source and possible reasons if funding has not been adequate……..
    .. …….....
    ……

19. In what area or aspect has funding has affected your level of operation?(Please tick as appropriate).

	SA	**A**	**SD**	**D**	**U**
A Training	( )	( )	( )	( )	( )
b) In terms of purchase of machinery	( )	( )	( )	( )	( )
c) In terms of maintenance of machinery	( )	( )	( )	( )	( )
d In terms of staff remuneration	( )	( )	( )	( )	( )

20. Your organization has been open to more investment opportunities due to more competition.
    a). Strongly agreed ( )
    b). Agreed ( )
    c). Strongly Disagreed ( )
    d). Disagreed ( )
    e). Undecided ( )

. In which specific areas has your organization made investment since you started operation?.....
……
……

21. Your organization has acquired modern technology, equipment, machines and other gadgets to facilitate effective service delivery.
    a) Strongly agreed ( )
    b). Agreed ( )
    c). Strongly Disagreed ( )
    d). Disagreed ( )
    e). Undecided ( )

    Which specific ones have your acquired and If not what reasons could have responsible for that?.....
    ……
    ……

Hypothesis 3

Questions on government's support and commitment to the reform

Please indicate by ticking ( ) the option which best suits the answer.

22. Government is not really committed to reforming NITEL
    a) Strongly agreed ( )
    b). Agreed ( )
    c). Strongly Disagreed ( )
    d). Disagreed ( )
    e). Undecided ( )
    Please could you explain further……
    ……..
. ……

23. Can we assume NITEL to have reaped the full benefits of the reform?
    a) Strongly agreed ( )
    b). Agreed ( )
    c). Strongly Disagreed ( )
    d). Disagreed ( )
    e). Undecided ( )

If not, what has being the basic problem with the said reform in NITEL?.....
……
……

24. NITEL was not really prepared before the deregulation reform was introduced in the organization.
    a) Strongly agreed ( )
    b). Agreed ( )
    c). Strongly Disagreed ( )
    d). Disagreed ( )
    e). Undecided ( )

    if your answer to question 33 above is either of a or b, what do your think is the basic problem of government not fully implementing the policy in NITEL?.
    ……
    ……
    ……
    ……

25. How can you assess government's commitment to the reform in NITEL in term of capital injection, infection of better qualified personnel or better management?.....
    .....
    .....

SECTION B
Questionnaire for consumers of telecommunication services
Bio data of Respondents
Please tick ( ) as appropriate in your answer to the following questions.

1. Sex of Respondents
a). Male ( )
b). Female ( )

2. Age of Respondent
a). 21 – 30 years ( )
b). 31 – 40 years ( )
c) 41 – 50 years ( )
d). 51 – 60 years ( )
e). 61 years and above ( )

3. Last Educational Qualification of Respondent
a). First School Leaving Certificate ( )
b). WASC/GCE/SSCE ( )
c). NCE/OND/ND ( )
d). Degree/HND ( )
e). Postgraduate ( )
f). Others Specify……..

4. Marital Status

a). Single ( )
b). Married ( )
c). Divorced ( )

5. Occupation……..……

6. Do you use the telephone?
   a). Yes ( )
   b). No ( )

7. How many lines do you use?
   a). MTN ( )
   b). GLO ( )
   c). NITEL/MTEL ( )
   d). Airtel ( )
   e). etisalat ( )

8, which of the above networks do you prefer most and why……..
……
……

9. I use some of these networks because they are cheaper and affordable compared to NITEL/MTEL.
   a) Strongly agreed ( )
   b). Agreed ( )
   c). Strongly Disagreed ( )
   d). Disagreed ( )
   e). Undecided ( )

10. How does price affect your consumption of these telecommunication services?
……
……
……

11. The prices these telecommunication outfits charge are commensurate with their services.
   a) Strongly agreed ( )
   b). Agreed ( )
   c). Strongly Disagreed ( )
   d). Disagreed ( )
   e). Undecided ( )
   Do you feel they should improve their services or reduces their tariff?.....
   ……..
   ……

12. Other networks as listed above are doing better than NITEL/MTEL in terms of service provision.
   a) Strongly agreed ( )
   b). Agreed ( )

c). Strongly Disagreed ( )
d). Disagreed ( )
e). Undecided ( )
Please give reasons for your choice above……...
……
……

13. There isn't any significant difference in service provision by other telecom outfits compared to NITEL.
a) Strongly agreed ( )
b). Agreed ( )
c). Strongly Disagreed ( )
d). Disagreed ( )
e). Undecided ( )
Please state generally the problems or difficulties associated with service provision by some of these telecom outfits……...
……
……

13. Would you have preferred consuming NITEL/MTEL services and why?
……
……

SECTION C

Interview Schedule
Interview questions for Top Managers of selected organizations, DG's, Political Office Holders, Consultants, Directors and the civil society

1. Can you say that government was really prepared before introducing reforms in the telecommunication sector?

2. Can we say that a general level of efficiency has been attained in the telecommunication sector as a result of the deregulation?

3. How would you assess NITEL now and why?

4. Government's intention for deregulating the telecommunication sector was to make outfits like NITEL compete favourably alongside others in terms of cost effectiveness and service provision. Can we say that NITEL has attained that status?

5. How would you assess individual choice of telephone lines and why?

6. What has been the basic problem with the deregulation reform in Nigeria as it affects telecommunication?

7. In your opinion, do you see this policy as being effective in developing or transforming the telecommunication industry in Nigeria?

8. In terms of facilities, how will you rank NITEL compared to MTN or GLO?

9. What is the status of your revenue generation?

10. How appropriate is the manpower situation in NITEL?

11. What specifically should be done about the manpower situation?

12. How can the revenue situation be improved?

13. To what extent would you blame management for the unimpressive performance of NITEL/MTEL?

14. To what extent would you blame government for the unimpressive performance of NITEL/MTEL?

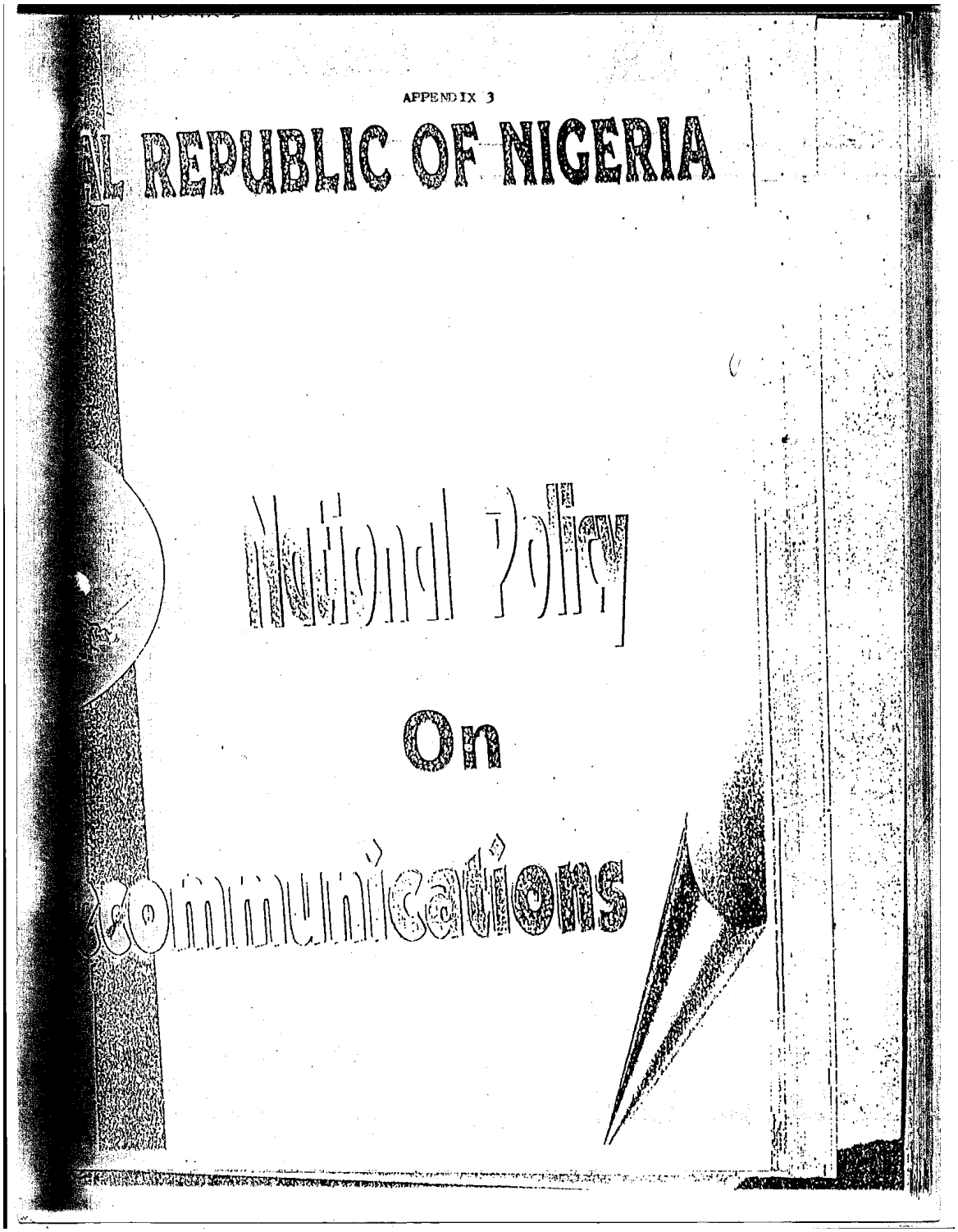
15. What should be done to improve the performance of NITEL/MTEL?

Appendix 2

Profile of the interviewees

Name	Profile	Date and Time of interview
Mr. Timothy Atama 08059503966	- Former checkno-switching Manager NITEL North-West Zone Kaduna. - Member Civil Society	10:30 – 12pm 10/03/2010
Mohammed Rabiu 08061564017	- Former staff G-Cell Wireless - United African Company of Nigeria Kaduna - Member Civil Society	12 – 1pm 12/07/2010
Dr. Julius J. Bala 08035047822	- Former Personal Assistant to Dr. Hamza Zayyad. Chairman TCPC. - Member Civil Society, Abuja.	Phone chat 08/12/2009
Clement Ogohor 08057757883	- Asst. Director Nigerian Communication Commission. Abuja.	11am-12:30pm 21/07/2010
Hajiya Zainab I. Sa'ab	- CEO NITEL Abuja.	10am-11am 21/12/2010

APPENDIX 3


APPENDIX 3
AL REPUBLIC OF NIGERIA
National Policy
On
Communications

PREFACE



Sometimes in 1998 the Ministry of Communications published the approved and maiden edition of the National Policy on Telecommunications, 1995.

That this Policy was approved and published three years after its production and a year after, it was supposed to be reviewed is an indication of the difficulties the country was going through then and a statement on the prevailing socio-economic and political environment.

Thus as at the time of the publication some of the prescriptions contained in the Policy have been outdated, overtaken by events or require further modifications to be consistent with the new developments and emerging industry trends both locally and international.

This initiative of a new policy for telecommunications in Nigeria therefore became necessary and compelling. Hence barely a week into this administration the President and Commander-in-Chief inaugurated a Committee on Telecommunications Policy for Nigeria and personally presided over its maiden sitting. The Presidential Committee with the Vice President as Chairman then continued further deliberations over the next couple of weeks.

