

**PROSPECTS OF INFORMATION COMMUNICATION TECHNOLOGY IN A
POST
RECESSION ECONOMY; THE NIGERIAN EXPERIENCE**

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ABSTRACT

With the recent slump in Nigeria economy, diversification of the economy has been emphasized by different researchers both economist and academics as well. With the present administration drive to be self- sufficient independent of oil, Information Communication Technology is ready to a major drive in realising that goal. Developed countries have used the sector to remain afloat and this has to be Nigeria case too. With ICT contributing more than \$15 Billion yearly to the United States Economy, Nigeria needs grab the opportunity too. The ICT sector needs right policies, human development, capital investment and infrastructure to make this a reality. With all this in place, Nigeria will move up in ranking among committee of nations with improved GDP. With Nigeria out of recession, this sector provides a viable option of keeping Nigeria out of recession finally.

Keyword: Information Communication Technology, Recession, Economy, Diversification.

INTRODUCTION

BACKGROUND STUDY

Most economies in the world witnessed a contraction in its Gross Domestic Product (GDP) hereby leading to a recessionary stage just as Nigeria experienced, and depression in cases of countries like Venezuela and Zimbabwe. The period differs across board; recovery has happened while it is not the case of others. Nigeria recessionary period started in second quarter of 2016 (June precisely) after posting a negative outlook on its GDP.

A recession is an economic crisis in the business cycle contraction, which results in a general slowdown in economic activities in two or more quarters (6months and above). Eneji, Malafia and Umejiaku (2017) Usually, recession may be triggered by financial crisis and or credit crunch, as well as demand and supply side shocks, (Kamar,2012) There have been signs of recession in the Nigerian economy, but became more pronounced in this current regime of President Muhammudu Buhari. Different options have been given on how to move from recession stage, to the current stage we are now, which is a post-recession stage at different forums, academic researches and so on.

With the Minister of Finance stating that Nigeria exited recession by a margin of 0.55% in September 2017, it is now expedient that the options must be duly followed, especially in the area of diversification of the economy from an oil based economy, to an economy based on different sectors such as mining, agriculture and Information Communication Technology (ICT).

With the current drive of the present government in diversifying the economy, ICT has been listed as one sector that can increase Nigeria foreign direct investment which

in turn increase the country's GDP. There is a National telecommunication policy been in place since

December, 2001 that made case for an enabling environment for the expansion of ICT services in the country. The mission statement of the policy was to use ICT as a tool for Creation of Wealth, Poverty Eradication, Job Creation, and Global Competitiveness, while its objective was to create globally competitive quality manpower in ICT sector.

This paper seeks to examine the prospects of information communication technology and its usefulness in a post recessionary economy like Nigeria. The paper contains three other sections. Literature reviews on ICT and its theoretical basis in Section II, methodology, analysis and interpretation of results in Section III. The last section is the conclusion and recommendations.

AIMS AND OBJECTIVE OF STUDY

The paper aims to create an ICT based model for economic growth in Nigeria, as a stimulus to

its current state of post-recession. The major objective includes the following:

- To check the causes of inflation in the country and how it was combated.
- To create an ICT based strategy to contribute more to national economic growth and development
- To make recommendation for a way forward

LITERATURE REVIEW

CONCEPTUAL AND THEORETICAL FRAMEWORK

Developed and developing countries such as United States of America, China and India, have invested a lot in the ICT sector, thus making the sector a large contributor

to the countries' economies. ICT has no specific definition has means different things to various researchers and academics. Chowdhury (2000) positioned that ICT comprises of all technologies that can assist in processing information to the world (this include but not limited to text, data) and thus make communication amongst human being easy.

According to United Nations World Economic Situation and Prospect Manual for the year 2016, ICT sectors have remained reasonable constant in its contribution to GDP among all other sectors. One can all that ICT sector, has grown tremendously in the past years with the national broad band plan.

