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DEREGULATION, PRIVATIZATION AND ACCOUNTABILITY IN THE PROVISION OF ESSENTIAL SERVICES: THE CASE OF COMMUNICATION SECTOR (TELECOMMUNICATION) IN NIGERIA

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ABSTRACT

Although, one of the major reasons for establishing Public Enterprises was to secure economic independence, but the seemingly challenges associated with their existence have informed the various reforms embarked upon by governments in both developed and developing countries. These reforms were necessitated by the belief that private sector partners are better equipped to provide certain services than governments. The objective of this study was to justify the paradigm shift to deregulation and privatization model in contemporary economic development. Besides, the study was to establish a link between deregulation, privatization, and service delivery in communication (telecommunication) sector in Nigeria. The study was analysed within the predominant neoliberal development perspective. Because of the thematic nature of the study, quantitative method was employed as research instrument. Data were gathered from different telecommunication subscribers, through random sampling and calculated using regression and ANOVA techniques.

***Key words**: privatisation, deregulation, accountability, essential services, public enterprises, telecommunication*

Introduction

Privatization as an economic and political concept emanated in the 1980's in the West, basically as a result of government inability to manage public enterprises efficiently and effectively. The privatization movement set in motion by the Reagan administration in the 80s in the United States appears to have started as a global trend of restoring the free enterprise spirit (Dhameja and Sastry, 1998). Interestingly, the idea has cut across the breadth and width of every nation in the global community. The need on the part of nations to make a paradigm shift from total regulation of economy to market-oriented economy is rising daily. Most of the socialist countries have also adopted the idea of privatisation and deregulations of Public Enterprises as they have shifted away from planned economy in the process of improving on the performance of their Public Enterprises. For instance, the former Soviet bloc countries rapidly privatized most of their state-owned enterprises (SOEs) in order to improve their performance and reduce the direct influence of the state (Kocenda, 1999, Turnovec, 1999). Following the early 80s recession, the Tories began to propose privatisation as a potential panacea for better performance of British public firms. The emerging doctrine was that privatisation would make the large utilities more efficient and productive, and thus make British capitalism competitive relative to its continental rivals (Seymour, 2012). The modern concept of privatization as an economic policy was associated with Margret Thatcher's government, which came to power in Great Britain in 1979 (Kahn, 1990; Peltzman, 1989; Richardson, 1990). According to Vickers and Yarrow (1988:426), her government rolled back public sector substantially and brought in the private sector.

Similarly, the spread of privatization in Africa has been remarkable as evidenced by the existence of the program in many countries such as Uganda, Tanzania, Nigeria, Togo, Coted'Ivoire, Zambia, Kenya, Ethiopia, etc. (World Bank, 2001). Deregulation as an economic policy has globally been employed by the developed and the developing countries to reduce public sector dominance of the economy by means of the liberalization of the market system while ensuring adequate supply of products. Countries like Peru, Argentina, Pakistan, Philippines, Thailand, Mexico, Canada, Venezuela and USA, have systematically dismantled their state-owned corporation through deregulation

Privatization represents a potential revolution in the role of government in promoting economic growth and development. This revolution gained force in the 1980's and continues to gather momentum (Kikeri,Sunita, JohnNellis & Mary Shirley,1992). The aim of privatization programs is to secure higher microeconomic efficiency and foster economic growth, as well as minimise public sector borrowing requirements through the elimination of unnecessary subsidies. In other words, privatization of public enterprises could be regarded as an economic policy that is meant for rationalizing the economic structure of a nation, suppressing the pressure applied by these companies on the government budget, enhancing the efficiency and effectiveness of companies, enlarging the ownership throughout the entire country, equipping and sustaining the financial resources of the private sector in the economy, utilising the resources efficiently and creating motivation for promoting the activity of private sector (Roger, 2007; http://shodhganga.inflibnet.ac.in/bitstream/chapter2.). The forms of privatization are many, ranging from outright sale of government's entire stake, to partial sale, to concessions, leases, and management contracts, to the hiving off and sale of non-core business activities, to the opening of previously restricted sectors to new private entrants and competitors (Nellis, 2006).

The essence of privatization is to foster development through private participation of individuals in the economy of a nation. While other sectors are very essential in a nation's economic development, communication play more pronounced role. This is because information and communication have usually been the major factors determining the existence of individuals and corporate organization in the society. Due to their importance, governments are often prompted of improving on the processing of information in the society as a way of facilitating socio-political and economic growth. In view of its importance, governments all over the world in the mid-1990s deemed it necessary to spend billions of taxpayer money on telecommunications infrastructure as well as encourage investment by private providers (Londstaff, 1998). Encouragement of private investor to purchase non-performed government telecommunication firms and private-public competitions in the telecommunication industry in the name of deregulation and liberalization became essential in advanced and developing countries to promote the sustainability of communication sector.

