

## ICT Policy: A Sustainable Approach To Economic Development In Nigeria

Durosinmi, A.E<sup>1</sup>, Olusanya, O.J<sup>2</sup>, Ajose S. S<sup>3</sup>, Akodu O. D<sup>4</sup>

<sup>1</sup>Department of Computer Science  
Caleb University, Imota, Lagos State. Nigeria

<sup>2</sup>Department of General Studies,  
Ogun State Institute of Technology, Igbesa, Ogun State.

<sup>3</sup>Department of Computer Science  
Caleb University, Imota, Lagos State. Nigeria

<sup>4</sup>Department of Economics,  
Caleb University, Imota, Lagos State. Nigeria

E-mails: cunlexie@hotmail.com<sup>1</sup>, jt bouy@yahoo.com<sup>2</sup>, samsonajose@gmail.com<sup>3</sup>,  
ola4favour@yahoo.com@gmail.com<sup>4</sup>

### ABSTRACT

Many developing nations around the world are likely to have some characteristics in common. Notably, among these are: low access to safe drinking water, poor health care systems, substandard educational system, prevalent poverty, corruption across government levels and lack of good governance. The result that time and again trails these attributes is poor economy. As part of efforts to reduce this problem across the world, the United Nations set up The Sustainable Development Goals (SDG) through development cooperation as financial aid given by governments and other agencies to support the economic, environmental, social and political development of developing countries. Interestingly, not many of these developing nations seem to be exploring the use of relevant policies on Information Communication Technology to drive their all sectors of economic improvement. This research points to how the effective use and adaptability of ICT policy can help achieve developing nation's economic growth plan with viewpoints from Nigeria.

**Keywords:** ICT, Economics, ICT Policy, Development

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### 1. INTRODUCTION

Information communication technology (ICT) when used from time to time has continued to change the way and manner our world now operates in business, education, sports, security and in governance. Information and Communication Technology (ICT) has now been accepted as one of the main driving force behind organizational competitiveness in the present day business environment. Presently, ICT is having dramatic influence on almost all areas of human activities and one of the areas of economic activities in which this influence is most manifest is the banking sector. Most developing nations including Nigeria have embarked on various reforms that foster the use of ICTs in their economies.

These reforms tend to yield little or minimal benefits to economic growth and development, especially when compared with the developed countries of the world. Technological advancement is known to impact fast rate of economic development. In Nigeria, policy on adoption of Information and Communication Technologies was initiated in 1999, when the civilian administration came into power of government. The operations of the licensed telecommunication service providers in the country has created some well-felt macroeconomic effects in terms of job creation, faster delivery services, reduced transport costs, greater security and higher national output (Emmanuel and Adebayo, 2011).

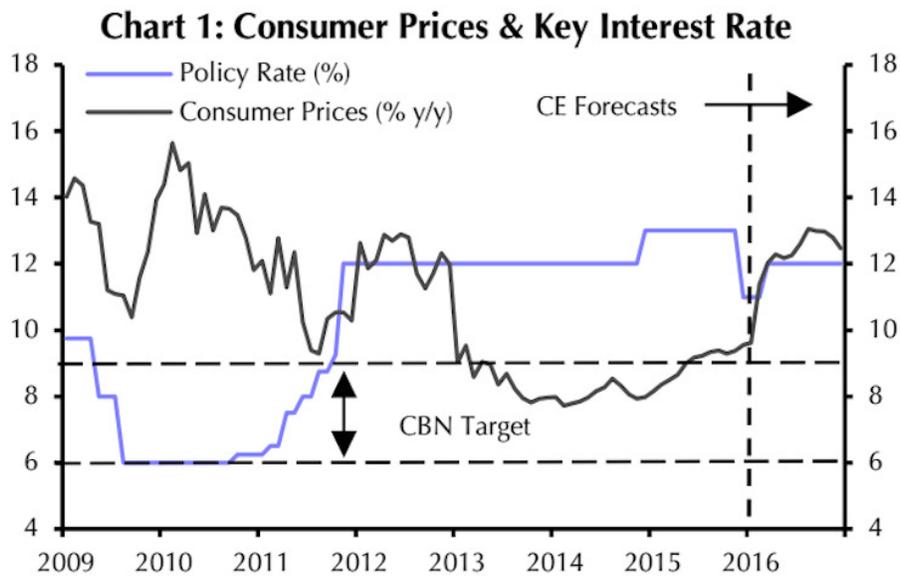
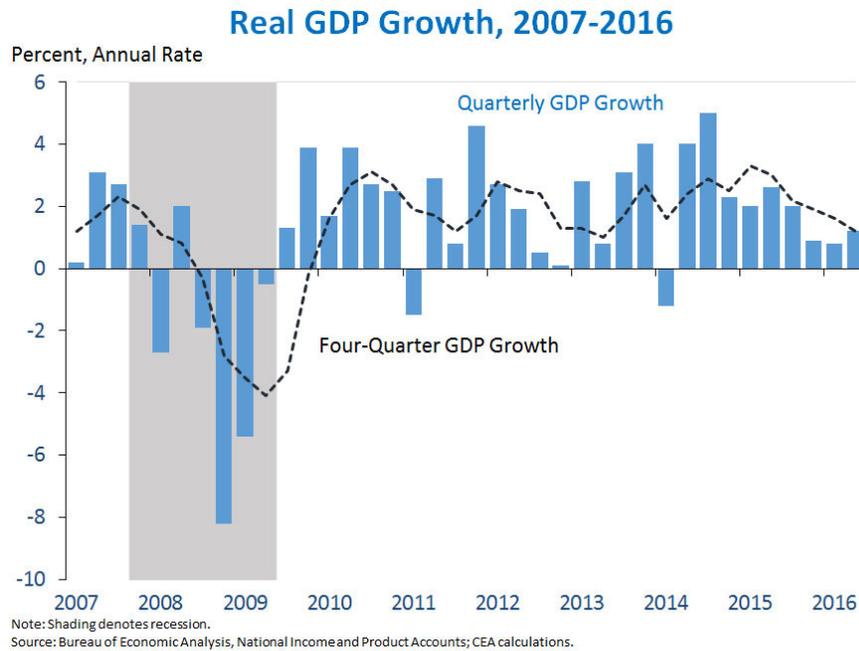
At the wake of 2000, the Federal Government of Nigeria embarked on an aggressive drive towards the provision of more efficient services in the nation through its privatization and deregulation policies the ICT subsector. The policy thrives led to the establishment of National Telecommunication Policy in December 2001. The policy, among other things, recognized the need for the establishment of an enabling environment for deregulation and rapid expansion of the telecommunication services in the country. The mission statement of the government was to use ICTs for Education, Creation of Wealth, Poverty Eradication, Job Creation, and Global Competitiveness. The policy objective was to develop globally competitive quality manpower in ICTs and related disciplines. This entails developing a pool of ICT engineers, scientists, technicians and software developers. Consequently, attractive career opportunities will emerge in addition to development of software's and computer components that can earn the nation some foreign exchange.