PAST AND CURRENT ECONOMIC SITUATION IN NIGERIA

Wikipedia defines recession as: “a negative economic growth for two consecutive quarters”. In context of macroeconomics, it is the period of stagnation in an economy gross domestic product (GDP). It can be as a results of various events such as global financial crisis, unemployment rate, low house hold income, fall in business profits and so on.

The second Quarter of 2016 (April to June) Nigeria slipped into recession when the growth figures showed that the economy contracted by 2.06%, (BBC news 2016). Many factors were deduced as towards their contribution to the fall. The major cause of a recessed economy can be said to be **Inflation**. Investopedia defines inflation as a continuous increase in level of prices for goods and services over a period of time. Nigeria increasing inflationary rate at () account majorly for the recessionary period Nigeria was into. The major cause of Nigeria inflation was due to worldwide crash of oil prices reaching an all-time low of \$34 per barrel as of , of course this has

increased to \$62 per barrel as of October 2017, bad debts inclusive and crash of foreign reserves.

Kemi Adeosun (2010) and the National Bureau of Statistics confirmed that Nigeria has exited recession after putting the GDP at a positive outlook. One could say that the current situation of Nigeria economy is quite encouraging as level of prices of services and goods has increased after embarking on rigorous macroeconomic policies.

NIGERIA DRIVE TOWARDS ICT SUSTENANCE

Diversification also helped in its own way as different sectors of the economy now contribute immensely. The ICT sector seems to have contributed in its own way, but more needs to be done; and this is what the paper seeks to achieve. The current penetration of ICT into the consciousness of the country populace has seemed to help Nigeria drive towards ICT tremendously.

ICT revolution started in the 1990s in America as a tool in increasing the country economy prospects. With Nigeria seeking to maintain its current reduction in inflation rate and increase in GDP it is pertinent to note various ways ICT can help in increasing its GDP. It includes but not limited to:

- i. **Foreign Direct Investment:** with investors increasing in the business sphere of the economy, it is evident that most business deals with oil and logistics. The current policy in place, more ICT based companies will want to invest in Nigeria IT space. Telecommunications have the most companies in the ICT sphere

followed by e-commerce companies. This has seen more direct investment in recent times; which of course almost at par with sectors like mining, and much more than tourism. With the coming of YouTube, Google Inc., Yahoo Inc., Facebook opening offices in Nigeria, one has seen a new level of investment by these fortune 500 companies.

- ii. **Drop in Unemployment:** there has been tremendous increase in techpneuership. Techpneuership simply means small scale companies which are ICT driven. More Nigerian youth are now developing solutions for companies using their start-ups. As more companies enter the information communication sector, Nigerian youths are being trained by these companies in order to fulfil either corporate social responsibility or the local content, employ some of these trained youths and in instances employ them. Vocational centres have been increasing daily in the training of youths not just in the Telecoms set up, but in Computer hardware repairs, GSM repairs and software engineering; these training have reduced the number of Nigerian youth unemployed as the vocations can be set up with little capitals. The Bank of Industry (BOI) funding and the You-win are examples of funding are provided to youths in these SMEs.
- iii. **Reduction in Corruption:** with payment be made online, and not physical;leakages has been blocked. Leakages abound in the public and private sector , and the only way it has been sufficiently blocked apart from whistle blowing is the use of ICT; either through website or applications such as e-tranzact or remitta payments. With leakages been blocked payment will get to the rightful owner and funds remitted properly.
- iv. **Ease of Doing Business:** with the Vice President heading the ease of doing business committee, which has seen tremendously with Nigeria leapfrogging 24

places. The committee used the help of ICT to create a portal in which new business owners either individual or corporation can register and see the process real time. ICT when deployed and upgraded the process will seemingly be fast.

iv. **Increase in Product and Services:** development in communication technologies is the other of day. Advance technologies in health, telecoms, media and other sector have been largely due to break out in communication technology advancement. Services are been generated everyday as new start-ups emerge. Starts up in finances, transport, and agriculture have large input from ICT. These start-ups remit part of is profit as tax to the government, providing revenue and ease of doing business to the economy.

v. **Turnaround in Workforce:** with the coming of a new branch of ICT called the e-governance, turn around in workforce is expected to happen. E-Government concept started in the 1990s. The major objective is to use ICT to conduct official business while increasing the efficiency and effectiveness of the business. The benefits of e-governance that accrue from the use of IT according to Shatne (2001) and Symonds (2000) include: Reducing government spending and increasing.