In keeping with the traditions of democracy i.e. transparency, openness, involvement e.t.c. an international workshop on the new policy was organized to allow for expression of views and sentiments and articulation of interests and opinions by members of the public. The report of the workshop formed the working papers for the committee, the result of which is contained herein.

The public may ask what is the difference between this initiative and previous policy statements by Government? The answers to this genuine and legitimate question are:-

(a) The political environment is different with a democratic Government in place and therefore arbitrariness and inexplicable inconsistency is assumed to belong to the past.

Political will as reflected in the personal involvement of the President and the Vice President in this initiative.

The wide and open consultation on the issues and details of the policy.

The contents of the Policy which strongly prescribes clear delineation of roles and functions, reviews of existing laws and above all installation of open, transparent, responsive and progressive regulatory framework, processes and procedures.

It is the hope of this administration that this policy will provide Nigeria the basic framework and primary building blocks for the much desired communications revolution.

ALHAJI MOHAMMED ARZIKA(OFR)
HONOURABLE MINISTER OF COMMUNICATIONS
OCTOBER, 1999

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CHAPTER ONE

INTRODUCTION

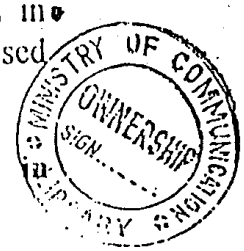
1.0. The establishment of an efficient, reliable and affordable telecommunications system is one of the key ingredients for promoting rapid socio-economic and political development of any nation. Such a system must be universal and cost-effective.

Telecommunications is one of the vital engines of any economy; a most important infrastructural facility that promotes the development of other sectors of the economy such as agriculture, education, industry, health, banking, defence, transportation and tourism. It is also indispensable in times of national emergency or natural disaster. It further reduces, considerably, the risks and rigours of travels and arrests rural-urban migration.

Telecommunication is an essential feature of globalisation affecting international trade-flows of investment, services and the world economy as a whole of which free market is today the moving spirit.

Developing countries like Nigeria that want to participate effectively and as equal partners in the emerging global market need to have in place a functional and efficient telecommunications system. There is not only a global economy but also a global communication connection which any country wanting to be relevant in the fast approaching millennium needs to be part of in order to be able to acquire necessary knowledge in various areas of human endeavour,

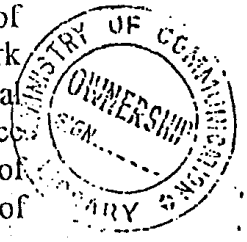
cheaply and readily for its socio-economic development. Global telecommunication provides the opportunity for a country to share in the wave of science and technology developments affecting that sub-sector and the general economy in positive ways that account for the remarkable economic growth in advanced countries and the newly industrialised countries.



Historical Development of telecommunications in Nigeria

Telecommunications in Nigeria was established in 1886 by the colonial Administration more to promote administrative functions than for the socio-economic development of the country. Thus, the external connection by public telegraph services linking Lagos by sub-marine cable along the West Coast of Africa to Ghana, Sierra-Leone, Gambia and on to England was more prominent than internal telecommunications services.

The total number of telephone lines at Independence in 1960 was, therefore, only 18,724 for a population estimated at about 40 million people, a teledensity of 0.4 telephone per 1,000 people. The telephone network consisted of 121 exchanges of which 116 were manual (magneto) type and only 5 automatic exchanges. Since independence, there have been a number of development plans for expansion and modernization of the telecommunication networks and services.



Between 1960 and 1985, the management consisted of the Department of Posts and Telecommunications (P&T) in charge of the internal network and a limited

liability company, the Nigerian External Telecommunications (NET) Limited, responsible for the external telecommunication services. The NET Ltd. provided the gateway to the outside world. Telecommunications development during this period was characterized by serious short-falls between planned targets and their realization, principally because of poor management, lack of accountability and transparency and low level indigenous technical know-how.

The installed switching capacity at the end of 1985 was about 200,000 lines as against the planned target of about 460,000 lines with all the exchanges of the analogue mode. Telephone density and penetration remained poor as it translated to 1 (One) telephone line to 440 inhabitants in contrast to the target of 1 telephone line to 100 inhabitants recommended by ITU for countries performing at 5% growth rate. The quality of service was largely unsatisfactory as it was unreliable, congested, expensive and customer unfriendly.

As a result of the above-observed defects, in January, 1985, the erstwhile Posts and Telecommunications Department was split into the Postal and Telecommunications Divisions. The latter was merged with the NET to form Nigerian Telecommunications Limited (NITEL), a limited liability company, while the Postal Division was reconstituted into another organisation called the Nigerian postal Services (NIPOST). The main objective of NITEL was to harmonize the planning and co-ordination of the internal and external telecommunications services, rationalize investments in telecommunications

development and provide easy-access, efficient and affordable services.

12 Present Status of the Industry (Public Networks)

There has been a modest development in the telecommunications industry since the inception of NITEL in 1985. Today, Nigeria has only 700,000 installed capacity out of which 400,000 lines are connected. In this connection, Nigeria lags seriously behind comparable and even less endowed African countries, let alone of advance countries. It was in order to tackle these shortcomings that the industry was deregulated. Moreover, the industry was deregulated by the establishment of the Nigerian Communications Commission (NCC) by Decree 75 of 1992 whose main objectives include:

(a) creating a regulatory environment for the supply of telecommunication services and facilities;

(b) facilitating entry of private entrepreneurs into the market; and

(c) promoting fair competition and efficient market conduct among all players in the industry.

Since the inauguration of the NCC in July 1993, it has set out the guidelines for private sector participation and issued licences to a number of companies for the following telecommunications undertakings:

(i) installation and operation of public switched telephony;
(ii) installation of terminal or other equipment;

(iii) provision and operation of public payphones;
(iv) provision and operation of private network links employing cable, radio communication, or satellite within Nigeria;
(v) provision and operation of public mobile communications;
(vi) provision and operation of community telephones;
(vii) provision and operation of value-added network services;
(viii) repair and maintenance of telecommunications facilities; and
(ix) cabling

1.2.1 NITEL has remained the National Carrier and basic service provider for domestic and international services with serious repercussions in terms of inefficiency, expensiveness and lack of universal access that have characterised the industry.

1.2.2 Services Offered

A wide range of services, as listed below, are now available: -

(i) Telephony
(ii) Telex
(iii) Cellular Mobile Telephony
(iv) Facsimile (FAX)
(v) Radio/Television Carrier
(vi) Gentex (Extension of Telex Terminals to rural areas)
(vii) Voice Cast/Press Receipt
(viii) Private Leased Circuit
(ix) Alternate Leased Circuit

(x) Maritime Mobile Service, INMARSAT, Ship-Shore, etc.
(xi) GMPCS
(xii) Data Communication
(xiii) High Speed Data Transmission
(xiv) Telegraphy
(xv) Public Payphones
(xvi) Value Added Services (Voice Mail, Paging, etc.)
(xvii) Business Network Services (BIZNET)
(xviii) Computer Networking
(xix) Telecommunications Consultancy Services
(xx) Internet Service.

1.2.3 National Switching Network

The national switching network consists mainly three parallel networks for Telephone, Telex Switching and Cellular. Integrated Services Digital Network (ISDN) services have been introduced in the new digital exchanges. The nodal points of such networks are interconnected through a national transmission system comprising terrestrial radio-relay systems (analogue/digital), optical fibre cable and satellite communication links. The Common Channel Signalling system no. 7 (ISUP) has been adopted for all digital and new exchanges while other exchanges continue to operate the signalling system.

1.2.4 Telephone Network

(i) The telephone network is hierarchically structured in three levels, namely:-

(a) Top level, comprising Secondary Centres in 6 locations;

(b) Intermediate level, represented by 45 Primary Centres; and
(c) Low level, represented by Local Exchanges.

(i) A fully meshed network interconnects the nodes at the top network level while the other two levels form a star-shaped network. Relevant statistics are as follows:

(a) Local Exchanges 233 (56 digital, 177 analogue)
(b) Trunk/Transit Exchanges 45 Primary Centres (21 digital, 24 analogue) and 6 Secondary Centres (all digital);
(c) International Exchanges: 3 (all digital);
(d) Installed Capacity – 700, 000 lines;
(e) Connected Lines – 400,000.

1.2.5 Telex/Gentex Network

The Telex/Gentex Network consists of a system of telex exchanges and gentex stations, which are linked together at the local, national and international levels to provide telex telegraph services for national subscribers and the outside world.

Relevant statistics are as follows: -

(i)	Telex Terminal Exchanges:	16
(ii)	Telex Transit Exchanges:	3
(ii)	Voice Telegraph Terminals:	21
(iii)	Installed Capacity:	14,916
(iv)	Connected Lines:	6,843

1.2.6 Cellular Mobile Networ.

There is one mobile cellular telephony network provided by the Nigeria Mobile Telecommunications Ltd., (M-tel). The cellular mobile network covers three areas of the country with a total capacity of 22,500 lines and all are fully loaded. There is only one Mobile Switching Center (MSC) in each area. This network is, however, grossly inadequate.

A total of twelve other Mobile Cellular Operators have been licensed but are yet to commence operations while approvals had been given for the issuance of licences to 21 other operators. It is observed that the number of licences issued so far is too large and this is one of the reasons why the Nigerian market is not attractive to big investors.

1.2.7. Transmission Network

The transmission network consists of Terrestrial Microwave, Optical Fibre Cable, and Satellite Systems.

1.2.7.1. Terrestrial Microwave Routes

There is a total of 152 routes with 312 repeater stations spread across the country. The main trunk routes have been digitalized and operate in the 140 to 155 Mb/s configuration. Digitalization of the Terrestrial System continues until the whole system has been completely digitalized. Seventeen (17) trunk routes have been digitalized while ten are still outstanding.

2.7.2. Optical Fibre Cable

A large capacity submarine optical fibre cable system has been installed to link Lagos, through Warri, Bonny to Port Harcourt. The same fibre cable system has been extended to Enugu and Calabar through Aba. This system operates in the 622/Mb/s range. Under construction is another system to link Enugu to Abuja. Optical Fibre Ring Networks have also been installed in all digital multi-exchange areas of Lagos, Ibadan, Enugu, Kaduna and Abuja.

NITEL is also participating in the planned South Atlantic Telecommunication/West African Submarine Cable (SAT 3/WASC) project linking Africa with Europe and Asia. The project is to be financed by a consortium of International Telecommunication Operators in Africa, Europe and Asia

The introduction of optical fibre cables, which facilitates increased traffic handling, will reduce operating costs and, hence, the services costs to the consuming public.

2.7.3. Satellite Communications

Five satellite earth stations are currently in operation in Nigeria and are located in Lagos (Victoria Island), Lanlate, Kujama, Kaduna and Enugu. The stations at Lagos, Enugu and Kaduna are digital and are used for international traffic while Kujama is used as a V-SAT hub and Lanlate is used for data traffic.

There are also 19 Domestic Earth Stations (DOMSAT) located in some State capitals. These operate on three

leased INTERSAT transponders for national TV coverage. There are 110 INMARSAT terminals in operation in the country.

2.8 Corporate and Private Customers of NITEL

(i) A survey by NITEL shows that about 61% of NITEL's business customers (about 140,000 companies) are Corporate Networks that own various sizes of Private Branch Exchange (PABX) and link systems. However, the proliferation of PABX equipment in the country will not encourage the local manufacturing of such equipment

(ii) Private Radio Stations in various urban and rural areas of different categories (HF, VHF and UHF) are in service.

