

**THE POLITICAL ECONOMY OF DEREGULATION OF THE  
TELECOMMUNICATIONS SECTOR IN NIGERIA (1992-2004)**

**BY**

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## ABSTRACT

The study assessed the extent of deregulation of the telecommunications sector in Nigeria. It also analyzed the effects of deregulation of the telecommunications sector on the Nigerian political economy, and examined the challenges and constraints of deregulation of the telecommunications sector. This was with a view to unveiling the realities of the effects of deregulation in a developing economy like Nigeria.

Primary and secondary data were collected for the purpose of the study. The primary data were obtained with the use of questionnaires. Two types of questionnaires, A (telecom subscribers questionnaire) and B (commercial telephone operators questionnaire) were administered. 500 of type A and 200 of type B were administered on respondents who were randomly drawn from purposively selected areas of Lagos state. The areas included Lagos Island, Lagos Mainland, Ikeja and Ikorodu. These areas enjoyed high concentration of telecommunications activities in the state and were therefore suitable for the study. 125 of type A and 50 of type B questionnaires were administered in each of the areas. Other primary data sources used were observation and market survey. Secondary data were sourced from the Nigerian Communications Commission (NCC), the licensed telecom operators, books, newspapers and the Internet. Data collected were analyzed with the use of descriptive and inferential statistics.

The study showed that indigenous investors, rather than foreigners, dominated the telecom market. This promoted economic nationalism and dismissed the fear of

foreign domination of the sector. The study also found an increase in the level of confidence Nigerians had in the government as a result of the government performance in the deregulation of the telecommunications sector. In addition, about 5,500 direct and over 450,000 indirect jobs were created via the telecom deregulation in Nigeria. Furthermore, it was shown that access to telecom services – mobile telephony, fixed telephony and Internet services – in Nigeria increased tremendously from about 300 people to a telephone line in the pre-deregulation period to about 10 people to a telephone line and Internet penetration of 1.8 million in 2004. On the other hand, the study found some failures on the part of the telecom operators. These included poor service quality (100% of the respondents complained of a problem or the other), exploitation of the consumers and limited coverage of the rural areas in the country.

The study concluded that deregulation was desirable for a developing economy like Nigeria to ensure efficient and effective services in some sectors.