## **2 RELATED WORKS**

Hargittai (1999) and other studies have shown that the rate of IT diffusion is correlated to the general level of socioeconomic development. Recently, it has been found that ICT plays a vital role in advancing economic growth and reducing poverty. Jeremy Grace et. al (2004) in a survey of firms carried out in 56 developing countries finds that firms that use ICT grow faster, invest more, and are more productive and profitable than those that do not. Dabla (2005) also made comprehensive literature references enticing the relationship between ICTs and Socio-Economic Development.

Similarly, Jeremy Grace et. al have deliberated the characteristics and forces in ICTs which can play a pivotal role in the economic growth of a country. These results tend to indicate that to achieve IT induced development, developing countries will have to wait until they cross the hub of per capita income growth and human development. Hence, developing countries are trapped in the vicious circle of low per capita income that leads to a low level of IT diffusion, resulting in turn in low per capita income and growth. K.J. Joseph (2012) This was also verified by Hargittai(1999) in his study about the Internet diffusion in OECD countries.

No doubt, ICTs can be used to directly influence the productivity, cost effectiveness and competitiveness in industries, which is the advantage developing countries can build their economies upon. Catching up on developed economies in terms of application of technology and resulting economic benefits had never been that easier. On the other hand, the results for not being able to adopt ICTs can also be disastrous.



Sources – NBS, CBN, Capital Economics

**Figure 1: chart of trend of gross domestic product of Nigeria at market prices estimate.**

### 3. AN OVERVIEW OF THE NIGERIAN ECONOMY

In 2009, Nigeria’s economy was estimated to be the third fastest growing economy in the world. A KPMG report in 2015 showed that generally, Nigeria is a middle-income, mixed economy and emerging market, with expanding manufacturing, financial, service, communications, technology and entertainment sectors. It is ranked as the 30th-largest economy in the world in terms of nominal GDP, and the 23rd-largest in terms of purchasing power parity. It is the largest economy in Africa; its re-emergent manufacturing sector became the largest on the continent in 2013, and it produces a large proportion of goods and services for the West African subcontinent. In addition, the debt-to-GDP ratio is 11 percent, which is 8 percent below the 2012 ratio. According to Victor Usifo (2017), Poverty is common as about 61% of the population lived under US\$1 or less a day. He mentioned that health care systems are also bad and Malnutrition caused almost 55% of infant mortality rate which is fourth to the highest in the world. Less than a year later at the Expanded National Economic in March, 2018 in Abuja, it was stressed Bill Gates that “Nigeria is one of the most dangerous places in the world to give birth with the fourth worst maternal mortality rate in the world ahead of only Sierra Leone, Central African Republic and Chad. One in three Nigerian children is chronically malnourished.”