2.9 Internet Services

The provision of Internet services with an initial capacity of 5,500 ports has been started with Lagos as the main Point of Presence (POP) with 3,000 ports. This has been completed and services are ready. Abuja is another POP with 1,000 ports that has been completed and services are ready. The other locations, Kaduna, Bauchi and Enugu with 500 ports each are to be completed by the end of 1999. All POPs will be interconnected by a 2Mb/s digital transmission link.

1.3. Frequency Monitoring System

The Frequency Monitoring System consists of:

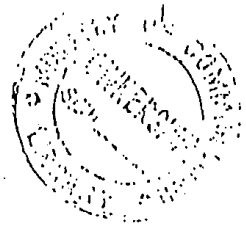
(i) Fixed International Monitoring Stations in Lagos, Ogoja, Azare and Gusau;
(ii) 12 mobile monitoring units deployed to the four Monitoring Stations.

Only the Azare fixed International Monitoring Stations is fully operational while Gusau and Ogoja are yet to commence operation while the equipment in Lagos is obsolete and no more functioning. The urgent need for replacing the Lagos monitoring equipment and the procurement of monitoring equipment for Gusau and Ogoja cannot be over-emphasised. Each of the fixed stations, when fully equipped, will contain radio receivers capable of receiving signals from Low Frequency to Super High Frequency, along with Spectrum Analyser, Field Strength Measuring equipment, Direction Finding equipment, Bandwidth measuring equipment, high quality receiving antennas, etc.

1.6 Private Telecommunication Operators

With the deregulation of the telecommunications industry, 108 approvals for licences had been given out of which 48 companies had paid for their licences. It may be noted, however, that despite the deregulation worldwide in this industry, in most countries there are limited operators in the market. This is because of the nature of the industry entailing huge capital investment, which guarantees economic of scale and consequently

ering of services at reasonable costs to the
nsumers.



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CHAPTER TWO

POLICY OBJECTIVES

2.0 GENERAL

2.1 The over-riding objective of the national telecommunications policy is to achieve a modernisation and rapid expansion of the telecommunication networks and services to enhance national economic and social development. It is also a major means of integrating Nigeria into the globalised telecommunications environment. Telecommunication services should, accordingly, be efficient, affordable, reliable and available to all.

2.2 The rapidly changing nature of technology in telecommunications makes it difficult to set long term policy objectives, hence, it may be more appropriate to set short to medium term policy objectives with the following time frames: short term (3 years) and medium term (5 years).

2.2.1. **Short – Term Objectives**

(i) To implement network development projects which shall ensure that the country meets up with and exceeds the ITU recommended minimum teledensity of 1 telephone to 100 inhabitants. This means that a minimum of 2 million fixed lines and 1,200,000 mobile lines should be provided in the next 2 years;

(ii) To develop and enhance endogenous capacity in telecommunications technology by establishing a National Institute of Telecommunication (NIT);

(iii) To participate effectively in international telecommunication activities in order to promote telecommunications development in Nigeria, meet the country's international obligations and try to derive maximum benefit from international cooperation in these areas;

(iv) To establish a National Frequency Management Board (NFMB) with the responsibility for the planning, co-ordination, allocation, assignment, registration and monitoring of the radio spectrum and the national numbering plan in the interest of efficiency, transparency and accountability;

(v) To ensure that the government divests its financial interest in the state-owned telecommunication entities;

(vi) To promote competition to meet growing demand through the opening of the market to additional National Carriers;

(vii) To ensure that the plan to privatise State-owned telecommunications companies takes into account the interest of the employees; and



CHAPTER THREE

MANAGEMENT STRUCTURE OF THE INDUSTRY

3.0 The trend, worldwide, is in the direction of deregulation, commercialisation, privatisation and competition in the telecommunications industry. Nigeria has taken an initial step in deregulating the industry by establishing the Nigerian Communications Commission (NCC) as regulatory body.

3.1 The nation's telecommunications industry management structure shall consist of:-

(a) Government;

(b) Ministry of Communications;

(c) National Frequency Management Board;

(d) Nigerian Communications Commission; and

(e) National Carriers and others.

Government

As the telecommunications policy is a necessary part of the overall national development policy, the role of Government in the telecommunications sector includes:

(i) Giving overall direction for telecommunications development;

(ii) Ensuring policy consistency of telecommunications with other national sectors' policies; and

(iii) Effecting necessary laws and other measures promptly in support of the national telecommunications policy.

3.1.2. Ministry of Communications

The Ministry formulates broad telecommunications policy. Among its specific functions are: -

(i) Proposing policy options and recommending to Government such measures as legal enactment, waivers on duties, taxes etc;

(ii) Monitoring the role of players in the industry;

(iii) Representing Government on matters pertaining to regional and international organisations like ITU and PATU and their organs as well as other similar organisations;

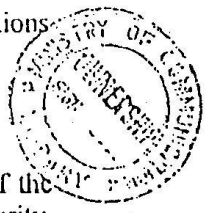
(iv) Liaising with National Assembly on telecommunications matters; and

(v) Performing the role of shareholders in telecommunications companies owned by the Government, or in which government has interest.

3.1.3. National Frequency Management Board (NFMB)

3.1.3.1. The Board

The National Frequency Management Board (NFMB) shall be responsible for the planning, co-ordination, allocation, assignment, registration and monitoring of the radio frequency spectrum in the country. The Board shall report to the Ministry of Communications on the general thrust of its activities.



3.1.3.2 Composition

The Board shall comprise a representative each of the Ministry of Communications, NCC, NBC, Security, Aviation, Maritime, as well as a representative of the Licenced Operators and such other bodies as may be determined from time to time.

3.1.3.2. Function

Specifically, the functions of the NFMB shall be as follows:

i. Enforcing rules and regulations for the effective utilisation of the frequency spectrum on the basis of national priorities;

ii. Identifying the spectrum requirements to satisfy the needs of the country;

iii. Producing a National Frequency Plan and assigning of bulk frequencies to regulatory bodies and relevant government agencies;

iv. Processing requests and co-ordinating them with other existing frequency assignments nationally and with the Administrations of other countries;

v. Keeping a computerised and up-to-date database of all assigned frequencies in the country;

vi. Monitoring and detecting any operational or technical irregularities in the use of the spectrum, taking corrective action and setting penalties for unauthorised users and for violations of regulations;

vii. Controlling cases of harmful interferences and radiation;

viii. Promoting and safeguarding national interests, safety and security relating to the use of the radio frequency spectrum;

ix. Publishing up-to-date national table of frequency allocations and radio regulations ; and

x. Promoting research into and investigating radio propagation problems with a view to achieving interference-free operation of radio systems.

3.1.3.3. Review of Relevant Management

To facilitate the operations of the Board, the relevant portions of Decree 38 of 1992 and Decree 75 of 1992 establishing the National Broadcasting Commission (NBC) and the Nigerian Communications Commission (NCC) respectively relating to the radio frequency spectrum management, shall be, accordingly, reviewed so as to streamline and harmonise frequency planning and resolve any area of conflict.

3.1.4 Nigerian Communications Commission (NCC)

The Nigerian Communications Commission (NCC) shall be the independent regulator of the telecommunications industry empowered to issue licences and to regulate all telecommunications licences, service providers, operators and carriers, numbering plan and to perform such other regulatory functions as may be defined from time to time by the Minister. The functions of the Nigerian Communications Commission (NCC) shall include the following:

i. Licensing all telecommunications operators;

ii. Facilitating private sector participation and investment in the telecommunications sector of the Nigerian economy;

iii. Establishing and enforcing technical operational standards and practices for network operators;

iv. Ensuring that the interest of the consumer of telecommunication services is protected by

enforcing compliance with quality of service standards and pricing regulations; and

v. Arbitrating between operators, carriers and consumers.

The enabling Law establishing NCC should be fine-tuned to ensure the autonomy of the Commission.

3.1.4. **National Carriers (Wired Lines and Wireless Local Loop)**

There shall be a minimum of two national Carriers including NITEL. A third Carrier may be licenced thereafter on the basis of economic viability. A National Carrier shall be responsible for:

i. Establishing and operating National Trunk Network;

ii. Establishing and providing telecommunications services in urban and rural areas;

iii. Establishing and operating international gateway;

iv. Provision of basic network facilities and all kinds of telecommunications services to all parts of the federation and beyond, including maritime and aeronautical communications services;

v. Provision of communications in time of emergency and distress for safety of life;

vi. Collaboration with the National Carriers of other countries in the development and operation of international telecommunications;

vii. Provision of interconnection facilities for the other Carriers and Operators;

viii. Provision of quality services to its subscribers and compliance with tariff regulations; and

ix. Discharging the responsibility of National Carriers as principals, agents, trustees, contractors or otherwise either alone, or in conjunction with others, in order to do all such things considered incidental or conducive to the performance of that responsibility.

3.1.5. **Other Fixed Service National Operators**

3.1.6.1 **National Operators**

The Fixed Service National Operators shall be licenced to establish and operate telecommunications service facilities in all the six geo-political zones, and also responsible for:

i. providing quality services to its subscribers and complying with tariff regulations;

ii. Providing communications in times of emergency and distress for safety of life; and

iii. Carrying out of the responsibility of National Operators as principals, agents, trustees, contractors or otherwise either alone or in

conjunction with others to do all such things considered incidental or conducive to the performance of that responsibility.

This category of operators shall include the PNL (Private Network Links) licences and be limited to ownership and operation of facilities for domestic services only.

2 Fixed Services Zonal Operators

A Fixed Zonal Operator shall be licenced to establish and operate telecommunications services facilities in only one of the geo-political zones and also be responsible for:

i. Providing quality services to its subscribers and comply with tariff regulations;

ii. Providing communications in times of emergency and distress for safety of life; and

iii. Discharging the responsibility of Zonal Operators as principals, agents, trustees, contractors or otherwise and either alone, or in conjunction with others, in order to do all such things considered incidental or conducive to the performance of that responsibility.

3 Mobile Cellular Operators

In order to attain the objectives of liberalisation, globalisation, economy of scale, effective national coverage as well as competitiveness in terms of

efficient service delivery and pricing, there shall not be more than 4 digital National Cellular Operators for an initial period of 5 years with the possibility of increasing this number in the future based on viability and technical feasibility. The modalities for appointing the carriers shall be competitive and transparent. The responsibilities of these operators shall include:

i. Establishment of a national network;

ii. Provision of service in all parts of the country;

iii. Establishment and operation of services in times of emergency and distress for safety of life;

iv. Provision of quality services to their subscribers and compliance with tariff regulations;

v. Discharging all the responsibilities of national cellular operators as principals, agents, trustees, contractors or otherwise either alone or in conjunction with others, in order to do all such things considered incidental or conducive to the performance of that responsibility; and

vi. Establishment and operation of international telecommunications gateway for cellular traffic only, if found necessary.

17. Schedule of Telecommunications Services

The Government shall encourage the provision of telecommunications services listed below:

(i) Telephony
(ii) Telex
(iii) Mobile and fixed cellular Telephony
(iv) Facsimile (FAX)
(v) Radio/Television Carrier
(vi) Gentex (extention of Telex terminals to rural areas)
(vii) Voice Cast/Press Reception
(viii) Alternate Leased Circuit
(ix) Maritime Mobile Service, INMARSAT, Ship-Shore,
(x) GMPCS
(xi) Data Communication
(xii) High Speed Data Transmission
(xiii) Telegraphy
(xiv) Public Payphones
(xv) Value Added Services (Voice Mail, Paging, etc)
(xvi) Business Network Services (BIZNET)
(xvii) Computer Networking
(xviii) Telecommunications Consultancy Services
(xix) Internet Services.