Conceptual clarifications

Privatization is one of the major economic phenomena in recent economic history with diverse definitions. Privatization can simply be defined as the sale of state-owned firms to private investors to inject into the economy high investment returns based on efficient service delivery to consumers at cost affordable rate. The Florida House of Representatives Committee on Governmental Operations conducted a review of the literature on privatization and offered the following spectrum of definitions: i/ Engaging the private sector to provide services or facilities that are usually regarded as public sector responsibilities. ii/ Shifting from publicly to privately produced goods and services. iii/ Transferring government functions or assets, or shifting government management and service delivery, to the private sector. iv/ Attempting to alleviate the disincentives toward efficiency in public organizations by subjecting them to the incentives of the private market. v/ Using the private sector in government management and delivery of public services (Higgins, 2000). Martin (1933), for instance, suggests that it is "a change in the role, responsibilities, priorities and authority of the state," rather than simply a change of ownership. Donahue (1989) proposes that the word privatization can signify something as broad as shrinking the welfare state while promoting self-help and volunteerism. Such broad definitions underscore the need for continued evolution of the public sector as it faces increasingly complex challenges in today's environment (Layne, n.d.). Bessley and Little Child (1983) define privatization as a tool for improving the economic activities through strengthening the market provided at least 50 percent of the state shares that are sold to the private sector. Kay and Thompson (1986) believe privatization includes methods which change the nature of relationships between public and private sectors, such as denationalization, selling the state properties, deregulation and contracting products and services. According to the Privatization and Commercialization Act of 1988 and the Bureau of Public Enterprises Act of 1993, privatization in Nigeria refers to the relinquishment of part or all of the equity and other interest held by the Federal Government or any of its agencies, in enterprises whether wholly or partly owned by the Federal government.

The basic goal of privatization is the introduction and use of market-based competition by government for the delivery of public services or goods by the private sector. The term "privatization" is most commonly used to refer to any shift of government activities or functions from a public agency to the private sector. It is an umbrella term used to account for greater private sector participation in the delivery of public services. Privatization has also been characterized as "sometimes leaving very little government involvement, and other times creating partnerships between government and private service providers where government is still the dominant player" (Issue Brief, 2007).

Deregulation of a country's economy on the other hand simply means privatization, divestiture, and marketization of the economy. In essence no government but private participation in the country's economic activities. This is to ensure competitive economic system devoid of monopoly and allow price mechanism of demand and supply's principle of economy to prevail. According to Horby (2001), deregulation is the *"freeing of a trade or business activity from rules and controls"*. In his view, it is the determination of price by the interplay of demand and supply. It means the withdrawal of government control of resources allocation mechanism, thereby allowing the forces of the market to dictate the prices of product purchased by consumers. Deregulation can be viewed according to Adegbemile (2007) as an *"economic reform, a fiscal and monetary policy measures in which laws or rules* *of entry and exit into a market is weakened, relaxed or totally removed in order to enhance the competitiveness of economic actors".*

The main objectives of deregulation include: introducing a market economy; increasing economic efficiency; establishing democracy and guaranteeing political freedom and increasing government revenue (Dhaji and Milanovic, 1991). It is also assumed that economics based on private prosperity are better institutions for preserving individual freedoms than economies where the productive apparatus is socially owned (Ijhaiya, 1999). It is the simplification or dismantling of the legal and governmental restrictions in the operation of market forces, especially in relation to price-fixing (Ajayi and Ekundayo, 2008; Ojo, 2010). For there to be deregulation, therefore, there should be a set of rules, which imposes limitation on how business is conducted within a market.

The essence of deregulation and privatization is to enhance proper accountability to the public consumers for whose purpose the goods and services are produced to meet and satisfy their needs. Accountability in relation to this study refers to corporate responsibility to consumers whose interests have to be regularly protected by private firms. Increasingly, interest is shifting to the possible roles of the private sector, voluntary organizations, and communities in improving the delivery of public services. Thus the concentration of the government in developed and developing is shifting towards making the private firms to seek for effective and efficient service delivery rather than the revenue being generated from profit made.

Conventionally, accountability simply implies answerability for the actions or behaviour being taken by an individual in a position of authority. In its most literal sense, the term accountability means little more than the "ability" or the "possibility" that someone or something can be "accounted for" or "counted up" (Ackermann, 2005). Richard Mulgan's definition of accountability emphasizes precisely this external nature of the accountability relationship. He argues that accountability includes three central elements: 1) "It is external, in that the account is given to some other person or body outside the person or body being held accountable" ; 2) "It involves social interaction and exchange, in that one side, that is calling for the account, seeks answers and rectification while the other side, that is being held accountable, responds and accepts sanctions"; 3) "It implies rights of authority, in that those calling for an account are asserting rights of superior authority over those who are accountable” (Mulgan, 2000:555).

Public firms or corporations’ accountability is the belief that corporations have responsibilities towards the citizens in terms of provision of social amenities.

