

# **GLOBALISATION AND COMMUNICATION IN NIGERIA: THE POLITICAL ECONOMY OF INTERNET SERVICES AND MOBILE TELEPHONE**

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## **Abstract**

*The emergence of a global regime as globalisation now determines the tempo of the contemporary world, manifesting in the integration of markets, finance and technology in a way that shrinks the world, and propelled by rapid and unrestrained communication. This global regime creates both possibilities and problems. It is uniting the world and generating enormous new levels of wealth on the one hand, and greater inequalities on the other. In this relationship, African countries, particularly Nigeria has been massively exploited by the global north. The nature and magnitude of this exploitation which deserves serious attention shall be analysed using the theory of post-neo-dependency as our theoretical framework of analysis. This paper, therefore, seeks to interrogate the role of computer and mobile telephones in subsidising the lives of foreign countries, particularly, the global west. The central problematique of this paper is to ascertain how global communications serve as a pipeline for siphoning financial resources out of Nigeria. Again, the nature and magnitude of exploitation of Nigeria by the global north through the use of computers and mobile telephones will be interrogated. The paper concludes that only a plausible policy that will eliminate repatriation of profits by foreign investors is the panacea for economic recovery in Nigeria.*

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## **Introduction**

What is globalisation? The short answer is that globalisation is the integration of everything with everything else. A more complete definition is that globalisation is the integration of markets, finance, and technology in a way that shrinks the world from a size medium to a size small. Globalisation enables each of us, wherever we live, to reach around the world farther, faster, deeper, and cheaper than ever before and at the same time allows the world to reach into each of us farther, faster, deeper, and cheaper than ever before.

Kegley and Wittkope (2004:266)

The global North remains at present the primary beneficiary of the communication revolution, particularly the United States where the internet was developed.

-Kegley and Wittkope (2004)

The above remarks speak volume about the pervasiveness of globalisation and its main tool, communication, and this has made the whole world a global village, with possible benefits to a globalised world. However, it further reveals the beneficiary of the process. We shall return to this position later. Meanwhile, we shall identify four necessary stages of capitalist expansionist policy that culminated into the fifth stage of contemporary globalisation in this paper. These stages include:

- The slave trade period;
- The legitimate trade period;
- Colonial period (effective occupation);
- Neo-colonial period; and
- Globalisation.

Starting from the period of the slave trade in the 15th century, which was occasioned by the need for the European powers to get cheap labour to work in their sugar plantations and farms, needed by European industries, the world has been interconnected in one way or another. As maintained by Rodney (1972:18-19):

When two societies of different sorts come into prolonged and effective contact, the rate and character of change taking place in both is seriously affected to the extent that entirely new patterns are created. Two general rules can be observed to apply in such cases. Firstly, the weaker of the two societies, i.e., the one with less economic capacity is bound to be adversely affected, and the bigger the gap between the two societies concerned the more detrimental are the consequences. Secondly assuming that the weaker society does survive, then ultimately it can resume its own independent development only if it proceeds to a level higher than that of the economy which had previously dominated it.

As a result of many years of hard labour by the slaves, the economy of the west boomed and ushered in the era of industrial revolution, while the economy of the African society stagnated. With this came the abolition of slave trade. With industrial revolution came excess products and the need to search for market outlets abroad. This apparently led to the period of legitimate trade. As contended by Apeh (2005:25-35), while the legitimate trade went on, Britain advanced the laissez faire principle because they ruled the waves. Africa was declared a free market and they went on exploiting the agricultural and mineral resources. This was still another form of interconnectedness of the developed west and African societies. The competition that ensued among European powers as a result of trade in legitimate goods, as Africa has been declared a free market, led to a period of direct subordination and subjugation of man by man in the form of colonialism. This effective occupation of one region by another which was necessitated by the concentration and centralisation

of production and capital by giant monopolies, which unilaterally constitutes the single most decisive element in the economic realm was in real economic terms implicated in the colonisation of Africa and other Third World countries. This marked a direct presence of the European powers as army of occupation in a conquered territory. This expression of the principle of effective occupation is yet another necessary stage of capitalist expansionist policy, and interconnectedness of the west with Africa.