18. Restructuring of NITEL and M-TEL

This document seeks to create the right environment for investors to participate in the rapid development of the Nigerian telecommunications network and to provide an enabling environment for achieving a network roll-out programme of, at least, two million additional fixed lines and One million, two hundred

thousand additional mobile lines (evenly spread across the country) by the year 2001. Accordingly, the communication industry will be deregulated to allow new entrants while the government-owned national carrier, NITEL and the mobile cellular operator, M-tel, shall be privatised to create a level-playing field for service providers and thereby ensure the attainment of Government's policy objectives.

3.1.8 Convergence

The current international trend is to evolve telecommunication policies that integrate the advantages of the rapid technological development in telecommunications, broadcasting and the global information super-highway. Consequently, Nigerian Communications laws will be reviewed and made more all-encompassing in line with the international trend towards convergence.



CHAPTER FOUR

FINANCE AND FUNDING

To raise the penetration and teledensity of Nigeria's telecommunications infrastructure requires considerable amount of financial resources. With the heavy commitment of Government to the development of the other sectors of the economy, and the fact that telecommunications industry is a very profitable venture, Government should not be expected to be the only source of funding for telecommunications development.

The deregulation policy of Government shall be pursued vigorously to attract private sector participation. The tariff structure shall be such that would enable both service providers and operators recover their investments over a reasonable period of time, bearing in mind the need for differential tariffs between urban and rural areas.

Strategies for Finance and Funding

(i) In the event of privatisation of NITEL and M-tel, a substantial percentage of the accrued proceeds should be re-invested in the organisations.

(ii) Government shall provide incentives to private investors to enable them perform efficiently at home and competitively in other countries. Such incentives shall include:

(a) Taxes and duties shall not exceed those charged on essential electrical goods;

(b) Rebates and tax-relief shall be provided for local manufacture of telecommunications equipment; and

(c) Simplified import processes and obligations for telecommunications equipment.

The NCC shall regulate tariffs in such a way that will enable investors recover their investments over a reasonable period of time and protect the interest of consumers;

Licences granted for operation in viable areas shall include obligation for provision of telecommunications services in rural areas; and

Licencing and tariff regulation processes shall be simplified to encourage rapid inflow of investment.

CHAPTER FIVE

MANPOWER DEVELOPMENT AND TRAINING

Continuous training of personnel in all categories of telecommunications is mandatory in view of rapid technological changes.

Government shall establish a suitable training centre and encourage the provision of appropriate courses in tertiary institutions.

Strategies:

(i) Government shall establish a Nigerian Institute of Telecommunications (NIT) for the training of requisite manpower. The NITEL Training School at Oshodi may form the nucleus of the Institute;

(ii) Universities, Polytechnics and technical colleges shall be encouraged to offer courses in Telecommunications Engineering and Management. The National Universities Commission (NUC) and the National Board for Technical Education (NBTE) shall encourage compliance with this policy objective; and

(iii) Telecommunications companies shall be encouraged to train indigenous personnel and support the N.I.T., Universities and Polytechnics. The Industrial Training Fund (ITF) shall encourage compliance with this policy objective.

CHAPTER SIX

RESEARCH AND DEVELOPMENT

6.0 Basic and applied research are necessary for technological Progress and development of the nation and should therefore be vigorously promoted in relevant institutions.

6.1 Government shall promote Research and Development (R&D) in telecommunications and encourage the operating companies and the regulator to support R & D efforts.



6.2 Strategies:

(i) The Nigerian Institute of Telecommunications should have a Research Centre to carry out R & D in telematics and telecommunications infrastructure development.

(ii) Government shall promote collaborative efforts between Operating Companies, Regulators, Universities, Polytechnics and International Agencies through, for instance, the Nigerian Institute of Telecommunications.

CHAPTER SEVEN

LOCAL MANUFACTURE

7.0 The local manufacture of telecommunications components is desirable for national development and, in particular, the telecommunications industry.

7.1 Government shall encourage local manufacture of telecommunications components and equipment to meet domestic and export demands of small digital exchanges, digital transmission equipment including wires and optic fibre cable, telephone sets, payphones, modems, etc.

7.2 Strategies:

(i) Government shall encourage private-sector-led entrepreneural ventures in the telecommunications sector.

(ii) Government shall ensure standardisation of equipment types used in Nigeria to create a stable market for locally manufactured equipment;

(iii) Government shall encourage joint-venture partnerships of indigenous and foreign entrepreneurs in local manufacture of telecommunications equipment;

(iv) Government shall promote the development of the telecommunications sector as an integral part of industrial development in the country; and

(v) Government shall encourage the patronage of locally manufactured products.

CHAPTER EIGHT

SAFETY AND SECURITY

8.0 Safety of life and property, security of investments and national security are vital for overall national development. Accordingly, telecommunications services should support and enhance safety of life and property as well as national security.

8.1 Government shall ensure the enhancement of safety of life and property as well as national security in the use of telecommunications services.

8.2 Strategies:

(i) Government shall put in place appropriate mechanism that will better ensure the protection of life and property of all citizens and telecommunications infrastructure;

(ii) Government shall ensure the provision of telecommunications services for emergency and distress situations in all parts of the country (on land, sea and air) and support international co-operation in this regard;

(iii) Government shall keep the Telecommunications Offences law under constant review; and

(iv) All telecommunications matters relating to the Defence and Security of the Nation shall be restricted to Nigerians only.

CHAPTER NINE

SATELLITE TELECOMMUNICATIONS

9.0 Government notes the cost-effectiveness of the satellite communications for total national coverage and international links.

9.1 Government shall continue to support and utilise satellite systems, including V-SAT and encourage institutional and private sector organisations to do the same.

9.2 Strategies:

i. Government shall support and encourage institutional and private sector participation in all satellite systems including RASCOM;

ii. Government shall ensure the execution of all instruments related to GMPCS (ITU – GMPCS, MOU) for the local industry to derive full benefit from the new technology;

iii. Government shall encourage the enhancement of infrastructure, relating to satellite communications with a view to ensuring the development and launching of a Nigerian Communications Satellite system within the next decade; and

iv. Government shall encourage the utilization of V-SAT systems that will enhance the delivery of telecommunications in the country.

v. Government shall encourage the use of V-SAT for domestic services.

CHAPTER TEN

INTERNATIONAL PERSPECTIVE

10.0 The nature of telecommunications is such that international co-operation at various levels, is essential not only for the setting up of international standards for the operation of telecommunication systems but also to continuously take advantage of the experience of other nations in the planning, implementation, operation and maintenance of their telecommunication systems. The ITU and its organs and other relevant international organizations provide suitable avenue to promote these objectives. Bilateral arrangements may, in addition, be explored for the same purpose.

10.1 The Government and the regulatory body shall provide required resources towards meeting Nigeria's obligations to the international community and participate effectively in all international activities whose objectives would promote telecommunications development in the country.

10.2. **Strategies on International Perspective**

Government shall:

(i) accord priority to the country's participation in the various projects aimed at rapid development of the African Regional Telecommunications Network, particularly the Pan-African Telecommunications

(PANAFTEL) and the SAT 3/WASC Projects, etc.

(ii) ensure effective participation of Nigeria in the activities of various international organisations, in particular, the ITU, INTELSAT, INMARSAT, WTO etc. and their organs;

(iii) encourage the regulator, and all licensed National Carriers/Operators to take advantage of the opportunities available at International levels to promote the achievement of their set goals and objectives;

(iv) support the effort of the Economic Community of West African States – (ECOWAS) in harmonizing the training of telecommunications personnel; and

(v) promote export of locally-manufactured goods and services to other African countries.

CHAPTER ELEVEN

POLICY IMPLEMENTATION AND REVIEW

The Telecommunications Policy shall be implemented and reviewed through the following instruments:

(i) An implementation machinery to be set in motion immediately after approval of the National Telecommunications Policy;

(ii) A National Telecommunications Forum to be organized by the Ministry of Communications with the participation of relevant organisations and individuals after two (2) years in the first instance to assess its performance and thereafter as the need arises; and

(iii) Annual Reports on Telecommunications development in Nigeria to be prepared and issued by the Ministry of Communications.

CHAPTER TWELVE

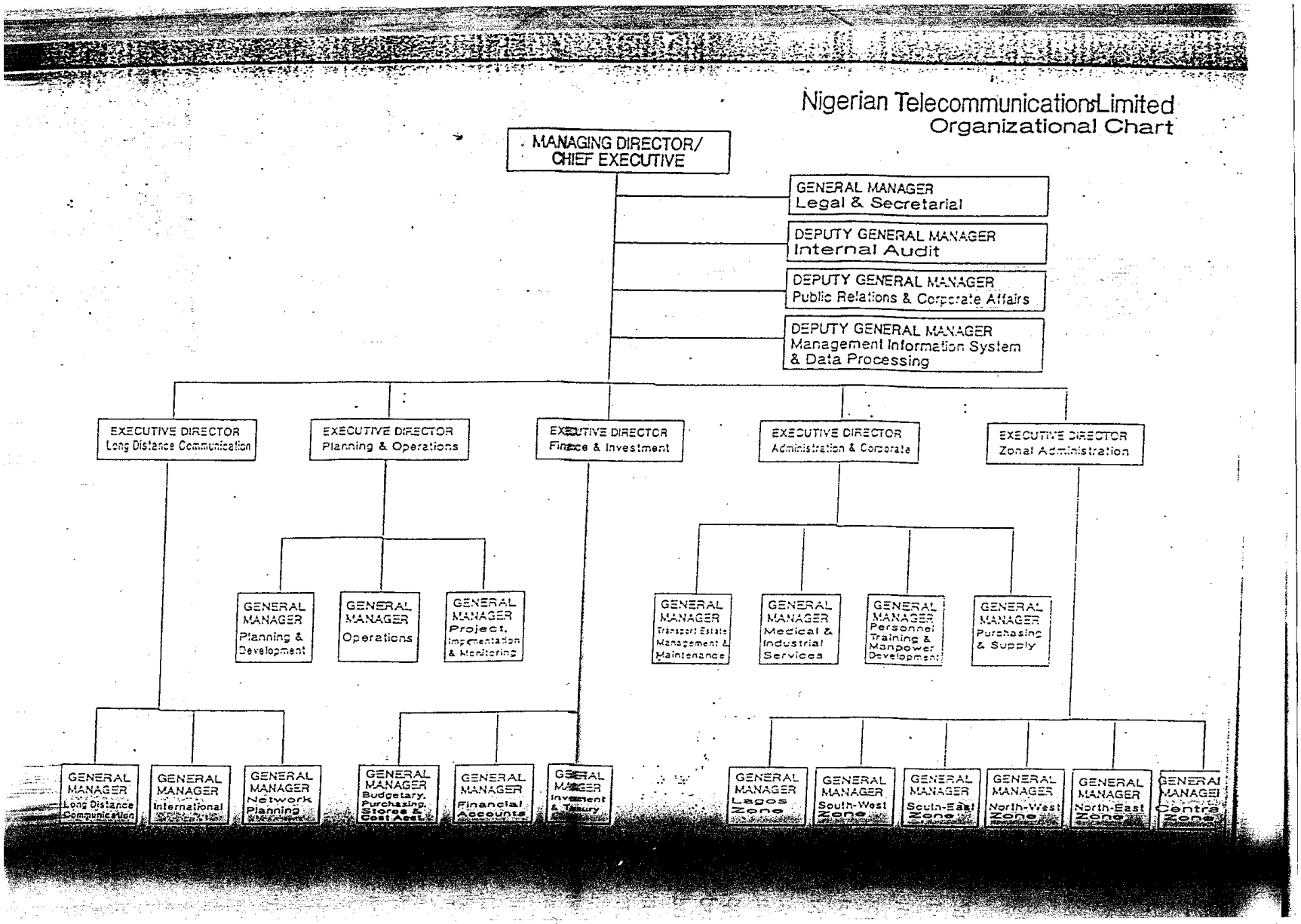
CONCLUSION

The National Policy on Telecommunications presents, inter alia, the policy objectives of government in the establishment and utilization of telecommunications infrastructure and services for the promotion of the socio-economic and political development of the nation, as well as the enhancement of the quality of life of the Nigerian citizenry.