The term public firm is otherwise known as Public Corporation (PC), Public Enterprise (PE), State-Owned Enterprise (SOE), State-Owned Firm (SOF), Public Sector Enterprise (PSE), or State Enterprise (SE). However, for the purpose of this study, the term public enterprises will be used as operational term. Public enterprises essentially have the features of several individuals who act as one. The enterprise thus is viewed as an artificial person who is authorised by law to carry on particular activities and functions. It is described as a corporate body created by the legislature with defined powers and functions and independently having a clear-cut jurisdiction over a specified area or over a particular type of commercial activity (Ekhator, 2002:167). Obadan (2000), Obadan & Ayodele (1998) defined public enterprises as organizations whose primary functions are the production and sale of goods and/or services and in which government or other government controlled agencies have no ownership stake that is sufficient to ensure their control over the enterprises regardless of how actively that control is exercised.

Public enterprises are characterised by state ownership, state control, government financing, service motive, business orientation, legal personality, application of private management strategies, specific objective and public accountability.

The Evolution of Public Enterprises in Nigeria

The evolution of public enterprises in Nigeria dates back to the advent of colonial masters. During the colonial era, the British colonial administrators in Nigeria established some public enterprises in the course of providing what can be called essential services such as electricity, railway, road bridges, ports and harbours waterworks, and telecommunication. The responsibility of handling education and health were left in the hands of the Christian missionaries. Two forces that led to the establishment of public enterprises in Nigeria are the political and economic factors. Hence, during the colonial era, Nigeria’s posture at the international market was reckoned with in terms of agricultural products. The colonial government of the time saw the need to develop infrastructural facilities to meet the needs of the economy. It was perceived that these infrastructures would hasten the transport of the agricultural products to the ports for subsequent overseas export. After independence, there was an increasing trend in the establishment of public enterprises. For instance, the second national development plan (1970-1974) emphasized the role of public sector in Nigeria's march to economic development. The reason for the assumption of this greater role in the development of Nigeria's economy after independence was to consolidate the political independence and to maintain control over national resources and foreign enterprises which were monopolized (Curulen, 1986; Obadan 2000; Anyadike, 2013)

The public enterprises have been established to carry out certain functions. The idea of creating public enterprises has been the responsibility of legislation as specified in the Nigerian constitution. There are so many factors that are responsible for the creation of public enterprises ranging from: a/ government plan to strengthen the economy by creating an environment of economic independence; b/ government desire to make certain essential services commercial by denying the civil service institutions from performing them; c/ government decision to adopt public enterprises measure will provide economic incentives (i.e. revenues); d/ government believes living certain essential services could result to monopoly and denial of government control of the economy; e/ government's intention to resist a development whereby the few rich will dominate the large poor due to the concentration of wealth in the hand of the private firm owners.

The Nigerian public enterprises are managed solely by the government at state and federal levels. They operated according to the Nigerian constitution since they are created by it. This enabled them to sue and be sued. Although, they are constitutionally established, they are not subject to company law (since they are not licensed by Company and Allied Matters Act, CAMA). Apart from the fact that they are expected to generate income for the government through the services they rendered, they can as well secure loan both internally and externally. The public enterprises' accounts are audited the way the private enterprises are audited. That is, it is not subject to government audit. The workers are regarded as parastatal workers since they are recruited and remunerated according to certain guidelines. In fact, they are not regarded as civil servants because their training and the nature of their works differ from civil servants. While the civil service are controlled directly by the commissioner and bureaucrats at top echelon, boards are set up for the enterprises to control their activities. According to Cockery et al. (1994), the board of directors play a vital role in the management of the PEs in all countries. The board contains the policy and executive board. While the policy board contains those who are outside the enterprises' management, the executive board consists the heads of units in the enterprises with the chairman as the chief executive. The number of members in the board differs from one country to the other. It is also based on the scope of the assignment the enterprise is expected to carry out in the economy.

In spite of the achievements made by the various public enterprises established by the federal and state governments, a number of criticisms were levelled against them in the literature. For instance, public enterprises have been criticised for the degree of corruption and mismanagement existing among the public officials appointed to administer them. Another criticism that scholars have raised against the existence of public enterprises both at local and international levels is that the organisations have made local and international investors to develop monopolistic interests. In other words, public enterprises have influenced the existence of private capitalistic interests through the policy of privatization of national interest (Villeges, 1984; Petras, 1976; Saintz, 1980). Adoga (2008) described the state of public enterprises by saying that their annual profit was plummeted primarily by corruption and inefficiency...excessive bureaucracy, defective ownership structures, gross incompetent management, complacency, defective capital structures, lack of effective control and supervision by the government, outdated technology, nepotism, international competition among others.

Government's establishment of public enterprises can be traced back to its desire to participate in the economy of the state so that the private investor will not determine the direction the Nigerian economy should go. The essence is to facilitate a firm and unflinching indigenous capitalism that will create opportunity for public partnership with foreign investors in the course of industrialising the State. This decision has informed the enactment of the Nigerian Enterprise Promotion Decree in 1972. Although, the idea to establish State-Owned Enterprises had its root from the Colonial masters with the establishment of Rail way to convey agricultural products handled by the Nigerian Marketing Boards into the international market, the interest of the government actually manifested after the 1960 independence with the creation of the 1977 Decree (Ismaila, 1985). The Indigenisation Decree gave Nigerians the exclusive right to the ownership of some enterprises and greater participation than hitherto in the equity ownership of others (Inanga, 1978).