EMPRICAL REVIEW

Posu (2006) explained that there are two school of thought in relationship between ICT and economic development; Technophile and Technophobic. The technophobic believes that ICT cannot aid in developing a country economy while the technophiles believe it can. Nigeria populace tends toward the technophile school of thought, that ICT can aid in the developing of the country, with increasing employment, creation of made in Nigeria software's and hardware alike, while contributing to the country GDP as the was what (Castells, 1999) positioned to.

According to Afolabi (2015) paper “The role of ICT in National Development: A study of the Educational sector in Lagos State”, he observed that ICT can be used to drive economic development, which includes sufficient investment in the sector, he also noted that funding is not adequate for the general use of ICT.

Olufemi (2012) in his paper, he explained that government should declare ICT services as part of the fundamental human right of Nigerians. He also noted that there is hope in the e-governance that guarantees the transformation the relationship of government and citizens. The relationship will be more bonded since most governance duty will be real time processing as no cut back or short cut will be expected from government officers.

Obayelu and Ogunlade (2006) noted that ICTs will not only empower the gender but sustain poverty alleviation programmes which in time past have failed in Nigeria through provision of new and enhanced opportunities for participation in the process of self-determination, economic, social, educational and cultural advancement and employment beyond the scope of traditional institutions and any forms of governance. Ikenna, Chikala, Anthony (2017) asserted that adoption of new ICT driven model will create ideal opportunities for economy development in Nigeria. They concluded that ICT plays a role in general development of the economy vis a viz its contribution in sectors of the economy (agriculture, education, housing and financial institutions).

Audu and Oladunjoye (2014) argued that ICT can increase employment opportunities to the teeming unemployed youths; thereby increasing the rate at which the GDP grows and securing the nation economically and socially. They also recommended that the talent in the youth should be upgraded to fit into the needs of the country.

In the reviewed papers it is pertinent to note that more can be gained from the ICT sub sector in the economy. The Nigeria economy needs to divest its interest from crude oil into a more reliable sector like the ICT. In this view, this paper has shown that the economy it really wants to grow its base or its GDP it needs to implement more policies for the information communication sector.

Many researchers have argued that ICT is more beneficial to investments from ICT, but this notion has changed due to capital investments in the sector by developing nations.

CHALLENGES AND SOLUTIONS IN ICT SECTOR IN NIGERIA

There is no gain saying that Nigeria suffer from diverse challenges in this sector. Taking a cursory look on the challenges belittling the sector, the paper will be taking a look at some of these challenges. The lack of infrastructure in the ICT space calls for worry. There is no adequate infrastructure, except for the telecommunication mast we see every day. The need to invest more in broadband, optical fibres, data centres cannot be emphasized. Human resources.

Although, there are over a hundreds of thousands graduate in various ICT fields, but it no lie that this mere paper projection. The need to increase the resource value and technical know-how of this specialist, both private and public organisations need to update its staff in accordance of developed nations.

The policies of government on paper can be seen as very good but these policies have really no effect on the sector. More foreign companies come, invest without taking cognisance the local contents.

CONCLUSION

Nigeria still has much lot to gain if its diversification properly attended to. The oil is drying up and the economy needs to change its plan. The coming of the ICT sector can be seen as a saving grace. More investment in this sector will see tremendous improvement in its economy base.

The foreign flow of investment increases in agriculture revenue, and so on.

The economy needs to be revitalized and its on a path of recovery, and the sector will be an important factor.

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