Both the short and medium term objectives are spelt out. The guidelines and strategies for the implementation of the objectives are also clearly stated under various headings, namely, finance and funding, technology development and local manufacture, manpower development and training, research development, satellite telecommunications, safety and security and international perspective. The management structure that would ensure effective implementation of the policy is highlighted. The historical development and the present status of the industry in the country is briefly described as a pointer to the magnitude of the tasks ahead and the direction to follow.

Nigeria has taken the initial step, in line with worldwide trend, to adopt de-regulation as a strategy of telecommunications development. It is hoped that with the national policy dutifully implemented, the country stands to gain the benefits of telecommunications as an engine of growth of the national economy.

00262


Nigerian Telecommunications Limited
Organizational Chart
MANAGING DIRECTOR/ CHIEF EXECUTIVE
GENERAL MANAGER Legal & Secretarial
DEPUTY GENERAL MANAGER Internal Audit
DEPUTY GENERAL MANAGER Public Relations & Corporate Affairs
DEPUTY GENERAL MANAGER Management Information System & Data Processing
EXECUTIVE DIRECTOR Long Distance Communication
EXECUTIVE DIRECTOR Planning & Operations
EXECUTIVE DIRECTOR Finance & Investment
EXECUTIVE DIRECTOR Administration & Corporate
EXECUTIVE DIRECTOR Zonal Administration
GENERAL MANAGER Planning & Development
GENERAL MANAGER Operations
GENERAL MANAGER Project, Implementation & Monitoring
GENERAL MANAGER Transport Estate Management & Maintenance
GENERAL MANAGER Medical & Industrial Services
GENERAL MANAGER Personnel Training & Manpower Development
GENERAL MANAGER Purchasing & Supply
GENERAL MANAGER Long Distance Communication
GENERAL MANAGER International
GENERAL MANAGER Network Planning
GENERAL MANAGER Budgetary, Purchasing, Stores & Cost Acct.
GENERAL MANAGER Financial Accounts
GENERAL MANAGER Investment & Treasury
GENERAL MANAGER Lagos Zone
GENERAL MANAGER South-West Zone
GENERAL MANAGER South-East Zone
GENERAL MANAGER North-West Zone
GENERAL MANAGER North-East Zone
GENERAL MANAGER Centre Zone

APPENDIX 4

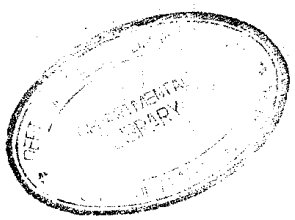
Federal Republic of Nigeria
National Council of Privatisation

NATIONAL COUNCIL ON PRIVATISATION

Bureau of Public Enterprises

Privatisation of Nitel
"Nigerian Telecommunications Plc ("Nitel")", Abuja

Short profile
February 2006



BNP PARIBAS

in association with

mbc

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INTRODUCTION



As part of a global drive to increase private sector participation in the economy and develop the country infrastructure and economic growth, the Federal Government of Nigeria is implementing across the board privatisation of large state-owned companies. The Federal Government is now proposing to privatise Nitel following its financial restructuring, which provided it with a strong capital base of US $ 455 million.

Through privatisation, the Government seeks to transfer 51 % ownership of the company and full operational control to an experienced international telecoms operator (a "Strategic Partner"), with a view to bring to the company the required technical and business expertise. The Government of Nigeria has retained a consortium led by BNP Paribas and MBC International Bank Limited to design and implement an international tender to effect the Transaction. Subsequent to the Strategic Partner sale, which is expected to be concluded during the first half 2006, the Government also plans to sell an additional 20% stake in Nitel to the public in Nigeria through an IPO.

Nitel was incorporated in December 1984 through the merger of the Post & Telecommunications Department and the Nigerian External Telecommunications Ltd.

The company is wholly owned by the Federal Government of Nigeria under the supervision of the Federal Ministry of Communications. Mobile services are operated through a wholly-owned subsidiary of Nitel, Nigerian Mobile Telecommunications PLC ("M-Tel").

Following its restructuring, NITEL's current share capital is N60 billion (US$ 455.5 million).

Highlights of the opportunity:

- The privatisation perimeter includes all of Nitel, including M-tel subsidiary, SAT 3 investment, ...
- The Nitel privatisation is an opportunity for any operator who is willing to gain a strategic position in Africa and build a strong footprint on the continent.
- The privatization perimeter includes all of NITEL's assets, including affiliate M-Tel and Sat 3 investment
- Nigeria has 130 millions inhabitants and a potential addressable market estimated between 20 million and 40 million mobile phone subscribers
- With one of the lowest rates of telephone penetration in the world, Nigeria has the biggest potential market in Africa
- According to the OECD, Nigeria is one of four countries in Africa which together attract 80% of foreign investment in Africa
- Nitel is a reference market player and leader in the fixed lines market. Its mobile operator represents a good platform for further development and add-ons
- In addition to being a key player in Nigeria, Nitel could become a major player on the African continent.

MARKET OVERVIEW

The Federal Republic of Nigeria is located in the oil rich Gulf of Guinea and occupies a central location in West Africa. Neighbouring countries are Cameroon, Benin and Niger. Nigeria is Africa's most populous country, and is a federal republic consisting of 36 states. The country has been independent since 1960 and is a member of the Commonwealth. Nigeria has the second largest economy in sub- Saharan Africa after South Africa and is the tenth largest producer of crude oil in the world with a production of 2.1 million barrels per day. It also has significant natural gas reserves, vast agricultural areas, natural resources and a dynamic private sector.

The current government has restored macroeconomic stability, tightened monetary policy, which has led to a reduction in inflation, and introduced structural reforms which include the privatisation of the major utilities, and liberalisation of key sectors including power and telecommunications. In January of this year, Fitch Ratings assigned the Federal Republic of Nigeria Long term foreign and local currency issuer Default ratings of BB- (BB minus), both with stable outlook. Short term rating of B and a country ceiling of BB- were also assigned to the country. This positive development is as a result of the economic reform policy earlier mentioned which has been buttressed by the following:

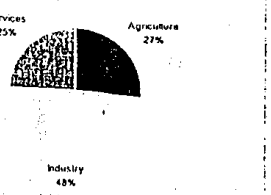
- Concerted measures to improve governance and tackle corruption
- Establishment of an Excess Reserve Account for crude oil sales (above a benchmark price)
- Resolution of outstanding debt obligations with the Paris Club, resulting in the payment of $6.3bn arrears, writes down of one third of the remaining $24bn and a resolution to extinguish the balance within 2006.

Nigeria GDP growth is expected to remain strong in 2006 and reach 4.7%. Inflation is forecast to average 12% in 2006 and 3.5% in 2007.

Key economic data

	2 001	2 002	2 003	2 004	2 005e
Population (millions)	126.6	129.9	133.2	136.5	139.8
GDP (US$ bn)	48.0	46.7	58.4	74.0	93.3
GDP per capita (US$)	379	359	438	542	667
Real GDP (N bn at 1987 prices)	354.1	367.0	404.5	429.2	448.7
Real GDP growth (annual %)	4.6	3.7	10.2	6.1	4.6
Inflation rate (year end%)	18.1	13.6	14.3	15.0	17.6
Exchange rate (N per US$)	113.0	126.4	136.5	132.4	130.8

GDP Breakdown 2005



With a population of over 139 million, Nigeria is by far Africa's largest and most promising telecoms market.

Its telecoms market is one of the fastest growing in the world and recorded 1000% annual growth between 2001 and 2004, which translates into close to 2 million additional subscribers per year over that period.

The Nigerian mobile market was estimated at 9.1 million GSM subscribers by year-end 2004 and the Nigerian fixed market was estimated at 3 million fixed subscribers by year-end 2004 (of which 50% are digital).

The market has a modern regulation structure, with privately operated GSM licences introduced in 2001, and new telecoms legislation which came into effect in July 2003. The policies enacted by NCC, the regulating agency, are aimed at fostering competition and the growth of services offered to the public in all sectors of the industry. Nigeria's telecoms market is now fully liberalised, with one state-owned incumbent, one second national carrier, two licensed long distance carriers, four GSM operators, 22 fixed wireless access providers, 30 private telecom operators and 35 internet service providers.

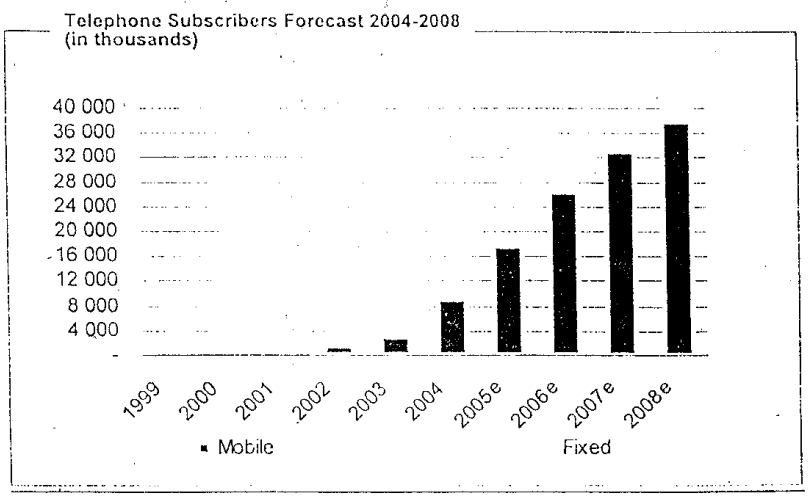
The NCC, in January 2006, published new guidelines for the implementation of a Unified Access Service In Nigeria. This initiative is motivated by the increasing trend of convergence of telecommunications services, as well as the movement of the regulator to a position of an enabler, using general authorisations and class licensing in regulating market entry in the industry. This new development is a manifestation of the liberal and market driven environment that the Nigerian telecommunications industry, seeks to adopt as its way forward, which provides an excellent opportunity for a world class operator to exploit the growing Nigerian telecommunications market.

Key market indicators are as follows:

Source: ITU and analysts

The grant in 2001 of GSM licences to private operators has led to a continuing boom in the number of subscribers. Even though overall teledensity was multiplied by a factor of 5 in three years, it remains at a low 3.5% of population, meaning market potential growth remains high.

The medium-term market potential is estimated at around 40 million subscribers



Source: ITU, analysts; BNP Paribas estimates

The Nigerian Internet market is also promising. A recent study by ITU estimates the current number of users in the country at1,800,000 (as march 2005), mostly in the Lagos state. Broadband internet (from 128 kb to 2 Mb) is available and annual growth of Internet subscribers is estimated at 250 % per annum Potential remains significant as the penetration rate remains at a very low 1.3% of population.