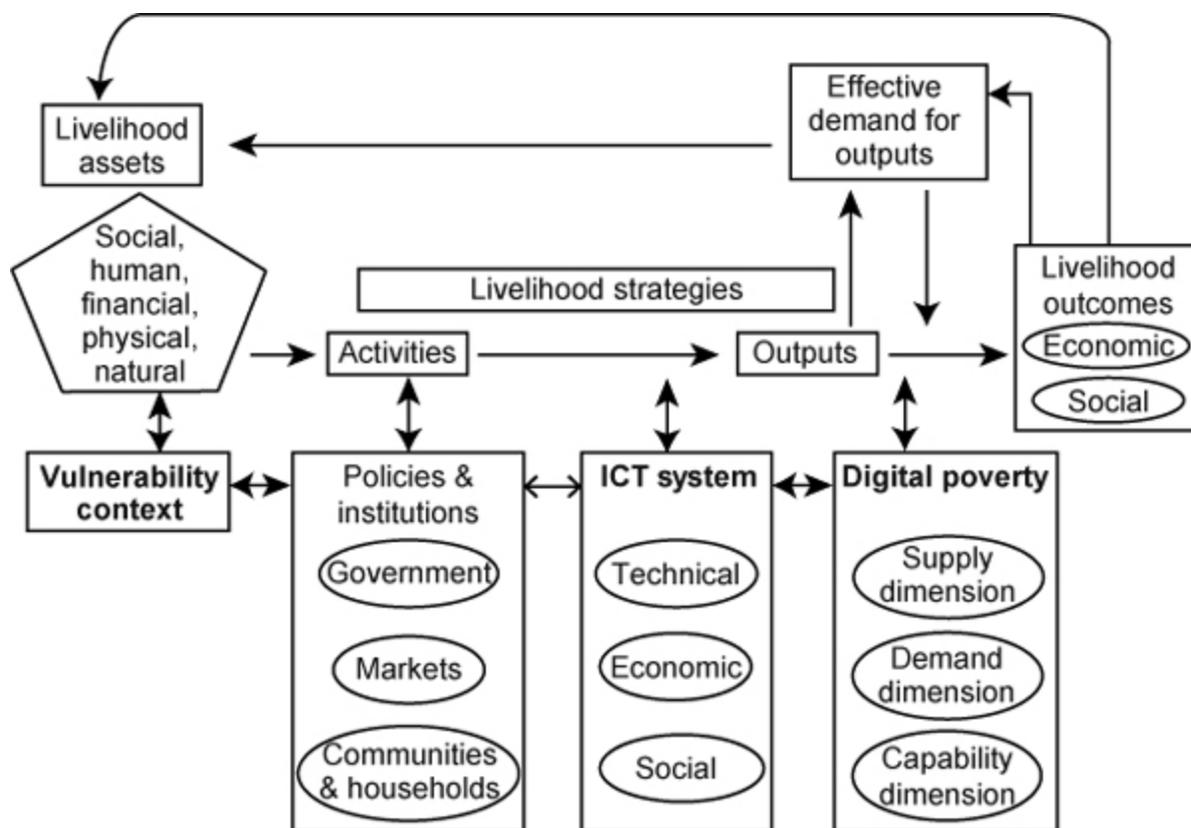


Fig 1: Source: <https://www.idrc.ca/sites/default/files/openebooks/539-7/index.html>

Businesses have continued to be hindered from doing well in the country as a result of poor infrastructure such as inconsistent power supply and good transport systems. Improper maintenance means only one-third of available power capacity is useable while quality and length of road is not enough. Importers, manufacturers and business owners are unable to get foreign exchange because it was not available. Inflation rose to 18.5% from 18.3% in Oct. 2016. Suicide bombing, kidnapping of children and insecurity in the land is worrisome to all stakeholders. The Nigerian economy today suffers from terrorism and insurgency. Boko Haram still attack innocent people in the North East and normal economic activities are yet to fully begin there.

#### **4. SUSTAINABLE ICT POLICY ON DEVELOPING ECONOMICS**

Today, the economic success of any developing nation is largely dependent on use of ICT. For any evolving economy to flourish on the global scale, relevant objectives of policies on ICT must be put in place and properly implemented. Interestingly, previous studies have shown that most of the developing countries especially Nigeria are yet to embrace fully the application of ICT in socio-economic and political life of the people (Bowery, 1995; Williamson, 1991; Anie, 2007). Sadly, creating, adopting and implementing ICT policies in Nigeria is currently been faced by indifferences on the part of her government long before now. For instance, Lee (1993) asserted that the biggest hindrance to telecom service development has been the attitude of the government and the desire to control the population, many only see the huge expense and fail to see the benefits to a developing country from establishing an adequate telecommunications infrastructure.

#### **5. HOW ICT POLICIES CAN BRING ECONOMIC BENEFITS**

The economic benefit of telecommunications is enormous, both as a growing industry in its own right and in terms of its influence on economic development. The world has been made a smaller place since the advent of telecommunication via the creation of new information freeways and extraordinary speed of electronic data exchange. Ifidon, (2002); Adoni, (2008); Ochai, (1996/87) and Eytayo, (1980) in a study on rural economic development implications of ICT in Nigeria in particular, the research found an interdependent relationship between economic activity and ICT infrastructure investment at state and country levels. With the advent of Global System for Mobile Communications (GSM) as introduced by the Fourth Republic and a democratic government in power, the problems of inefficiency in telecommunication are now to some extent solved. However, this fourth republic may not be completely achieved if relevant policies are not put in place.

#### **6. CONCLUDING REMARKS**

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

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