However, with the struggle for and eventual granting of independence by the colonialists to the erstwhile subjugated nationalists, the colonised Africans, at least, were politically free to take their destiny in their own hands; however, not without the distortion and dislocation of the socio-economic and political systems of Africa by the colonialists, making her dependent on the imperial powers, many years after political independence. As a result, even though African countries have gained political independence, the struggle for economic independence has continued with little or no success till date. This period marks a neo-colonial stage in the interaction of Africa and the western world.

Meanwhile, the four stages discussed are not individually or collectively all-embracing and pervasive, yet, there was real connection of one part of the globe with another; sometimes with wars of conquest, resistance, and forceful incorporation, etc. Now, with the emergence of an all-embracing, all pervasive and all powerful regime of globalisation, every part of the globe is connected to one another with or without ones consent. Globalisation has become a centralising force in the contemporary world because of its capacity to alter, affect, and change the prevailing socio-economic and political order in any part of the globe independent of ones consent. Globalisation, just like the four stages earlier stated is a necessary stage of capitalist expansionist policy. It is equally a process of integrating the whole world into one unified order called the global village. This integration of the world is made possible by the various agents of communication, notably mobile phones and computers, which is the thrust of this paper.

### **Understanding Globalisation**

Notwithstanding the prodigious and ubiquitous volumes that have been written on the meaning and nature of globalisation, and its ascendance to the vortex of global debate in virtually every area of international and domestic politics, there is still enormous disagreement among scholars and international observers about the real character of globalisation. Whether it is seen as the best thing that has happened to the contemporary world, or as a plot by profit-hungry mega corporations to maximise profit by exploiting workers in other regions of the world and despoil their environment, or a return to colonialism, a magic cure-all for economic problems, a post-highest stage of capitalism, or the last step in the creation of world government, we shall first and foremost identify ourselves among other scholars.

To begin with, globalisation is a short-hand for a cluster of interconnected phenomena that are transforming world politics. It is used alternatively to describe a process, a policy, a predicament, and the product of vast, invisible international forces producing massive changes worldwide (Kegley and Wittkopf, 2004:267). Meanwhile, Apeh (2005:25-35) conceives of globalisation as emanating from trade, investment and capital flight to technological development and more recently, world governance through democratisation. Making almost the same argument, Osakwe and Osakwe (2005:237-252) stated that globalisation has to do with the increase in the degree of economic interdependence of nation-states, which is a consequence of tremendous improvements in technology in the last two decades, especially in transport and communication, and growing interest in more outward-looking economic policies. They, however, observed that notwithstanding the significant benefits of increased prosperity of most countries as a result of globalisation, African countries happen to be an exception, and this is reflected in the high incidence of poverty, unemployment and income inequality manifest in the region. Meanwhile, this position differ significantly from the position of Ikon (2004:253), who conceives globalisation as the integration of national economies through trade and financial interaction with the international economy. Consequently, one may ponder to ask: is globalisation all about economic interdependence, or integration of national economies with the global capitalist economy? If it is economic interdependence, how mutual is this interdependent relationship? Otherwise, what is the degree of the global north's dependence on the global south, particularly Africa, and most especially, Nigeria? These questions as simple as they may appear are very vital in our understanding of the nature of globalisation with all the attendant consequences to Africa. To be sure, the position of this paper is to align with scholars who see globalization as the integration of national economies rather than economic interdependence. To interrogate further, is there anything significantly new that African countries have that the west or any other region could depend on? In fact, from the period of political independence till date, African economy has been mono-cultural, and this has resulted into a dependent relationship on the developed economy for sustenance. Before the emergence of globalisation as we know it today, Nigeria's major source of foreign revenue has been oil, and nothing has indeed changed. In his own contribution, Ike (2004) contends that globalisation is the phenomenon of increasing integration of nation states through economic exchanges, political configurations, and technological advance and cultural influences. In addition, Okolie (2008) avers that globalisation seeks to shrink geographical constraints and to establish and sustain a global village characterized by unfettered movement of goods, services, "labour", finance capital and international investment,

Moreover, globalisation has also been described as the liberalisation and intensification of linkages in trade, financial markets, production, research, transport, energy, medicine, education, politics and culture, that is accelerated by discoveries in micro electronics information processing, communications and biotechnology UNDP (1997) quoted in Okolie (2008). In furtherance of the debate on globalisation, Eliagwu (2005) argues that contemporary globalisation is characterised by technological revolution with its attendant communication revolution. He maintained that it is an age of the information super-highway where computer and communication technology, micro-chips and fibre optics are converging to promote computer mediated networks.

