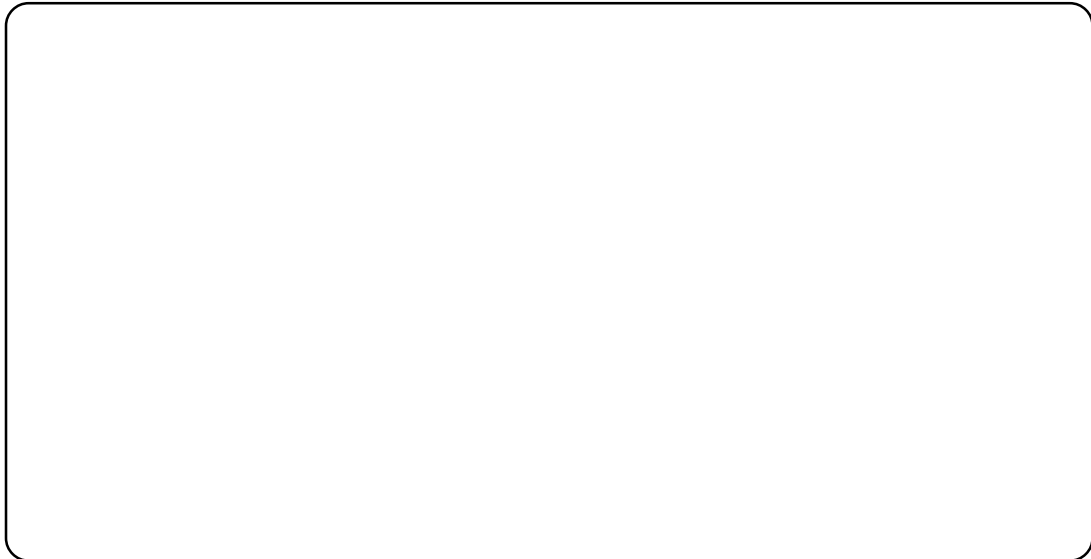


EXECUTIVE WATCH

**A Public Assessment Of President Olusegun Obasanjo's
Government Policy Statements And Actions**

Use GSM Licence Fees To Develop Telecommunications Sector - Nigerians Tell Obasanjo



September 2001

...promoting and protecting press freedom and freedom of expression

Executive Watch

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Government Policy Statements And Actions**

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Other Publications by Media Rights Agenda (MRA)

- * *Media Rights Monitor* (Monthly Journal) published since 1995
- * Annual Reports on the state of the Nigerian Media
 - + *Sentenced to Silence* 1998
 - + *Back from the Brink* 1999
 - + *A Harvest of Blooms* 2000
 - + *At A Crossroads* 2001
- * Other reports and publications
 - + *Unshackling the Nigerian Media: An Agenda For Reform*, July 1997 (In collaboration with ARTICLE 19)
- * *Media Scorecard* (Report on the Print Media Coverage of the Political Transition Programme - six issues, from January - June 1999)
- * *Airwaves Scorecard* (Report on the Broadcast Media Coverage of the Political Transition Programme - six issues, from January - June 1999)
- * *Unlocking Nigeria's Closet of Secrecy*, August 2000 (A Report on the Campaign for a Freedom of Information Act in Nigeria)
- * *Broadcasting In Nigeria: Unlocking The Airwaves*, February 2001 (A Report on the Framework for Broadcasting and Telecommunications in Nigeria - In collaboration with ARTICLE 19)

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The report was edited by **Tive Denedo**, MRA's Acting Executive Director, who supervised the project.

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INTRODUCTION

The return of civil rule in Nigeria after more than 15 years of military rule came with promises of civil liberties, freedom, respect for rule of law as well as constitutional and participatory democracy. By its nature, democracy as a system of governance requires active participation and regular intervention through commentaries, questions, suggestions and debates by every section of the society.

But the constant interruption of the democratic process in Nigeria by successive military regimes eroded the culture of effective participation in governance in the country. Elected officers at the Federal, States and Local Government levels show, by their utterances, attitudes, and actions, the tendencies of military officers holding public office. With government's seeming disregard for interaction, there are fears of alienation by government, which portend grave danger for the new experiment at democratization.

Majority of the civil populace who are not consulted and are barely included in the scheme of governance are those mainly affected by the discrepancy between government policy plans and implementation. A common reaction is a feeling by the governed that there is no difference between military dictatorship and democracy as practised in Nigeria. Experiments on democracy have seen three unsuccessful models, all of which failed largely due to the lack of communication between the leaders and the governed.