The major reason for setting up the NEPD was to have indigenous control of the economy. Another word for indigenisation is nationalisation. Nationalization is the process of transferring the ownership, control and management of a private industry or private assets into public ownership, control and management by a national, central or federal government of a country (Leslie, 1973; Asaolu, 2015). Okorodudu–Fubara (1988), viewed nationalization as the broad- scale or selective take–over of property by government with or without adequate compensation, by the national government as part of its social and economic reform policies for the improvement of the life of the citizens (Asaolu, 2015).

Secondly, the indigenisation degree had been influenced by the attempt on the part of the Nigerian government to transform the technological limitations, inadequate manpower, insufficient fund and limited expertise faced by the economy to its benefits in the late 70s. Thirdly, the indigenisation policy was prompted by the oil boom of 1970s as it created leeway for financial abundance in the country. This indigenisation policy has resulted to indigenous economic capitalism in Nigeria. Fourthly, the indigenisation policy was established to enable bureaucrats and state officials to develop business interests (Ismail, 1985). The challenge to have high local control of Nigerian economy was thwarted by the existence of corruption, absence of political accountability and irrational strategic planning by the ruling elite.

A short history of deregulation and privatisation in the Nigeria

The idea of deregulating the economy emanated from the non-performance of the public enterprises, a development which affected the downward shift of the economy. In view of this experience, there have been a deregulation and privatization drive in most countries, particularly, those facing fiscal challenges as a result of the failure of government owned firms.

For over three decades, privatization has been the major drive of governments in OECD countries as well as in the sub-Saharan African countries. In fact the OECD countries have been able to generate three-quarters of a trillion dollars. This unprecedented development in the sale of Public Enterprises (PE) or State-Owned Enterprises (SOEs) has been influenced by the following fundamental factors:

(a) The emergence of a tight fiscal environment and the need to control government spending and debt; (b) Disillusionment with the generally poor performance of state-owned enterprises; (c) Technological changes in sectors such as telecommunications and electricity generation that have rendered monopoly provision of certain goods and services obsolete, and market liberalisation, particularly among the European Union members of the OECD; (d) Globalisation of financial markets and the need to free up companies from the constraints of state ownership in order to effectively access these markets; (e) Ideological shifts regarding the appropriate role of the state in the economy; and in the case of the former transition economies, the massive overhaul of the economic system (OECD, 2003).

Deregulation of the Nigerian economy was introduced as a tool of development. Indeed, it has increased the level of profitability as recorded in most privatized companies where it generated income for the governments at both state and federal in form of taxes, provision of better, reasonable and quality goods and services. These are all the criteria for economic development (Chidozie, Lawal & Ajayi, 2015). According to Gamaliel Onosode, the chairman of the Presidential Commission on Parastatals in 1981 during the administration of President Shehu Shagari, the problems confronting public enterprises in Nigeria consist of (a) misappropriation of government funds and mismanagement of operations on the part of bureaucrats at top echelon; (b) improper utilisation of monopoly powers due to corruption; (c) bad capital structures following consistent reliance on financial supports from government; and (d) bureaucratic challenges facing State-Owned Enterprises arising between them and their supervising Ministries.

The role of communication in national development

Communication is a concept that is predicated on the transmission of verbal and non-verbal messages from one particular location or individual to the other. In every communication be it corporate or informal, there must be a sender, a receiver and the direction from which the communication is channelled. To enhance proper communication there must not be any form of distortion interfering with the message. Thus, the clarity of message is very paramount.

Schramm (1954) defines communication as "a tool that makes societies possible and distinguish human from other societies”. Berelson and Steiner (1954) define communication as the transmission of information, ideas, emotions, skills through the use of symbols, words, pictures, figures, and graph. Rogers (1976) says, “Communication is the process of transmitting ideas, information, and attitudes from the source to a receiver for the purpose of influencing with intent”. Kar (1975) defines communication as "all those planned or unplanned processes through which one person influences the behaviour of others."

Communication is very vital in the growth of every economy irrespective of the level of development. Its role in empowerment processes assists to differentiate Communication for development from other forms of communication, such as, corporate and internal communications, and makes it a significant part of programmes directed at achieving and sustaining the Millennium Development Goals (MDGs) and other development priorities (United Nations Development Programme, 2011).

Telecommunication on the other hand simply implies the act of communicating at a distance. It is derived from the Greek term *tele*, meaning far-off, and *communication*. When viewed from a broader end, it involves ways of communicating through letter writing, newspapers, telephone, et cetera. For clearer understanding, it is better to associate it with electronic communication such as telephone, radio, and television, and data communication [including telegraph]. Ever before the advent of the Internet and other data networks, telecommunications were limited to application of the telegraph and telephone through which individuals and corporate organisations communicate at a distance by voice (and earlier by encoded electronic signals). This telephone service was provided by the public switched telephone network (PSTN) (The National Academies Press, 2006).