Meanwhile, within the global south, the semi-peripheral states like Singapore, South Korea and other Asian tigers have successfully grown into advanced industrialised societies (Kegley and Wittkope, 2004:290). As wealthy countries, they are now members of the global north and competitive players in the global trade and investment, no longer in need of development assistance. But Africa has remained the hewers of wood and drawers of water in the international economic relations.

Be that as it may, it does appear that globalisation represents the triumph of the market, which will benefit all and sundry, although, from different perspectives, notwithstanding the present winners and losers of this victory of the market forces. At the economic level, Africa may not benefit much, at least in the short run, but politically, especially in the long run, it will facilitate the process of autonomisation of the states and political development of the continent of Africa. This assertion is predicated on the assumption that African states are characterised by low degree of autonomy which is a reflection of none pervasiveness and, or low penetration of commodity relations (Ake, 1981:3-5). The implication of this is that with globalisation as a policy, African countries will witness massive commodity penetration which will enthrone individualism and competition, thus reducing the value of state as a means of production. Now, with the pervasive penetration of commodity relations into all corners of the African continent as a result of globalisation, the dominance of individualism in the economic relations will ensure the decline in the use of state power as an instrument for the appropriation of public wealth. This will ensure the neutrality of the state in moderating internal contradictions within the African societies.

Meanwhile, Nnoli (2006:87) contended that globalisation is a phenomenon of capitalist expansion and accumulation. He identified certain major characteristics that distinguished it from other forms of capitalist expansion such as colonialism and neo-colonialism. They are the emergence of transnational corporations, the emergence of financiers and speculators and the communication revolution. He further argues that globalisation has been the source of conflict and insecurity in

Africa, by reinforcing state violence as a result of domestic pressures associated with globalisation. In a related submission, Okolie (2008) stated that globalisation is nothing more than the development and expansion of core capitalist values, norms and preferences. He further argues that the universalisation and or globalisation of these core capitalist values assume its fullest expression from the 1990s, following the collapse of Soviet Union, the dismantling of the socialist bloc, and the unification of Eastern and Western Germany.

Moreso, because of the pervasive influence of globalisation, some have argued that the sovereignty of the states in the international system will be weakened as the globalisation of markets and cultures transcends contemporary geopolitical boundaries and erode the meaning of national identity, creating a "global citizens" who assign loyalty to the common interest of all peoples. In a related argument, Howell (1998) insists that globalisation is the end of state's sovereignty which has seen the rise of the European states as the epitome of political organisation. Corresponding to the above, Walters (1995) stated that territoriality will disappear as an organising principle for social and cultural life; it will be a society without borders and spatial boundaries. He further argued that in a globalised world, we will be unable to predict social practices and preferences on the basis of geographical location. In a tone of finality, Reinicke (1997) argues that nation-state as an externally sovereign actor in the international system will become a thing of the past. These positions, to the extent that they appear correct theoretically could only be in the sense of a metaphor used to describe the world as becoming a single community a global village, or better still, it could be seen as a declaration of intent. Again, the formation of European Union does not in any way reflect the loss of sovereignty by the contemporary states, but rather to cushion the over-bearing influence of the United States of America in international politics. It is our contention that state sovereignty will remain intact and could even be enhanced as a result of globalisation of world politics. We assert, therefore, the inevitability of the sovereign nation-states at least to give people identity, raise taxes, provide social services, protect the environment and guarantee internal (national) security.

However, it is imperative to state that globalisation has reduced the sovereign control of states over activities within their borders and their relations with other states and non-state actors. This has manifested in the reduction of the capacity of the state to exercise political power over the territory in which private-sector actors operate. The implication of this is that globalisation has adversely impinged on the nation-state's monopoly over internal sovereignty, which guaranteed territorial integrity of states. By extension, it deprives states much of its external sovereignty in its functional form, perhaps, because of its over-bearing force, yet, the autonomy and sovereignty of the state still remain.