However, for the current experiment to yield dividend, there has to be a way of measuring reactions from civil society. There need to be an established forum through which the people can effectively participate in the daily events that shape the present and define the future or, at the very least, be given an opportunity to have a say on such matters. The culture has to be developed as a way of giving assurance to civil society that democracy is indeed, a government of the people by the people and for the people, not merely by proclamation.

The Executive Watch is designed to open a communication line for civil society to effectively participate in the growth and sustenance of democracy. Through the Executive Watch project, Media Rights Agenda monitors the activities and policies of the Executive arm of Government, particularly the Presidency, to ascertain the popularity such activities and policies enjoy among a wide spectrum of Nigerians, the overall objectives being to ensure greater public participation in governance and create a feedback mechanism for the government to enable it gauge its popularity and the acceptance of its policies.

The specific objectives of the Executive Watch project are:

- * To regularly monitor and document the discrepancies in government's policies and actions and thereby provide a primary source of information on these for the local and international communities on public reactions and responses to them.
- * To provide a framework for the Nigerian government, its departments and agencies to assess their performance in relation to their policies and their implementation, and understand the public attitude to such policies and governmental action.
- * To provide the citizens a forum to respond to and highlight areas of distortions in government policies and their implementation and contribute to the effective management of these distortions and thereby participate in the governance process.

JUSTIFICATION FOR THE TOPIC

In January 2001, the Nigerian Communication Commission (NCC) auctioned four GSM licenses. Three companies namely MTN, Econet and NITEL won the bids for the licenses at a cost of \$285USD (N31.9 billion) each. The total sum realised from the auction was \$855USD.

Although the federal government believed it had made a good bargain, some sections of Nigerians faulted the amount charged on each license by the federal government saying that it was outrageous. They were also worried that added to the extra investment that would be made by the licence operators to provide necessary infrastructure for service development, this would further push up the price of GSM out of the reach on many Nigerians. The Federal Government justified the fee saying the amount it charged is a fair cost in relation to other countries especially taking cognisance of the size of the market available in Nigeria.

Meanwhile, the Federal Government has said that it would use \$400m (N44.8b), to finance its Supplementary Budget while the two other tiers of government would share the balance.

However, there is a contrary position being canvassed by some members of the National Assembly and Nigerians who are insisting that the government should rather spend a large part of the proceed on the development of the telecommunication sector, which they argue is operating even without the basic infrastructure. The rest, they say, could be split among the three tiers of government.

Summary of Findings

Nigerians have called on the federal government to spend a large part of the money realized from the GSM auction on the development of the telecommunications sector while the remainder should be distributed among the three tiers of government. They, however, heaped blames on the government for the high cost of securing GSM services which has effectively dashed the hopes of many Nigerians to enhance their freedom of expression.

They said the high cost of securing the GSM services is steam from the fact of the providers having paid outrageous fees in the first instance to secure the licences.

Specifically, out of the total number of 6,942 respondents, 6,002 (86.4 %) said they think the cost of GSM licence fees was rather high, while 901 others (13%) said the fees were not too high. Thirty-nine others (.6%) were undecided.

Responding to a question which asked: Do you think the charges by GSM providers in their services is too high?, 6,049 respondents representing (87.1%) said 'Yes' while 865 (12.5%) said 'No'. Twenty-eight others (0.4%) were undecided.

In a similar vein, 5,361 respondents representing (77.2%) said they think the high charges by the GSM service providers is as a result of the amount they paid to obtain their licences. One thousand four hundred and sixty seven respondents (21.1%) said they do not think the high GSM tariff is justified by the licence fees paid by subscribers. Another 114 respondents (1.7%) were undecided.

Responding to a question which further probed respondents who shared the view that the high cost of GSM services is a result of the huge licence fees, whether they thought it was a sufficient justification considering that the government reduced by over 70 per cent duties on GSM equipment, 4,425 sub-group respondents (64%) said 'Yes' while 2,077 others (30%) said 'No'. Four hundred and forty others (6%) were undecided.

Asked how respondents would want the federal government to spend the GSM licence proceeds against the backdrop of the popular position of some arms of government, 2,290 respondents (33%) said they support the federal government proposal to use the money to finance its supplementary budget and share the remainder to the states and the local government.

But a majority of respondents 4,565 (65.7%) said they prefer a larger chunk of the money being used to develop the telecommunications sector and the remainder shared between the three tiers of the government.