SUMMARY OF NITEL AND M-TEL OPERATIONS

Nitel offers the following services:

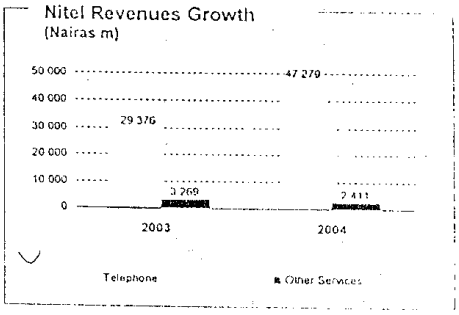
- Fixed line telephony
- Mobile Telephony (through 100% subsidiary M-tel)
- Internet Services
- VSAT Services

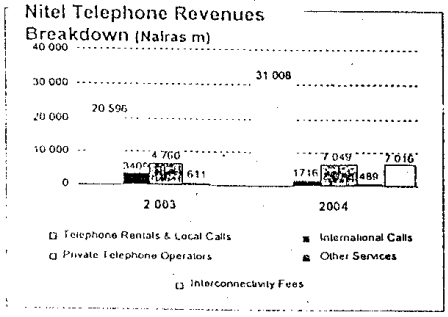
NITEL operations (excluding M-tel)

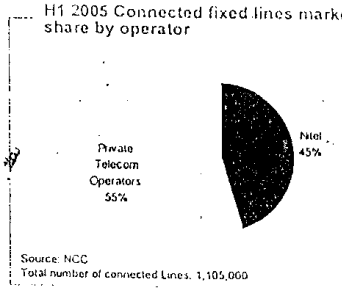
Nitel has 493,000 direct fixed-line subscribers and an estimated additional 590,000 fixed line subscribers are served through PTO's who connect to Nitel's network. Unserved demand remains strong as Nitel has a waiting list of an estimated 400,000 people waiting for the installation of a fixed line.

More than 50% of Nitel's exchanges have been digitised, and Nitel's network covers 70% of Nigeria's population (in terms of geographic area).

As depicted in the following graphs, Nitel 2004 revenues have shown strong recent growth.







The strong increase in Nitel's 2004 revenues resulted from a combination of :

-a more aggressive marketing policy, the installation of 250,000 new fixed lines in the state of Lagos,

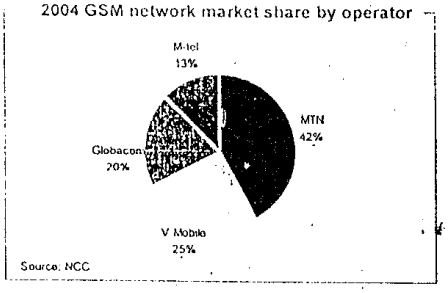
-a 50% increase in fixed lines revenues generated by PTO's, and strongly increased interconnectivity fees received.

M-TEL Operations

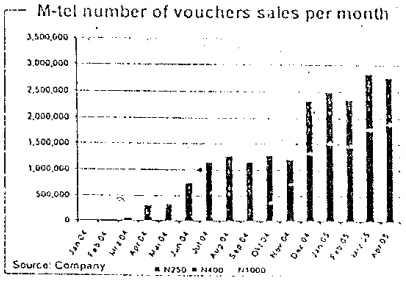
M-Tel started as the mobile telephone arm of Nitel and was established as a separate affiliate in 2003, in order to better adapt to the rapidly changing face of the Nigeria's mobile telephony market, as competing mobile operators quickly expanded.

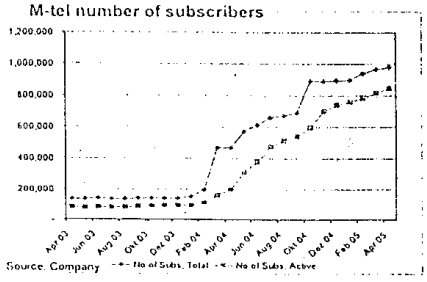
Starting from a minimal base, the company initiated a strong marketing drive in 2003/2004, which resulted an increase in the company subscriber base from 90,000 to 700,000; to over a million subscribers (2nd half 2005).

Even though its market share remains small, M- Tel has now established itself as a credible competitor in the fast expanding Nigerian mobile market.



As depicted in the graphs below, M-Tel revenues have continued to increase strongly in the first half of 2005.





FINANCIAL HIGHLIGHTS

NITEL AND M-TEL PROFIT AND LOSS STATEMENT AND BALANCE SHEET

NITEL PROFIT AND LOSE ACCOUNT (2003, 2004: AUDITED ACCOUNTS)

After a period of decreasing revenues due to aggressive competition from mobile operators and lack of resources, Nitel has succeeded in re-establishing a base for strongly increased revenues in 2004 and is now positioned to take advantage of opportunities in the Nigerian telecom market. The recent deployment of CDMA lines will notably contribute to revenue and profits in 2006.

The company is still loss making in 2004, highlighting the need for improved operations and the potential up-side for an experienced international telecoms operator and associated investors. Accounts for 2005 are currently being audited.

(Nairas in millions - FYE 31/12)	2003	2004
Net sales	41 304	48 234
% growth		16.8%
Operating expenses	45 072	52 101
EBITDA	(3 768)	(3 872)
% sales	(9.1%)	(8.0%)
Depreciation	(9 426)	(7 650)
EBITA	(13 194)	(11 522)
% sales	(31.9%)	(23.9%)
Financial result	(129)	(544)
Non recurring items	(5 759)	1 596
Income before tax	(19 081)	(10 470)
Income tax	(429)	(389)
Minority interest		
Net income	(19 511)	(10 859)

NITEL 2004 BALANCE SHEET (2004: AUDITED ACCOUNTS)

Nitel key accounts are summarized as follows:

PRELIMINARY INFORMATION NOTE: Nigerian Telecommunication Plc. ("Nitel")

(Naira in millions - FYE 31/12)	2004
Long Term Assets	
Fixed Assets	55 235
License	225
Investments	6 077
Deposits For shares in M Tel	38 405
	99 941
Current Assets	
Stock	2 851
Traffic and Other Debtors	69 090
Due from M-Tel	11 426
Bank and Cash Balances	4 468
	87 836
Total Asset	187 777
Liabilities	
Creditors: short term	35 736
long term financial debt	-
Deferred Taxation	12 977
Statutory NCC Levy	-
Staff pension fund	48 665
Total Liabilities	97 377
Shareholder's Equity	
Share Capital	55 489
Capital Reserves	34 911
Total Liabilities and Shareholder's Equity	187 777

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M-TEL PROFIT AND LOSS ACCOUNT

(2003, 2004: AUDITED ACCOUNTS; 30 SEPT 2005: MANAGEMENT ACCOUNTS)

M-Tel 2003 and 2004 P&L data can be summarized as follows:

M-TEL BALANCE SHEET

(2004: AUDITED ACCOUNTS; 30 SEPT 2005: MANAGEMENT ACCOUNTS)

(Nairas in millions - FYE 31/12)	2004	30 SEPT 2005
Long Term Assets		
Intangible Fixed Assets	23 354	21 774
Tangibles Fixed Assets	29 747	30.465
	53 101	52 239
Current Assets		
Stocks	475	462
Debtors and prepayments	2 698	6 202
Bank and cash balances	2 458	4 879
	5 631	11 542
Total Asset	58 732	63 781
Liabilities		
Bank overdrafts	9	3 674
Bridge loan facility	4 500	9 500
Creditors & accruals	5 035	9 313
Taxation	459	818
Nitel current account	11 426	14 859
Network contractors payable	9 476	7 951
Long term obligation	(606)	
Total Liabilities	30 300	46 114
Shareholder's Equity		
Share Capital	250	250
Deposit for Shares	40 407	40 407
Revaluation reserve	930	930
Accumulated loss	(14 367)	(23 921)
Total Liabilities and Shareholder's Equity	58 732	63 781

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APPENDIX 5

APPENDIX 5

Table C: Critical values of the χ^2-distribution.

ν	α							
	0.995	0.99	0.975	0.95	0.05	0.025	0.01	0.005
1	0.0^4393	0.0^3157	0.0^3982	0.0^2393	3.841	5.024	6.635	7.879
2	0.0100	0.0201	0.0506	0.103	5.991	7.378	9.210	10.597
3	0.0717	0.115	0.216	0.352	7.815	9.348	11.345	12.838
4	0.207	0.297	0.484	0.711	9.488	11.143	13.277	14.860
5	0.412	0.554	0.831	1.145	11.070	12.832	15.086	16.750
6	0.676	0.872	1.237	1.635	12.592	14.449	16.812	18.548
7	0.989	1.239	1.690	2.167	14.067	16.013	18.475	20.278
8	1.344	1.646	2.180	2.733	15.507	17.535	20.090	21.955
9	1.735	2.088	2.700	3.325	16.919	19.023	21.666	23.589
10	2.156	2.558	3.247	3.940	18.307	20.483	23.209	25.188
11	2.603	3.053	3.816	4.575	19.675	21.920	24.725	26.757
12	3.074	3.571	4.404	5.226	21.026	23.337	26.217	28.300
13	3.565	4.107	5.009	5.892	22.362	24.736	27.688	29.819
14	4.075	4.660	5.629	6.571	23.685	26.119	29.141	31.319
15	4.601	5.229	6.262	7.261	24.996	27.488	30.578	32.801
16	5.142	5.812	6.908	7.962	26.296	28.845	32.000	34.267
17	5.697	6.408	7.564	8.672	27.587	30.191	33.409	35.718
18	6.265	7.015	8.231	9.390	28.869	31.526	34.805	37.156
19	6.844	7.633	8.907	10.117	30.144	32.852	36.191	38.582
20	7.434	8.260	9.591	10.851	31.410	34.170	37.566	39.997
21	8.034	8.897	10.283	11.591	32.671	35.479	38.932	41.401
22	8.643	9.542	10.982	12.338	33.924	36.781	40.289	42.796
23	9.260	10.196	11.689	13.091	35.172	38.076	41.638	44.181
24	9.886	10.856	12.401	13.848	36.415	39.364	42.980	45.558
25	10.520	11.524	13.120	14.611	37.652	40.646	44.314	46.928
26	11.160	12.198	13.844	15.379	38.885	41.923	45.642	48.290
27	11.808	12.879	14.573	16.151	40.113	43.194	46.963	49.645
28	12.461	13.565	15.308	16.928	41.337	44.461	48.278	50.993
29	13.121	14.256	16.047	17.708	42.557	45.722	49.588	52.336
30	13.787	14.953	16.791	18.493	43.773	46.979	50.892	53.672

Appendix 6

Table 2.3: Government's support to state-owned enterprises (by sector) for 2001

	Investment Grants	**Operational subsidy**	**Total**
(in millions of Naira)			
Steel Mills	1,711.4	1,040.0	2,751.4
Coal Company	283.6	20.0	303.6
Oil Refineries	6,998.0	599.6	7,597.6
Mines (solid minerals)	4,919.8	467	4,966.5
NEPA power sector	3,858.4	431.1	4,289.5
Chemicals	504.0	5.0	509.0
Railways	283.6	595.1	878.7
Ports	500.0	218.9	718.9
Airports	1,625.6	629.9	2,255.5
Telecom	8,200.0	3,100.9	11,400.9
Sugar	806.0	6.0	512.0
Total	**29,490.4**	**6,693.2**	**36,183.6**
Total GDP			5,339.000
as percent of GDP	0.55	0.13	0.68