It is, therefore, our contention in this paper that globalisation is a necessary stage of capitalist expansionist policy that pervades every aspect of human existence. This pervasive character of globalisation buttresses our assertion that its regime is all powerful, all inclusive and all domineering. It is a powerful regime not in the sense that it has become a centralising force in the contemporary world, but because of its capacity to alter the prevailing order independent of one's consent. Infact, the globalisation of the world has diminished the forces of the state as a focal point in the understanding of political phenomenon, not in the sense that it means the end of the state, but a drastic reduction in the capacity of the state to determine its economic policies without recourse to the happenings in the international system. This stance was given credence by the argument of Kegley and Wittkope (2004:266), that "when industrial and financial tycoons merge their multinational companies to form a global business colossus, it could lead to some local companies (banks) being controlled from overseas and the employer is headquartered abroad.

### **Theoretical Perspective**

Rapid changes in the world force people to think about and interpret world politics in fresh ways. Of all the many recent changes, perhaps none has been more profound and far-reaching than globalisation. In this study, we shall anchor our investigation on the Post-neo-dependency theory as our theoretical framework of analysis. This theory is an extension of the centre-periphery model of the dependency and neo-dependency theory as reflected in the contemporary international economic relations, particularly, since the emergence of globalization. The thrust of the theory is that contemporary dependency is the most subtle form of exploitation of Africa, particularly, Nigeria by the developed capitalist states.

Basically, international development economics predicate their analysis on the liberal and neo-liberal perspective. The basic assumptions of these analytical frameworks are derived from the modernisation paradigm. And this way of explaining economic relations between countries was popularised by scholars like Hoselitz (1960), Rostow (1961), Pye (1966) and Parsons (1969) among others. The basic proposition of this approach is that an unequal level of development is a natural phenomenon that could be overcome as time passes by. It further argues that for developing countries to develop, they must try to be like the west and imitate their development strategies. However, after many decades of imitating the west from the time of independence to the present, their development strategies have only yielded meager returns. Instead, what is prevalent in Africa is the widespread of poverty, ignorance, disease, breakdown of social and political institutions, and corruption. As a result of the inadequacy of the western models of development to extricate the developing countries from the clutches of underdevelopment, the need to explain the phenomenon of underdevelopment became imperative, hence, the emergence of the dependency theory.

The dependency theory is an off-shoot of the Marxist political economy paradigm. It was developed by scholars to explain the continued underdevelopment of the developing countries vis-à-vis the developed western capitalist countries. Among the many scholars that contributed to the development of the theory are Andre Gunder Frank (1969), Susanne Bodenheimer (1971), and Johan Galtung (1971). The dependency theorists are mostly from Latin America, and they conceive politics as encompassing a relationship between the former imperial countries described as the metro-pole (centre) and their former colonies known as the periphery. These scholars argue and correctly too, that underdevelopment of the Third World countries is a consequence of colonialism, neo-colonialism and imperialism.

The period of naked colonialism marked a direct subordination and subjugation of the periphery by the metro-pole, and hence the beginning of dependency both internally and externally. However, with the attainment of political independence by the periphery countries, the nature of dependency became more subtle than the previous arbitrary one. This era is characterised as the neo-dependency period. Now, with the emergence of the contemporary globalization, and the rapid attainment of a very high state of development by some of the countries who formally depended on the metro-pole for development assistance, particularly the Asian countries (semi-periphery), and the continuous dependence of African countries on the west, the need to interrogate the nature of dependency becomes imperative. This period is characterised as the post-neo-dependency era, hence, the theory. It focuses on the dynamic interactions between the metro-pole (centre) and the periphery, which produces on the one hand development and affluence, and on the other hand, underdevelopment and affliction.

The dependency theory assumes the division of the world into two - the centre nations and the periphery nations. The centre nations represent the former imperial countries of Western Europe and America, while the periphery represents the erstwhile colonies of Africa, Asia and Latin America. The relationship that developed from the colonial era till present expresses the subordination of one by the other through the forceful incorporation of the former colonies into global capitalist economy. The nature of the relationship is skewed against the former colonies, the periphery, and hence, engenders their exploitation, which manifest in abject poverty, ignorance and disease. This asymmetrical relationship enables the metropolitan countries to continue the most subtle exploitation of the peripheries through capitalist expansionist policies.

However, former semi-peripheral countries of Asia that have massively embarked on industrialisation and could export manufactured goods in this globalised era are no longer regarded as the peripheries but as competitive members of the international economic relations. On the other hand, African countries have

been sentenced to perpetual poverty essentially because they have very little to offer in this globalised world. The idea of openness or interconnectedness of nations implies that there should be relatively equal opportunity between and among countries, but African countries with little or no diversification of its economy cannot afford to export what it does not have. In this relationship, the weak must continue to suffer and subsidise the lives of the strong.