Outline of Findings

Out of the total number of 6,942 respondents, 6,002 (86.8 %) said they think the cost of GSM licence fees was rather high, while 901 others (13%) said the fees were not too high. Thirty-nine others (.6%) were undecided.

On a city-by-city basis, the survey showed that the view of respondents that the cost of the GSM licences was rather high cuts across all the cities polled. Specifically, in Abuja, 743 respondents (74.3 %) said the cost of licence was too much, while 257 (25.7%) said the cost was not too much; Benin, 678 (90.4 %) said the cost of the licence was too much, 50 (6.7 %) said no; Enugu, 841 (91.3 %), too costly, 80 (8.7 %) not too costly; Ibadan, 685 (87.7 %) too costly, 96 (12.3 %) not too costly; Kaduna, 825 (87.6 %) too costly, 117 (12.4 %) not too costly; Kano, 581 (79.5 %) too costly, 150 (20.5 %) not too costly; Lagos, 765 (91.9 %) too costly, 50 (6 %) not too costly; and Port Harcourt, 884 (89.7 %) too costly, 101 (10.3 %) not too costly.

Regarding the question which asked: "Do you think the tariffs charged by GSM providers for their services is high?", a wide majority of respondents said yes. For example, 6,049 respondents representing (87.1%) said 'Yes' while 865 (12.5%) said 'No'. Twenty-eight others (0.4%) were undecided.

On a city-by-city basis, except in Abuja where one third of the respondents said they do not think that the tariffs are too high, a very large majority of respondents said they think so.

For instance, in Abuja, 664 of the respondents (66.4 %) said the tariff are too high, while 336 (33.6) said no; Benin, 702 (93.6 %) said the tariff are too high, 39 (5.2 %) said no; Enugu, 862 (93.6 %) said the tariff are too high, 59 (6.4 %) said no; Ibadan, 690 (88.3 %) said the tariff are too high, 59 (6.4 %) said no; Kaduna, 857 (91 %) said the tariff are too high, 85 (9 %) said no; Kano, 624 (85.4 %) said the tariff are too high, 107 (14.6 %) said no; Lagos, 758 (91.1 %) said the tariff are too high, 55 (6.6 %) said no; and Port Harcourt, 892 (90.6 %) said the tariff are too high, 93 (9.4 %) said no.

In a similar vein, 5,361 respondents representing (77.2%) said they think the high charges by the GSM service providers is as a result of the amount they paid to obtain their licences. One thousand four hundred and sixty seven respondents (21.1%) said they do not think the high GSM tariff is justified by the licence fees paid by subscribers. Another 114 respondents (1.7%) were undecided.

On a city-by-city basis, except in Abuja where a little less than one third, and Ibadan where slightly over one third, of the respondents said they think that the tariffs are a fall out of the cost of the licences, a very high majority of respondents cutting across all other cities polled attributed the high tariffs to the licence fees.

For instance, in Abuja, 683 of the respondents (68.3 %) said they believe the high cost of GSM services is a direct consequence of the licence fees, while 317 (31.7) said no; Benin, 652 (86.9 %) said they believe the high cost of GSM services is a direct consequence of the licence fees, 74 (9.9 %) said no; Enugu, 738 (80.1 %) blamed the high tariffs charges on the licence fees, 183 (19.9 %) disagreed; Ibadan, 481 (61.6 %) blamed the high tariff charges on the licence fees, 288 (36.9 %) said no; Kaduna, 669 (71 %) said they believe the high cost of GSM services is a direct consequence of the licence fees, 221 (23.5 %) said no; Kano, 603 (82.5 %) blamed the high tariffs charges on the licence fees, 128 (17.5 %) said no; Lagos, 665 (80 %) blamed the high tariffs charges on the licence fees, 141 (16.9 %) said no; and Port Harcourt, 870 (88.3 %) drew a link between the tariff and the cost of licence, 115 (11.7 %) said no.

Responding to a question which further probed respondents who shared the view that the high tariffs of GSM services is a result of the huge licence fees, whether they thought it was a sufficient justification considering that the government reduced by over 70 per cent duties on GSM equipment, 4,425 sub-group respondents (64%) said 'Yes' while 2,077 others (30%) said 'No'. Four hundred and forty others (6%) were undecided.

On a city-by-city basis, the response pattern showed that while more respondents from Ibadan - 313 (40.1 %) as against 337 (43.1 %) said the high charges are justified against the backdrop of the huge licence fees, with 131 respondents (16.8 %) undecided - very significant number of respondents from Abuja, Enugu, Kaduna, Kano and Lagos also shared the view.