Source: Office of the Accountant General of the Federation

Appendix 7

Table 2. 4: Privatized/Commercialized Institutions by 1991

Sector	Number of companies	Type
Development Banks	4	partial privatization
Oil Marketing Companies	3	"
Steel Rolling Mills	3	"
Air and sea travel	2	"
Fertilizer companies	2	"
Paper Mills	3	"
Sugar Companies	3	"
Cement Companies	5	
Hotels and tourism	3	full privatization
Textile Companies	3	"
Transportation Companies	4	"
Vehicle Assembly Plants	6	"
Merchant Banks	4	"
Commercial Banks	8	"
Food and Beverages Companies	6	"
Agriculture and livestock produce	18	"
Salt Companies	2	"
Wood and Furniture Companies	2	"
Insurance Companies	14	"
Film Production and Distribution Companies	2	"
Flour Mills	1	"
Cattle Ranchers	2	"
Construction and Engineering Companies	4	"
Dairy Companies	2	"
Others	4	"
Total number of Enterprise To be privatized	110	"

Source: Zayyad, (1991)

Appendix 8

Table 2.5: Privatization Scorecards 2005

S/N	ENTERPRISE	Date	Investor	Proceeds (Naira
1	Ore-Irela oil palm limited	Feb-05	CPL Agric Limited	166,020 000.00
2	Peugeot Automobile Nigeria Ltd	Apri-05	Kaduna state invest, co.	4,500,000.00
3	Delta steel company limited	Apr-05	Global infrastructure	3,780,000.00
4	Leyland Nigeria limited	May-05	Eba-Odan comm. & industrial	274,000.000.00
5	Central Packaging Limited	May-05	Gobesh (west Africa) limited	141,000.000.00
6	a) Ikorodu Bricks	May-05	Transcorp limited	310,000.000.00
7	b) Ibadan Bricks and clay	May-05	Real stone company limited	17b,000.000.00
8	c) Enugu Bricks and clay	May-05	sujay concept limited	50,000,000.00
9	d) Kaduna Bricks and clay	Jun-05	Rahman Brothers limited	51,000.000.00
10	e) Kano Bricks and clay	Jun-05	Associated Partners limited	75,000.000.00
11	Ihechiowa oil palm	Jun-05	Agrico Multi services ltd	34,000.000.00
12	AfriBank Plc	Jun-05	various Nigerian investors (IPO)	5,100,000.000.00
13	Natural fertilizer company of nig NATS	Jun-05	secul Nigeria limited	19,152,000.000.00
14	a) Apapa container Terminal	Jun-05	Ap Moller	133,560,000.000.00
15	b) Apapa port (Terminal C)	Jun-05	ENL consortium	1,711,000.000.00
16	c) Apapa port (Terminal)	Jun-05	ENL consortium	1,543 ,000.000.00
17	d) Apapa port (Terminal A)	Aug-05	flour mills of Nigeria	2,283,120,000.000.00
18	c) Apapa port (Terminal B)	Sep-05	flour mills of Nigeria	1,522,000.000.00
19	f) Apapa port (Terminal E)	Sep-05	Dangote group of industries	3,158,820,000.00
20	a) Port Harcourt Terminal A	Sep-05	Port and Terminal operator ltd	11,440,000.000.00
21	b) port Harcourt Terminal B	Sep-05	BUA International limited	1,558,620,000.00
22	a) Terminal A	Sep-05	Joseph Dam & sons limited	1,960,560-,000.00
23	b) Terminal B	Seo-05	Tin an island container terminal	10,483.000.00
24	c) Terminal C	Sep-05	Sifax Nigeria Limited	15,750,000.000.00
25	d) RoRoTerminal	Sep-05	Domete shipping Agency nig ltd	15,750,000.000.00
26	e) lillypond Terminal	Sep-05	AP moller.	1,215,900.000.00
27	a) Onne FLT B	Sep-05	Intals Nigeria limited	3,661,560,000.00
28	b) Onne Fot B	Oct-05	Intals Nigeria limited	3,661,560,000.00
29	c) Warri old terminal A	Oct-05	intels Nigeria limited	4,804,380.000.00
30	d) warri New Terminal B	Oct-05	Intels Nigeria limited	832,860,000.00
31	e) Calabar New Terminal A	Oct-05	Intels Nigeria limited	317,520,000.00
32	Federal superphospate fertilizer co	Oct-05	Hekio consortium	13,320,000.000.00
33	a) Kuru Quarry Jos	Oct-05	Afrimman Nigeria limited	12,000.000.00
34	b) Suleja Quarry suleja	Oct-05	Straco (Nigeria) limited	350,750,000.00

35	Micon Hilton Hotel	Oct-05	Capital consortium	13,320,000.000.00
36	Micon Insurance plc	Oct-05	Assurance Acquisition	5,908,140,000.00
37	Vp;lswagen Nigeria limited	Oct-05	Barbedos Ventures	639.000,000.00
38	Ayip-Eku oil palm company limited	oct-05	Interstate Investment	687.000,000.00
39	Nigeria sugar company Bacita	Oct -05	Joseph Dam & sons limited	5,040.000,000.00
40	Oshogbo steel Rolling company limited	Nov-05	Kura Ifolchings limited	2,610.000,000.00
41	Jos steel Rolling mill	Nov-05	Zuma steel west Africa limited	800.000,000.00
42	Katsina steel Rolling mill	Nov-05	Nigeria Spanish engineering ltd	1,360.000,000.00
43	National Aviation Handling company	Nov-05	Individual & institutional investors	983,156,350.000
44	Eleme petrochemicals company limited	Dec-05	Indomara Group	28,350.000,000.00
45	Nigeria Unity line	Dec-05	Seaforce shipping company ltd	2,520,000.000.00
46	Nigeria machine Foils	Dec-05	Bronwen Nigeria limited	1000.000,000.00

Source: Privatization Digest, January/March 2007

Appendix 9

Table 2.6 Privatization Scorecards 2006

S/N	Enterprise	Date	Investor	Proceeds (Naira
1	Sunti sugar company limited	May-06	super tech limited	180,000,000.00
2	Nigeria paper mills Jebba	May-06	IMNL Limited	330,000,000.00
3	Koko port	May-06	Gulf tainer Bel consortium	343,980,000.00
4	Calabar port	May-06	Ecomarine consortium	3,780,000,000.00
5	Warri port	May-06	Associated marine services	260,568,000.00
6	Nitel	Jul-06	Transcorp Nigeria limited	64,000,000.00
7	Abuja International Hotel (le Merideen)	Aug-06	Hotel Acquisition limited	6,350,000,000.00
8	National clearing & forwarding Agency	Aug-06	Joratom International Agency ltd	3,599,998,000.00
9	Steyr Nigeria limited	Aug-06	Scintilla prime Investment ltd.	720,000,000.00
10	Ihechiowa oil palm	Aug-06	Omen International Ltd.	26,100,000.00
11	Lead zinc, Baryles, salt ogoja, C/River	Sep-06	Emo energy	12,600,000.00
12	Lead zinc, Baryles, salf ogoja Cros River (ASEPL) 203)	Sep-06	Emo energy	12,000,000.00
13	Lead zinc, Baryles salt ogoja cross River (ASEPL 204)	Sep-06	Tally ventures	50,400,000.00
14	Nigerian Barytes	Sep-06	Emo energy	63,000,000.00
15	Igun Gold District	Sep-06	linvispring Minerals	44,000,000.00
16	Nigerian Kaolin	Sep-06	Emo energy	34,650,000.00
17	Nigerian felds par/Quartz	Sep-06	Livinspring minerals	40,950,000.00
18	Nigerian Tin and Allied minerals products (Gurrum, Plateau state)	Sep-06	Equator mines	24,230,000.00
19	Nigerian tin and Allied minerals products (Refin Jaki, Bauchi, state)	Sep-06	Equator mines	19,384,614.00
20	Nigeria tin and Allied minerals product (Banke, Kaduna state)	Sep-06	Equator mines	4,846,154.04
21	Bitumen (Block 1)	Sep-06	Masefield/Gateway Bitumen	225,414,000.00
22	Bitumen (Block 2)	Oct-06	GGC/Sinpec	2,343,000,000.00
23	Outstanding 36% FGN shares in pan	Oct-06	ASD Motors	3,780,000,000.00
24	Central Railway	Oct-06	Global steel	500,000,000.00
25	Abuja international Airport	Nov-06	Abuja Gateway consortium	12,738,000,000.00
26	Nigerian Newsprint manufacturing Company ltd (NNMC)	Dec-06	John silver ltd	6,48 9,000,000.00
27	Anambra motor manufacturing company ltd (ANAMMCO)	Dec-06	G.C Okeke and sons	657,000,000.00
28	Central packages of Nigeria ltd (CPN)	Dec-06	Millinium Automotors ltd	190,000,000.00
29	Iwopin pulp and paper limited	Dec-06	Noxien Technologies Nigeria ltd	805, ,000,000.00
30	Spoc Lagos houses	Dec-06	Luzon oil and Gas ltd	2,210,000,000.00
31	Baraide Billing and Chemical products ltd	Dec-06	(1) sapid Agencies (2) mineral watch consults limited.	44,323,000.00
32	Barad Nig ltd	Dec-06	(1) Halliburton operations Nigeria limited (2) Halliburton operations Nig Limited (3) strides exports Nig limited	105,433,812.00
33	M-I Nigeria ltd	Dec-06	(1) AP Oil field services limited (2) turafic energy limited (3)	311,040,000.00

			international energy services ltd (4) M-I Billing fluids AG	
34	Solus schall Nig ltd	Dec-06	(1) Baking Consultant (2) Capital Alliance Nigeria (3) hyprops Nigeria limited (4) solus ocean systems incorporated	11,999,995.00
35	Baker Nigeria ltd	Dec-06	(1) Baker Hughes Nigeria ltd (2) baker Hughes Nigeria ltd (3) Geo fluids limited (4) Sadiq petroleum Nigeria Limited	87,530,500.00
36	Sedco Forex Nigeria ltd	Dec-06	(1) Rose hill group limited	226,800,000.00
37	Schulumberger Testing and production services ltd	Dec-06	(1) Amazon energy/sigmied consortium	56,811,780.00
38	Dowell schlumberger Nigeria ltd	Dec-06	(1) Bussdor & Co limited (2) Nighan industries limited (3) Ponitee limited.	486,000,000.00