To be sure, in a post-neo-dependency era, the relationship between the advanced capitalist states and the developing states will be characterised by mutual interdependence of nation states, especially between the Asian countries that have the capability and capacity to diversify its economy and the advanced capitalist states; but for African countries, it will continue to reflect another form of exploitation remarkably different from the former ones because of the most subtle nature of its execution. The use of Internet facilities and mobile phones provides such erroneous feeling of development while the process of underdevelopment is heightening.

### **Nigeria and Global Communication**

The establishment of telecommunication facilities in Nigeria dates back to the colonial period, originating in 1886 (NCC, 2007). These facilities were primarily put in place to facilitate easy discharge of administrative responsibilities. As a result, the introduction of public telegraph services linking Lagos by submarine cable along the west coast of Africa to Ghana, Sierra-Leone, Gambia and on to England was a great priority than a robust telecommunication network.

At independence in 1960, the total number of telephone lines stood at 18,724 for a population estimated at about 40 million people. This represents a teledensity of about 0.5 telephone lines per 1,000 people, a far-cry from the International Telecommunication Union (ITU) recommendation of one (1) line to 100 inhabitants for developing countries. By 1985, the installed switching capacity was about 200,000 lines as against the planned target of about 460,000. All the exchanges were analogue.

Between 1960 and 1985, the telecommunications sector consisted of the Department of Post 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 telecommunications services, (Government document, 2000). NET provided the gateway to the outside world.

However, in January 1985, the Post and Telecommunications Department was split into Postal and Telecommunications Divisions. The Telecommunications Division was merged with NET to form Nigerian Telecommunications Limited (NITEL), a limited liability company, while the Postal Division was reconstituted into the Nigerian Postal Service (NIPOST). Essentially, NITEL was established to

harmonise the planning and co-ordination of the internal and external telecommunications services, rationalise investments in telecommunications development and provide accessible, efficient and affordable services.

Following from the above, the telecommunications industry has witnessed modest development between 1985 and 1992 with the establishment of the Nigerian Communications Commission (NCC). The objectives for the establishment of the NCC are as follows;

- to create a regulatory environment to facilitate the supply of telecommunications services and facilities;
- to facilitate the entry of private entrepreneurs into the telecommunications markets; and
- to promote fair competition and efficient market conduct among all players in the industry.

However, with the inauguration of the NCC in July 1993, but particularly the deregulation of the telecommunication industry by the Olusegun Obasanjo administration in 2000, there has been massive development of the industry and a turn-around of the Nigerian economy, at least on the pages of Newspapers and Magazines.

### **Internet Services and Mobile Telephones: Its Implications on Nigeria's Economy**

Nigeria with a population of about 150 million people is an investment destination of choice in the world, if the enabling environment is created for Foreign Direct Investment (FDI) to thrive. But the reality on the ground has been the opposite, essentially because of political instability, pervasive insecurity, policy inconsistency, lack of transparency and corruption among others. This high-risk investment environment has made it very difficult for foreign direct investment to flow into the country. This has mitigated against the various development agenda of successive political leadership in the country and undermined and retarded every effort to move the country forward. However, with the deregulation of the Nigerian economy in 2000, the communication industry, more than any other sector in the economy has witnessed massive boom as a result of inflow of foreign direct investment in the telecommunication sub-sector. The magnitude of the inflow of foreign capital into the Nigerian economy as 'midwifed' by the Nigerian Communications Commission (NCC) expresses the pervasiveness of globalisation as propelled by communication revolution.

Meanwhile, in 2000, Foreign Direct Investment in the telecommunication sub-sector of the Nigerian economy stood at \$50 million dollars, and by 2007, it has increased to over \$9.5 billion dollars (*Tell Magazine*, 2007). Infact, the increased level of FDI in the telecommunication sector has made the sector to become the

largest generator of FDI after the oil and gas industry (Okeereocha, 2007). This situation was necessitated by the apparent change of policy, coupled with transparent and conducive regulatory environment and reliable licensing processes by the NCC, which is the regulatory body for the communications industry.