It is quite necessary to say that the telecommunications industry contains multiple service providers, such as telephone companies, cable system operators, Internet service providers, wireless carriers, and satellite operators. It also involves software-based applications with a communication emphasis and intermediate layers of software incorporated into end-to-end communication services, suppliers of telecommunications equipment and software products sold directly to consumers and also to service providers, as well as the telecommunications service providers (The National Academies Press, 2006).

Since the significance of telecommunication is immeasurable, it is imperative that both the developed and developing countries should intensify their efforts to promote communication by putting in place necessary resources for this purpose. In a recent study conducted by the International Telecommunication Union (ITU) in relation to telecommunications and development, The Missing Link (1984), concluded that *"telecommunications can increase the efficiency of economic, commercial, and administrative activities, improve the effectiveness of social and emergency services and distribute the social, cultural and economic benefits of the process of development more equitably throughout the country."* The issue of communication through telecommunication means have been addressed to some extent by the developed countries. The situation in the developing countries, particularly the sub-Saharan African States is very pathetic due to low investment in telecommunication business.

In contemporary business the use of telephone is utilised to enable organisations to have an edge over the others. Aside from this, it hastens up productivity, improves quality of production, and provides opportunity to access customers for timely demand of product. To sustain and improve efficiency, there is constant need for effective telecommunication in the public and private sectors. It is interesting to say that what distinct a particular enterprise from another is its ability to utilise consistently and persistently the combination of telecommunication facilities and information systems. It also provides a technological foundation for societal communications. When telecommunications are viewed from the broadest angle, it enables effective participation of individuals in the society in national development. Besides this, telecommunications provides vital infrastructure for national security by making disaster to be discovered and controlled at the appropriate time.

The reasons for low investment in telecommunication sector are connected with the fact that most countries in the global community have it as Government Corporation. Hence, the financing of it is usually done through budgetary allocation by the government. Since there are other sectors that compete for limited allocated resources in many countries, this made it difficult for the sector to secure required funds. Secondly, the fear on the part of the government that effective communications could create opportunity for the public to criticise the decision of government on certain national issues, has made some ruling elite to be cautious of investing in this sector.

Deregulation and privatization of communication sector (Telecommunication) in Nigeria

In this research work, concentration will be on telephone firms in Nigeria. In other words, the scope of this study will be limited to the deregulation and privatization of telephone firms in Nigeria. The economic principles of deregulation and privatisation in Nigeria were first introduced in the1980s with the evolution of the policy of Structural Adjustment Programme (SAP). This development has contributed to disappearance of government monopolies in many industries and over 85 Public Enterprises (PEs) in education, agriculture, mining, health, electric power, transportation and telecommunication were transferred, either fully or partially, to private owners (Adebayo, 2011). Deregulation and privatization have become a reality in Nigeria today as a direct result of successive thrusts from the private sector which in turn influenced government policy of deregulating major sectors of the economy. One of the arguments of some scholars on this issue of deregulation and privatization is that the policy enables the private entrepreneur to competently handle those infrastructural service originally handled by the government (Zayyad, 2007; Akinrele, 2002).

The deregulation of the Nigerian economy commenced in 1988 with the establishment of the Technical Committee on Privatization and Commercialization (TCPC), to implement and supervise the privatisation program. However, in 1993, the 1988 Act setting up the TCPC which privatized 88 out of the 111 State-Owned Enterprises was repealed by the Federal Government with the enactment of the *Bureau of Public Enterprises Act*. In 1999 a new Act was promulgated that suspended and repealed the 1993. With the 1999 Act, the Bureau of Public Enterprises was reformed. The National Council on Privatization (NCP) was also established to implement the programme.

The functions and powers of the Council are to: (a) determine the political, economic and social objectives of Privatization and Commercialisation of public enterprises; (b) approve policies on privatization and commercialisation; (c) approve guidelines and criteria for valuation of public enterprises for privatization and choice of strategic investors. (d) approve public enterprises to be privatized or commercialized, (e) approve the legal and regulatory framework for the enterprises to be privatized; (f) determine whether the shares of a listed public enterprise should be by public or private issue or otherwise and advise the Government of the Federation accordingly; (g) determine the time and when a public enterprise is to be privatised; (h) approve the prices for shares or assets of the public enterprise to be offered for sale; (i) review, from time to time, the socio economic effect of the programme of privatization and commercialization and decide on appropriate remedies; (j) approve the appointment of privatization advisers and consultants and their remuneration; (k) appoint as and when necessary committees comprising persons from private and public sectors with requisite technical competence to advise on the privatization or commercialization of specific public enterprises (BPE, 1999)

Based on the decision of the government to make the economy private sector-driven as a way of stirring economic growth and development in Nigeria, President Olusegun Obasanjo on his assumption to office as a civilian government in May 29, 1999, pursued this plan tenaciously and vigorously by deregulating and privatizing public enterprises that are economically less viable. In the course of deregulating some sectors, President Olusegun Obasanjo at the emergent of privatization policy considered it imperative to deregulate the Nigerian Telecommunication sector. NITEL as a public enterprise organisation actually crystallised in 1985 from the moribund Department of Posts and Telecommunications (P&T), created to oversee the internal network, while the Nigerian External Telecommunication Limited (NET) was established to administer the external telecommunication services.