Source: Privatization Digest, January/March 2007

Appendix 10

Table 5.4 ii; Monthly Telecoms Subscriber Data (April 2010 –Dec. 2010) New

		Dec '10	Nov '10	Oct '10	Sep '10	Aug '10	Jul '10	Jun '10	May '10	Apr '10
Connected Lines	Mobile (GSM)	96,648,272	92,829,229	90,124,301	88,890,657	95,718,928	91,576,647	89,922,431	86,192,939	85,565,255
	Mobile (CDMA)	12,132,584	12,053,055	12,045,580	11,861,445	11,706,269	11,536,022	11,368,727	11,214,679	10,545,283
	Fixed Wired/Wireless	2,736,373	2,749,993	2,745,319	2,743,207	2,722,322	2,708,136	2,689,933	2,665,043	2,561,923
	Total	111,517,229	107,632,277	104,915,200	103,495,309	110,147,519	105,820,805	103,981,091	100,072,661	98,672,461
Active Lines	Mobile (GSM)	81,195,684	78,927,333	77,455,491	75,362,600	74,074,793	72,772,059	71,819,711	70,838,612	69,649,955
	Mobile (CDMA)	6,102,105	6,280,675	6,406,514	6,531,021	6,616,457	6,693,970	6,833,911	7,495,078	7,745,377
	Fixed Wired/Wireless	1,050,237	1,102,696	1,128,095	1,156,277	1,239,973	1,196,368	1,205,485	1,579,479	1,459,271
	Total	88,348,026	86,310,704	84,990,100	83,049,898	81,931,223	80,662,397	79,859,107	79,913,169	78,854,603
Installed Capacity	Mobile (GSM)	131,319,542	131,388,654	130,875,419	130,875,421	134,025,308	134,025,308	134,025,308	134,025,308	124,125,308
	Mobile (CDMA)	17,172,670	17,146,555	17,146,554	17,077,076	15,415,597	15,363,049	15,247,049	15,362,045	13,148,043
	Fixed Wired/Wireless	9,347,771	9,340,745	9,335,743	9,314,042	9,315,277	9,314,971	10,831,307	9,311,984	9,327,586
	Total	157,839,983	157,875,954	157,357,716	157,266,539	158,756,182	158,703,328	160,103,664	158,699,337	146,600,937
Teledensity	Teledensity	63.11	61.65	60.71	59.32	58.52	57.62	57.04	57.08	56.32

Source: Nigerian Communication Commission 2010

Appendix 11

Table 5.4 iii; Annualized Telecoms Subscriber Data (2001 - 2010) New

		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Connected Lines	Mobile (GSM)	266,461	1,569,050	3,149,472	9,174,209	18,295,896	32,184,861	N/A	N/A	N/A	96,684,272
	Mobile (CDMA)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12,132,584
	Fixed Wired/Wireless	600,321	702,000	872,473	1,027,519	1,223,258	1,673,161	N/A	N/A	N/A	2,736,373
	Total	866,782	2,271,050	4,021,945	10,201,728	19,519,154	33,858,022	N/A	N/A	N/A	111,517,229
Active Lines	Mobile (GSM)	N/A	N/A	N/A	N/A	N/A	N/A	40,011,296	56,935,985	65,533,875	81,195,684
	Mobile (CDMA)	N/A	N/A	N/A	N/A	N/A	N/A	384,315	6,052,507	7,565,435	6,102,105
	Fixed Wired/Wireless	N/A	N/A	N/A	N/A	N/A	N/A	1,579,664	1,307,625	1,418,954	1,050,237
	Total	N/A	N/A	N/A	N/A	N/A	N/A	41,975,275	64,296,117	74,518,264	88,348,026
Installed Capacity	Mobile (GSM)	N/A	N/A	N/A	N/A	N/A	N/A	76,545,308	95,291,096	121,785,526	131,319,542
	Mobile (CDMA)	N/A	N/A	N/A	N/A	N/A	N/A	1,540,000	10,611,867	14,829,931	17,172,670
	Fixed Wired/Wireless	N/A	N/A	N/A	N/A	N/A	N/A	6,578,303	6,830,245	9,388,145	9,347,771
	Total	N/A	N/A	N/A	N/A	N/A	N/A	84,663,611	112,733,208	146,003,602	157,839,983
Teledensity	Teledensity	0.73[2]	1.89	3.35	8.5	16.27	24.18	29.98[3]	45.93	53.23	63.11

Source: Nigerian Communication Commission 2010

1. **Teledensity was calculated based on population estimate of 126 million up till December 2005; from December 2006, teledensity was based on a population estimate of 140 million.**
2. **Teledensity from December 2001 to 2006 was based on connected subscribers.**
3. **Teledensity from December 2007 is based on active subscribers.**

Quarterly Summary Of Telephone Subscribers In Nigeria (June 2010 - March 2010) June 29, 2010

Appendix 12

Table 5.11a: Activities, Services and Facilities of Telecommunication Outfits Studied

S/N	Organization	Services Provided	Facilities	Coverage	Year	Corporate Responsibility	Year
1.	NITEL/MTEL	Internet general services (26), international calls, roaming services, voice mails (13), E-mail (1), data tracking, Fax, Telex, Computer networking, Voice cast, **BIZNET, Telecommunication consultancy services, Telegraghy.**	i. Installed Terminals 25, No of operators 18. CDMA2000 1x network. ii. Public Payphones 10, No of operator 7. iii. Public mobile lines 22, No of operators 16 - Cellular 5. - Paging 17. iv. Private Network Links - Mobile Satellite services; - Fixed telephony 17. - VSAT 15 - DOMSAT 19 (Domestic Earth Stations) v. Repair & maintenance of telecom equipments, 4 No of	NITEL internet services initial capacity were 5,500 ports with Lagos as the main point with 3,000 ports. Abuja was another POP with 1,000 ports. Kaduna, Bauchi and Enugu with 500 ports to be completed by 1999 and increased by 2Mb/s digital transmission link. The CDMA Expansion to Benin,Ikorodu & Yola - - The V-SAT were located in Lagos (Victoria Island), Lanlate, Kujama, Kaduna and Enugu with stations at Lagos, Enugu and Kaduna being digital. The DOMSAT services were located in some tsate capitals and operated on INTERSAT transponders for national TV coverage. There were also 110 INMARSAT terminals in operation in the country in addition.	- As at 1997&2006 “ “ “ -1992	NITEL/MTEL sponsored government programmes. Specific ones include; 1. ECOMOG Mission: NITEL funds were used to sponsor government projects like the; West African Peace keeping forces in Liberia, Rwanda, Somalia, Senegal just to mention a few countries. 2. NITEL funds were used for payment of the Nigerian Police who threatened to go on strike sometime in 1998/2006. 3. Promoted export of Locally-manufactured goods and services to other African countries. 4. Encouraged the regulator, and all licensed National/Operators to take advantage of the opportunities available at international levels to promote the achievement of their set goals and objectives,.	 - Between 1993, 1997& 2000. - Between 1998/2006. “ “

			operators 2. vi. Cabling 2, No of operators 1. vii. Large Capacity Submarine Fibre Optical Cable System. viii. West African Submarine Cable (SAT3/WASC) Intec Telecom.	The cable system operates in the 622/Mb/s range. It was first installed to link Lagos, through Warri, Bonny to Port-Hacourt and later extended to Enugu and Calabar through Aba. The Cable Optical Ring Networks another construction, linked Enugu and Abuja installed in all digital multi-exchange areas of Lagos, Ibadan, Enugu, Kaduna and Abuja. This Submarine Cable linked Africa with Europe and Asia. It was a project carried out and financed by the consortium of international telecommunication Operators in Africa, Europe and Asia. These fibre optical cables had an unlimited bandwidth which facilitated increased traffic handling, reduced cost and, hence, the service cosst to the consuming public. Operations Support System (OSS) MTEL	- As at 1998 -As at 1998 - As at 1998 2005		
2.	MTN	Internet services, international calls, roaming services, voice calls, SMS, data tracking, MTN family & friends, extra cool, extra connect, Fax, Video	i. MTNN digital Microsoft backbone. ii. Fibre Optic network. iii. Band width- vi. Others; Fibre, Vsat or Microsoft. Besides, Enterprise Solution	- stands at 10,450km reaching 1,916 cities and towns in Nigeria. - Spans 5200km across Nigeria. MTN also has presence in 21 Pan African countries including the Middle East and Southern Europe - Increased from 2-3G. - This listed media can support G703 or Ethernet interface.	- 2010 -As at 2009 - 2009 - Since	Through the MTN Foundation there are corp. responsibilities such as: 1. Economic empower with progs. Like; micro credit loans, skills acquisition, employment creation and capacity building (4500beneficiaries empowered) in about 28 states of the federation including the FCT. 2. MTN Rural Housing Project; design to empower low income earners.100 Housing Units with	As at 2010 As at 2010

			Contact Centre which runs 24×7×365 support desk to inform customers of any planned outages.		inception.	modern facilities. Location: New Karu and Nasarawa State. 3. MTN Project Fame: An Annual Music Programme design to raise and empower young talented musicians not only in Nigeria but West Africa as a whole. 4. MTNF-Lady-Mechanic Initiative: Design and was aimed at rehabilitating and empowering 50 young women by providing them with skills in Auto care in Lagos. 5. MTNF "How-to-Guide" Project: To facilitate wealth creation by eradicating poverty among Nigerian youth by providing the with Small Business. Empowered 120 beneficiaries through provision of recharge cards. Publication	2008 to date. 2009 -
3.	GLO	High Speed Internet services, international calls, roaming services, voice calls, SMS, data tracking, 3G services, Video Mailbox.	i. Band width 3G Modem ii. Land Line Phones- (High quality phone with inbuilt calling line identification CLI). iii. Fibre optical backbone for unmatched voice quality. iv. Integrated Service Digital Network Lines (ISDN).	-3G Modem Installation reaching any state & to all networks in Nigeria and same tariff. - - To all states of the Federation. High speed digital connection for voice & data between PABX & PSTN (Public Switch Telephone Network). Types include,	- 2009 - - Since 2003. - Since 2003	1. GLO NAIJA SINGS: An Annual Music Programme aimed at discovering, developing, & rewarding young Nigeria's brightest and boldest musical talents. 2. Glo-CAF Awards: Sponsorship of African Player of the Year Awards. 3. 2008 AFRICAN HANDBALL CHAMPIONSHIP in **Benin Republic.** **4. Glo Sponsors African Voices On CNN: Glo is now the exclusive sponsor of the CNN international's weekly half-hour magazine programme.** 5. NATIONAL TEAMS	-Since 2008. -Since 2005. - 2008. -

			v. First Company to build an $800m "High-Capacity Fibre-Optic Cable (GLO 1 Submarine cable from United Kingdom to Nigeria) vi. Glo Mobile at a Glance. Glo Gateway.	- 64Kbps and 1 signaling channel 16 Kbps (2B+D) - 64Kbps and 1 signaling channel of 64Kbps (30V + 2D) spanning to all states of the Federation and suitable for corporate connections. - 10,000km Fibre Optic Cable Network reaching the farthest part of Nigeria for faster business connectivity and expanded bandwidth to carry voice. - The metro optic network, connects thirteen major cities in Nigeria including Lagos, Kaduno, Benin city, Minna, Kano, Zaria, Ibadan, Abuja, Abeokuta, Port-Harcout, Warri, Asaba… - A subscriber base for million of subscribers across Nigeria, Benin Republic. Glo Gateway is one of the largest carriers of voice traffic in Africa and locally acts as the gateway for most networks in Nigeria and the surrounding African countries. It carries over 1.3 Billion international minutes annually. Glo's average coverage level. Currently has presence in African Countries including Nigeria Benin Republic and Ghana. In Nigeria, Glo's network covers the 774 Local Governments.	2010 - 2003	SPONSORSHIP; Official sponsors of national teams eg. i. Nigeria. ii. Ghana. Sponsorship of Premier League eg; -Nigerian Premier League. -Ghana Premier League. -Supporters Club. 6. FIFA U – 17 World Cup 7. Glo Laffta Feast: Globacom's entertainment delight for subscribers. This is also regarded as the best entertainment show in the country.	-Since 2002. -Since 2002. -Since 2003 -1999 Launched 2009.

Source: **http//www.mtn.com,/August 2009. http//www.gloworld.org/August 2009**. Federal Republic of Nigeria. National Policy on Communication. 1995