As a corollary of the above, the January 2001 auction for digital mobile licenses (DML) appears to have been the impetus for the turning around of the industry. The government generated a total sum of \$1.055 billion from the auction (NCC, 2007). Moreso, in 2003, Globacom limited, which emerged the second national operator and fourth GSM firm, paid \$200 million to get its licence. Globacom and Mtel, the mobile subsidiary of NITEL are Nigerian companies. The Nigerian Telecommunication Limited (NITEL) was privatized in August 2006, when the Transnational Corporation of Nigeria Plc (Transcorp) paid N63.0 billion (\$500.0 million) for a 51.0 percent stake in the gateway (CBN, 2006). However, a substantial part of Globacom's license fee was sourced offshore, through BNP Paribas of Paris, the company's banker. In addition to the afore-mentioned, the other telecommunication operators that have been powering the engine of communication in Nigeria are the Celtel (now Zain) Nigeria limited (formerly Econet wireless), from Zimbabwe; the MTN Nigeria Communication Limited from South Africa. These firms have invested massively both in equipments and other new services. For instance, in 2006, the Kuwait-based MTC Group, owners of Celtel International, the Pan-African mobile operator, paid \$1.5 billion to make Celtel Nigeria its 15th investment base in Africa. By February 2007, the group projected an estimated investment of \$1.7 billion (N182 billion), and targets to bring its total investment in Nigeria to \$3.2 billion by the end of 2007 (NCC, 2007). The investment capabilities have continued to accelerate and increase both in equipments and human resource development. But very significant is the investment of MTN Nigeria Communications limited, which stood at over N400 billion in 2006, and is still growing (*Tell Magazine*, 2007).

In addition, the NCC licensed Mubadala development company of the United Arab Emirate as the fifth GSM operator in Nigeria, with a license fee of \$400 million. Again, the NCC issued the Frequency Spectrum Licenses, otherwise known as Third Generation (3G) through an auction process to four companies, each paying a total of \$150 million for the license. There are various segments of the telecommunications market which include fixed wireless access, unified access services, local exchange operators and internet services providers. However, it was the unified access service license which was introduced in 2006 that accelerated the inflow of FDI in the sector. By unified access licensing regime is meant the removal of all restrictions in terms of mobile and fixed service categories, thereby allowing investors to offer multiple services. This has led to more increase in the inflow of foreign investment in the country. For instance, Starcoms limited, Nigeria's largest

code division multiple access (CDMA) operator, invested over \$105 million in new technologies and systems; though about 60 percent of this came from Nigerian Banks and the rest from offshore.

Meanwhile, the Central Bank of Nigeria (CBN), in their Annual Report and Statement of Accounts, for the year ended 31st December 2006, stated that the communication sector improved significantly in 2006, driven mainly by the Global System of Mobile Communication (GSM). Foreign investment in the sector increased from \$7.5 billion in 2005 to \$8.1 billion in June 2006, indicating an increase of 8.7 percent. The number of connected digital mobile lines rose phenomenally by 35.0 percent as at June 2006, compared with the level in 2005. The number of operating Internet Service Provider (ISPs) also rose by 50.0 percent as at June 2006.

**Telecommunications Market Statistic (TABLE 1)**

<b>The Nigerian Telecommunications Market's Current Statistics</b>						
	1999	2002	2003	2004	2005	2006
No. of Connected Fixed Lines (000)	450	702	850	1,120	1,223	1,538
No. of Connected Digital Mobile Lines (Million)	None	1.59	3.10	9.20	18.59	25.14
No. of National Carriers	1	2	2	2	2	2
No. of Operating ISPs	18	30	35	40	60	90
No. of Active Licensed Fixed Line Operations	9	16	30	17	20	27
Number of Licensed Mobile Operations	1	4	4	4	4	10**
Investment (US\$ Million)	50	2,100	4,000	6,000	7,500	8,150

Source: CBN Annual Report and Statement of Account, December, 2006

As at December 2005, the sector had 1,223, 258 connected fixed lines and 18, 587,000 mobile lines, giving a combined subscriber strength of 19, 810, 258 lines, with a teledensity of 16.27 lines per 100 inhabitants. By August 2006, it was estimated that the country had a total of 27, 949, 894 lines (1, 589, 026 fixed and 26, 360, 868 mobile), with a corresponding increased teledensity of 23.29 lines per 100 inhabitants. This was significantly above the International Telecommunication Union (ITU) minimum standard of 1: 100 for developing countries. Furthermore, the contribution of the sector to GDP increased by 30.8 percent, from N8.59 billion in 2005 to N11.24 billion in 2006. Moreso, the strong demand for Internet services and broadband capabilities aided the development of the fixed lines, although with a market penetration of just over 1.0 percent. The majority of new lines were provided

by fixed-wireless system, and as has been stated earlier, the new unified licensing regime introduced in 2006 intensified the competition between fixed and mobile operators.