Following the deregulation of telecommunication sector in 1999 private telephone operators had the opportunity of participating in the industry. By 2007, the total number of telephone lines in the country had increased from 450,000 to 38 million and 85 million by 2010. The reason for this great increase was due to licence issued to mobile operators by the government (Ijewere and Gbandi, 2012; Okonjo-Iweala, 2012). It is important to say that the process of deregulation of NITEL commenced in 1980 with the commercialisation of the operations of the enterprise basically to promote efficiency and effectiveness in the sector. To enhance the speedy deregulation of NITEL, an Act was enacted in 1992 with the establishment of the National Communication Commission of Nigeria (NCCN). The NCCN began by splitting the functions of NITEL into two. The functions of carrying out exchange and trunks as well as international services were given exclusively to NITEL. Other functions were given to private investors to carry out. The implication of this is that NITEL's role as supervisor and regulator of telecommunication system was limited to mere operator.

The fundamental reasons for deregulating the Nigerian telecoms industry within the context of National Communications Commission Decree No. 75 of 1992, are succinctly indicated below: a/ the desire on the part of the Federal Government to stop funding the institution due to the fact that it was no more economically viable for such sponsorship; b/ discontentment shown by the citizens; both business organisations and the public following the non-performance of NITEL. The implication of such inefficiency and ineffectiveness became intolerable by individuals in the society that they had to cry for its deregulation and privatisation; c/ the fund required for the maintenance of NITEL was capital in nature such that the Federal Government had to allow private investors to participate in telecommunication business to enable them to bear part of the burden of making telecommunication facilities available for users; d/ the need on the part of the Federal Government to effect the liberalisation policy as it existed in the global community compelled it to deregulate and privatise the enterprise; e/ the existence of NITEL was found to be less productive for economic development in Nigeria, a factor which influenced the Federal Government to deregulate and privatise it; f/ In addition, the high demand for the use of telephone facilities and the inability of NITEL to satisfy the yearning of citizens has opened wider door for private investors to participate in the telecom business; g/ another motivating factor for the deregulation of telecommunication is the need for diversification; h/ the global trend and advances in technology also served as a force that influenced the sale of NITEL; and i/ the tendency that the deregulation of the telecommunication company might result to economic improvement and job creation for Nigerians instigated government to consider it ideal.

It is essential to say that the deregulation exercise has led to the springing up of private telecom firms; the intension is to provide service to users in the market. The Global Satellite Mobile Network popularly otherwise regarded as GSM was introduced by President Olusegun Obasanjo in 2001 to promote Nigeria' s information technology. In other words, the Nigeria's telecom sector began to experience a major revolution with the liberalisation of the industry in 2001 following the granting of license to global system for mobile telecommunication (GSM) providers. The introduction of GSM is considered as a replacement to Analogue System used by NITEL in almost two decades. The Federal Government of Nigeria gave licences to MTN Nigeria Communications, Globacom Limited, Airtel Nigeria (formerly Zain, Celtel), EMTS Limited (Etisalat), Visafone Limited, Starcomms (Capcom), M-Tel (Nitel), Econet Wireless, Vodacom, Mega Engineering (Zoda Fones), Reltel and Multilinks Telkom. As at Sept 2014, Nigeria had over 134,507,196 mobile telecommu-nications subscribers.

The giant GSM operators involve mainly MTN, GLO, Airtel and Etisalat Nigeria, which have currently taken over 90% share of the market. These GSM operators in Nigeria have in excess of over 120,000,000 active subscribers. As at 2014, MTN had 58,363,105 subscribers; GLO had 27,611,353; while Airtel and Etisalat had 26,054,521 and 19,881,386 respectively (http://www.mobileinfoguru.com/gsm-mobile-network). However, by the year 2016, Nigeria has had Africa's largest mobile market, with more than 148 million subscribers and a penetration of about 107%. The rapid growth has led to problems with network congestion and quality of service, prompting the telecom regulator to impose fines and sanctions. Network operators invest billions of dollars in base stations and fibre optic transmission infrastructure to support the ever increasing demand for bandwidth (http://www.budde.com.au/Research/Nigeria-Mobile-Infrastructure-Operators-and Broadband Stat-istics-and-Analyses.html#sthash.cHIkqtDk.dpuf).

The Nigerian Telecommunications Limited, (NITEL) was finally privatised by President Ebele Goodluck Jonathan , who, through the Bureau of Public Enterprises (BPE) sold the public enterprise to private investor known as NATCOM Telecommunications. In fact the company took over the control of the assets of NITEL after the National Council on Privatisation (NCP) handed it over following a successful bidding by the organisation. NITEL was sold to NATCOM, the highest bidder at the rate of $252,221,000. Meanwhile, several attempts to sell NITEL before then failed. For instance, the attempts to sell the orgainisation in 2001, 2005, 2009 and 2011 to International London Limited (IILL), Pentascope (failed management contract)/Orascom Telecoms, Transcorp, and New Generation and Omen International Limited respectively were aborted or cancelled.

Provision of essential services and accountability of private telecommunication firms to consumers

Essential services are public utility services that individuals, corporate body and government consider as highly valuable and that which cannot be avoided due to their socio-economic and political importance in the society. Telephone is considered as essential service aside from railways, water supply, electricity, because its contribution to the economic life of the people. The demand for telephony services globally is inelastic in nature. Hence, their supply must be constant to prevent consumers from being exploited by the service providers.

Service quality is very necessary to be able to retain the patronage of customers for goods and services. The essence of deregulation is to enable customers to experience new service delivery from the private operators. The term quality service is seen as the relationship that exists between what is supplied and what ought to be supplied to customers. The main parameter for quality service is satisfaction which is often predicated on customers' expectations. Oliver (1997) argues that quality service can be described as the result from customer comparisons between their expectations about the service they will use and their perceptions about the service company. This simply means the higher the ability of a service provider to meet with the customers' expectation and perception, the better the company is highly rated (Kabir & Carlsson, 2010). Parasuraman, Zeithaml and Berry (1985) identified ten requirements useful for customers' evaluation of the quality of services: reliability, responsiveness, tangibles, communication, credibility, security, competence, courtesy, understanding the customers and service accessibility. Zeithaml, Parasuraman, and Berry (1990) proposed a service quality scale (SERVQUAL), a generic instrument that has 5 dimensions of service quality: reliability, responsiveness, assurance, empathy and tangibles, the constructs were found to have high correlation.

The return of democracy in 1999 and the granting of licences to GSM private mobile firms such as Telecommunication service providers (TSPs) have a great impact on both developed and emerging economies such as Nigeria. The major snags preventing the GSM operators from rendering effective services to their users are the existence of irregularity of electricity, inability to retain Call, line congestion, absence of infrastructural security and consistent failure in Setup and a host of other factors. According to Ndukwe (2003), the major bottlenecks impeding their performance from being effective are weak infrastructure, spectrum planning and allocation problems, enabling laws and regulations limitations, and unreliable power supply. In addition, there are also the challenges of interconnectivity, improper tariff regulations, effective competition, monitoring and compliance, managing consumer expectations, consumer education and institutional strengthening.

STATEMENT OF THE PROBLEM

Before the advent of the new GSM technology in Nigeria, there were challenges in the telecommunication industry emanating from the non-performance of NITEL, a government agency. A lot of scholars have carried out studies on deregulation and privatisation of telecommunication based on corruption, lack of competent technical staff, lack of financial commitment to the organisation, inadequate modern facilities, non-viability for revenue generations among others, but only a few have been able to critically examine the relationship that exists between private mobile service providers and their accountability to users of their facilities. Except this gap is addressed, the GSM operators will continue to experience a conflict of interests in what they believe should be provided to consumers and the perception and expectation of consumers as per the services rendered to the members of the community. Although, deregulation and privatisation policy has been completely implemented, the unresolved gap will continue to affect the performance level of the telecommunication service operator to the entire Nigerian community.

Objectives of the study

The general objective is to examine deregulation, privatisation and accountability in the provision of essential services: the case of communication sector (Telecommunication) in Nigeria.

The specific objectives of this study are to:

i. Investigate whether deregulation and privatization have aided accountability and improved service delivery.

ii. Examine whether deregulation and privatization have inflated cost of telecommunication services in Nigeria.

iii. Find out if there is correlation between the adoption of deregulation and privatization and economic growth in Nigeria

Methods of Data Analysis

Data analysis procedure for the study was done using the SPSS 22 computer package to compute the reliability of the research instrument. Also, simple random technique, regression and ANOVA analysis of the variables were applied to provide answers to the 10 questions raised in the study. The data was inputted into the SPSS sheet, later coded and edited for analysis based on the questions and hypotheses generated. The rating formats for questions were: (1) Strongly agree (2) Agree (3) Disagree (4) Strongly disagree (5) Neutral. Data had been gathered from customers of different telecommunication outlets. Thus, the sample size was 100. The research instrument was quantitative, comprising questionnaire.

Research Hypotheses

In an attempt to consolidate the research questions designed for the study, the following hypotheses were tested.

H_1: Deregulation and privatization aid accountability and improved service delivery.

H_2: Deregulation and privatization have inflated cost of telecommunication services in Nigeria

H_3 : Deregulation and privatization have aided economic growth in Nigeria

Regression Analysis

Model Summary

The value of R Square (0.080) and R (0.203) shows a moderate association between the set of independent variables and the dependent variable with the standard error of 0.902 percent (Table 1).

Table 1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.203[a]	.041	.021	.90196

a. Predictors: (Constant), Nigerian Communication Commission

In the above table, it indicates that the Deregulation and privatization aid Accountability is only 80.2%, influenced by willingness, participation in decision making, concentration, inspiration, clear about the role, commitment. The rest 19.8% is influenced by some other factors that we have not considered in our research.

ANOVA Test

The F value of the test for the data is 2.054. The p-value associated with this F value which is 2.054 which is higher than the alpha value 0.05 (Table 2).