The growth observed in the telecommunication sector in 2006 was sustained in 2007 and even beyond. Accordingly, the CBN stated that the number of connected telephone lines grew by 13.9 percent, from 34.0 million lines as at December 2006 to 38.7 million lines as at May 2007. Correspondingly, the teledensity rose from 24.3 per 100 inhabitants in December 2006 to 27.8 per inhabitants in May 2007. Certainly, the growth in the sector was attributed to developments in the mobile telephone sub-sector where the number of lines increased by 14.5 percent, from 32.3 million lines as at December 2006 to 37.0 million lines as at May 2007 (CBN, 2007). The growth observed in this sector has continued to increase phenomenally in 2008.

Meanwhile, computer as a significant symbol of globalisation is also its most potent agent. Infact, no area of the world or sphere of politics, economics, religion and culture etc is immune from the pervasive influence of computer technology. As stated by Kegley and Wittkopf (2004), more than 200 million computers are in use today; more than 95% are Personal Computers (PCS). The present globalised world has seen the astronomical growth in the use of internet, fueled by the growth of personal computers in homes and businesses. By 1988, it was estimated that the number of internet host stood at less than 100,000, but by 2002, it has risen to more than 172 million host connecting 689 million people in the world (U.S. News and World Report, April 22, 2002). The use of internet services the world over has been unrestricted by the government, and the freedom people enjoy with PCs without intervention is most apparent on the internet. To be sure, individuals routinely "Surf the Net" without constraints, creating a global, electronic web of people, ideas, and interactions, unencumbered by state borders. This tendency was necessitated by the inflow of FDI as a result of deregulation policy of the government.

Following from the above, the massive inflow of FDI into the country must of necessity have various implications on the Nigerian economy. Globalisation and communications promote economic growth through increased trade and investment. This is necessitated as companies and countries compete and grow. However, there is no guarantee that growth will be distributed equitably within or between and among countries. In fact, communication revolution is both an opportunity and a threat to developing countries. It expresses the opportunity to enhance social and economic conditions through high level of communications, as a result, presents the potential for convergence in the social and economic status of nations around the globe. As we envision the information age and globalisation as liberating, it could be contended that it is a leveling factor that allows small businesses to successfully compete in the global marketplace. It is the ability of the communications sector in Nigeria to

compete favourably in this globalised market that has led to the overall improvement of the economy.

As a result of the successful adventure of the NCC, there has been a significant growth of the Gross Domestic Product (GDP). Again, it has generated employment to teeming number of the Nigerian population, especially the unskilled labour force. These are employed as market outlets for handsets, recharge cards, sim cards and various forms of business centers. More so, it facilitates easy transaction of businesses, particularly in the banking industry. Through the use of internet facilities, the globalised banks are now on-line, thus creating a convergence of economic and social conditions that actively enhance business relationship. Even in the publishing and news paper industry, and within the academic circle, the benefits of the communication revolution cannot be over-emphasised. In fact, communication revolution has turned around every aspect of economic life; even the security areas are not left out.