Table 2 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	1.671	1	1.671	2.054	.158[b]
1 Residual	39.049	48	.814		
Total	40.720	49			

The study shows that there is significant impact of these independent variables on the dependent variable and the model applied is significantly good enough in predicting the dependent variable.

Tests of Hypotheses

At $\alpha = 0.05$ level of significance, the above hypothesis was tested.

Decision Rule:

H_0^1 will be rejected, if P Value is less than Significance Level i.e. 0.05; otherwise

H_0^1accepted at 5% level of significance.

Least Square Regression:

$$\hat{b} = \frac{\text{Covariance of X and Y}}{\text{Variance of X}}$$

$$= \frac{\text{Cov (X,Y)}}{\text{Var (X)}}$$

$$= \frac{\sum XY - \frac{\sum X \sum Y}{n}}{\sum X^2 - \frac{(\sum X)^2}{n}}$$

The regression model specification were as follows

$Y = \alpha + \beta_1 X_1 + \varepsilon$.

Where;

Y= consumer behaviour

X_1= internet advertising

ε= error term

β=coefficient

α= constant

Table 1 Test of Hypothesis I

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model	B	Std. Error	Beta		
(Constant)	2.963	.278		10.642	.000
1. Deregulation and privatization aid Accountability and improved service delivery.	.088	.110	.115	.799	.428

a. Dependent Variable: Deregulation and privatization of telecommunication sector

Analysis and Interpretation of Result – I

The table helped us to determine whether deregulation and privatization aid accountability and improved service delivery are significantly related, and the direction and strength of their relationship.

The first important thing to note is that the sign of the coefficient of that subscribe for network ***(%)*** is positive . It confirms our assumption (deregulation and privatization aid accountability and improved service delivery)

This implies that the slope α is statistically significant. To be less abstract, let us recall what those coefficients mean: they are the slope and the intercept of the regression line, i.e. ***Y*** **=** 2.963***X*** + .088.

Table2 Test of Hypothesis II

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.712	.291		9.304	.000
1. Deregulation and privatization have inflated cost of telecommunication services in Nigeria	.179	.105	.239	1.707	.094

a. Dependent Variable: Deregulation and privatization of telecommunication sector

Analysis and Interpretation of Result – II

The coefficient of the independent variables in hypothesis II is also positive. This shows that there is a positive relationship between the dependent variable and the independent variables. The table will help us determine whether deregulation and privatization have inflated cost of telecommunication services in Nigeria are significantly related, and the direction and strength of their relationship.

The first important thing to note is that the sign of the coefficient of the telecommunication sector ***(%)*** is positive. It confirms our assumption (determine whether deregulation and privatization have inflated cost of telecommunication services in Nigeria)

This implies that the slope α is statistically significant. To be less abstract, let us recall what those coefficients mean: they are the slope and the intercept of the regression line, i.e. ***Y*** **=** 2.712***X*** + 0.179.

Table3 Test of Hypothesis III

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model	B	Std. Error	Beta		
(Constant)	1.352	.405		3.334	.002
1. deregulation aid privatization and economic growth in Nigeria	.579	.123	.561	4.690	.000

a. Dependent Variable: Deregulation and privatization of telecommunication

Analysis and Interpretation of Result – III

The coefficient of the independent variables in hypothesis III is also positive. This shows that there is a positive relationship between the dependent variable and the independent variables. This invariably means that an improved performance in the telecommunication industries will bring about corresponding improvement in the infrastructural development, all things been equal. The overall coefficient of determination R2, which is the explanatory power of the model, is 0.561. This implies that 56.1% of the variations in dependent variable is explained by independent variable. The remaining 43.9% of changes is explained by the stochastic error term.

The t-test at .05 level of significance shows that since t-calculated of 7.934 is greater than the f-tabulated of 2.054, using the degree of freedom of (3139), we reject the H_0. This means that the parameters, β_1 is statistically significant in explaining infrastructural development.

RESULT AND DISCUSION OF FINDINGS

The findings on whether deregulation, privatization can positively enhance accountability in the provision of essential services shows that we uphold the view. The researcher discovered that the desire to satisfy the demands of customers by telecommunication firms is borne out of the aim of maximizing profit and securing the patronage of customer. The researcher also found out from the respondents that deregulation and privatization inflated the cost of services rendered by telecommunication firms.

This high cost of the service could be as a result of over-head cost, exploitative motive, and lack of price control measure from the government. The result of the third hypothesis indicates that there is correlation between the adoption of deregulation and privatization and economic growth in Nigeria. This is obvious because telecommunication promotes the level of productivity, effectiveness and efficiency in service delivery, accessibility to new ideas, easy communication, and link to the global community by the public and business firms.

Conclusion

There is statistical evidence that deregulation and privatization of telecommunication sector have helped in transforming the Nigerian society based on the availability of quality services. However, there is need for proper regulations to control the excesses of the telecommunication firms and improvement in the services delivered. The government should come up with a reform that will address the issue of cost of services, quality of services and other exploitative measures of telecommunication firms. It is essential to say that privatization, which is a liberalization programme, will only succeed when it is complemented by other political and economic activities leading to overall good governance and improved socio – economic situation of the citizenry.

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