However, notwithstanding the enormous positive impact of the communication revolution in Nigeria, it still left much to be desired. The communication revolution, even though it appears to be growing, yet, it is widening the gap between the rich and the poor, leading to the globalisation of poverty and the destruction of local culture. In Nigeria, this results in an increased gap in the communications infrastructure with its attendant consequence of inevitably hindering the pace of social and economic development vis-à-vis the global north. This tendency is capable of diverging further the global economic order. In a world characterised by increased interconnectedness, countries, firms and individuals within them must have access to global flow of capital and information; and this is what the global south needed most, particularly in Nigeria. Though it appears that there is enormous increase in the flow of FDI into the country, but this merely expresses the capitalist tendency of profit maximisation. This scenario finds its most lucid expression on the nature of capital flight. To be more explicit, most of the profits made by the mobile operators in Nigeria are repatriated back to their country of origin, thereby stagnating and undermining the development of other areas of the economy. The quantum of money that is repatriated to other countries cannot immediately be ascertained because there is no enabling legal instrument that checks these excesses. However, a cursory look at the amount invested (and are still investing) by these mobile operators is enough to inform the "initiated eyes" that they are indeed draining the country, yet, most Nigerians rejoice at the meager achievements that are so infinitesimal when compared with profits repatriated abroad. Thus, it is the nature and magnitude of capital repatriated by foreign mobile operators that expresses how Nigeria and other Third World countries (global south) subsidises the lives of western capitalist countries, particularly, the United States from where the internet originated.

The apparent proclivity with which the mobile operators conceal their activities is a consequence of the lack of legal framework that could make their transactions public. For instance, it was not until July, 2008 that Starcomms, Nigeria's largest Code Division Multiple Access (CDMA) Network and 4<sup>th</sup> (fourth) largest telecommunications operator lists shares on Nigeria Stock Exchange, thus, becoming the first mobile operator to be quoted in the stock trading (*This Day*, Vol. 13. No. 4832:35). At the formal listing ceremony, over six billion ordinary shares of 50 kobo each was made available for trading on the floor of the Exchange by interested individuals and institutional investors. However, to the extent that this development will make the activities of Starcomms public, to that extent, it is a good beginning, but it will not eliminate the tide of capital repatriation out of Nigeria. Moreover, there are other causes or conditions that enhance the capacity of the mobile operators to effectively repatriate profits abroad without check. There is the problem of lack of technology. All the equipments and machinery needed to enhance the industry, particularly, the telecomm mast are made and repaired abroad. This condition facilitates the process of repatriation of funds abroad. Again, foreign expatriates' salaries are paid into foreign bank accounts, while allowances are locally paid to maintain them in Nigeria. The issue of man power development has been a long standing problem in Nigeria. Because of lack of development of the productive forces, particularly the labour power, the mobile operators always bring in foreign expatriates for repairs of malfunctioning facilities. This situation enables the operators to easily repatriate profits that would have been re-invested into other areas of the economy.

But very significant is that since globalisation has opened the flood gate of importation, it has led to massive inflow and dumping of sub-standard computers and handsets, and its accessories to the global south, particularly Nigeria, from the Asian countries. This global condition has the capacity to suffocate the growing industries in Nigeria, since the NCC and Standard Organisation of Nigeria (SON) are lagging in effectively given the standard of handsets to be imported, and implementing the quality check respectively. There are other associated social problems like perfecting crime with communication gadgets, prostitution etc. All these notwithstanding, since globalisation has come to stay, it should be officially embraced as a policy and the framework for effective integration, benefits and sustenance should be adequately put in place.

### **Conclusion**

In the preceding sections, we have established the pervasiveness of globalisation and its main tool, communication, and how it has united the world into one global village. We contend that globalisation represents the fifth stage of capitalist policy of expansion and accumulation, which started during the slave

period. The global north remains the primary beneficiary of the communication revolution, while the global south, particularly Africa (Nigeria) is exploited in the process, essentially because she has nothing to offer in this regard. However, we observed that the semi-peripheral states of the Asian region are successfully growing into advanced industrialised societies and, therefore, are competitive players in the global trade and investment.

Meanwhile, in order to truly appreciate the nature of exploitation of the global south, particularly Africa (Nigeria), we anchored our analysis and discussion on the theoretical foundation of the theory of post-neo-dependency. Among other things, the theory assumes that contemporary dependency is the most subtle form of exploitation of Africa (Nigeria), particularly because of the asymmetrical relationship that had existed for centuries now. Globalisation in itself conceals the true nature of the unequal relationship and propagates equal interconnectedness of states.

Moreover, we noticed that the communication industry in Nigeria has made tremendous achievements both at revenue generation to the government and services provided to the people, with its double-edged implications. We aver that notwithstanding the enormous finances that are invested and generated in the communication industry, the trend of massive repatriation of profits by the investors hinder the process of diversification of the economy and therefore engenders underdevelopment. Consequently, we conclude that only a policy that will eliminate repatriation of profits by foreign investors is the panacea for Nigeria's economic recovery.

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