In Abuja, 676 of the respondents (67.6 %) said the high GSM tariff charges is justified by the huge licence fees, while 324 (32.4) said no; Benin, 558 (74.4 %) said the high GSM tariff charges is justified by the huge licence fees, 162 (21.6 %) said no; Enugu, 445 (48.3 %) said the high GSM tariff charges is justified by the huge licence fees, 387 (42 %) disagreed, 89 others (9.7 %) were undecided; Kaduna, 513 (54.5 %) said the high GSM tariff charges is justified by the huge licence fees, 307 (32.6 %) said it was unjustified, 122 others (12.9 %) were undecided; Kano, 528 (72.2 %) said the GSM tariffs are justified, 203 (27.8 %) said no; Lagos, 527 (63.3 %) said the high GSM tariff charges is justified by the huge licence fees, 237 (28.5 %) said no, with 68 others (8.2 %) undecided; and Port Harcourt, 865 (87.8 %) said the high tariff charges are justified, 120 (12.2 %) said no.

Asked how respondents would want the federal government to spend the GSM licence proceeds against the backdrop of the polar position of some arms of government and individuals, 2,290 respondents (33%) said they support the federal government proposal to use the money to finance its supplementary budget and share the remainder to the states and the local government. But a majority of respondents 4,565 (65.7%) said they prefer a larger chunk of the money being used to develop the telecommunications sector and the remainder shared between the three tiers of the government.

Broken down to a city-by-city level, the response pattern showed that except in Benin where majority of the respondents, precisely 598 (79.7 %) favour the federal government's proposal to use the money to finance its supplementary budget and share the remainder to the states and the local government, majority of respondents in all other cities polled in addition to only 152 respondents (20.3 %) from Benin, prefer a larger chunk of the money being used to develop the telecommunications sector and the remainder shared between the three tiers of the government.

For instance, in Abuja, 351 of the respondents (35.1 %) support the plan by the federal government to use the bulk of the money to finance its supplementary budget and share the remainder to the other two tiers of government, while 643 respondents (64.3 %) said they would rather the federal government allocate a large chunk of the money to develop the telecommunications sector and the remainder shared between the three tiers of the government.

Support for these two positions in the other cities is as follows: Enugu, 202 (21.9 %) supported the federal government's intention, 719 (78.1 %) supported the other view; Ibadan, 268 (34.3 %) supported the federal government's intention, 513 (65.7 %) supported the other view; Kaduna, 385 (40.9 %) supported the federal government's intention, 557 (59.1 %) supported the other view; Kano, 132 (18.1 %) supported the federal government's intention, 599 (81.9 %) supported the other view; Lagos, 149 (17.9 %) supported the federal government's intention, 602 (72.4 %) supported the other view, 81 others (9.7 %) were undecided; and Port Harcourt, 205 (20.8 %) supported the federal government's intention, 780 (79.2 %) supported the other view.

RESEARCH METHODOLOGY

For the survey, 8,000 questionnaires were produced and administered out of which 6,942 were returned, this number represents 86.8 per cent. One thousand and fifty eight were however not returned. This represents 13.2 per cent.

One thousand questionnaires were administered in each of the eight cities covered in this exercise. These include, Ibadan, Kano, Kaduna, Lagos, and the Federal Capital Territory, Abuja. Other cities are Benin, Enugu and Port Harcourt.

The survey was conducted between September 10 and 24, 2001. The questionnaires for the survey contained five structured questions, all of which were close-ended, requiring respondents to indicate either 'Yes' or 'No', except in question five where respondents were to indicate either 'A' or 'B'.

The questionnaires were distributed among Nigerians of 18 years and above, both male and female. It also deliberately attempted to capture, in significant ratio, people of three broad educational backgrounds, i.e. No formal education to primary school education; post primary education and post secondary education.

Respondents who do not possess a sufficient literacy ability were assisted by MRA's researchers to read and interpret the questions and elect appropriate options according to the preferences of the respondents concerned.

CHARACTERISTICS OF RESPONDENTS

The exercise showed that 3,604 out of the total respondents numbering 6,942, representing 51.9 per cent, are male and the remaining 3,203 respondents, representing 46.1 per cent, are female. One hundred and thirty five were undecided. It also shows that 3,339 of the respondents are single, 3,282 are married, 251 are widowed, 70 are separated.

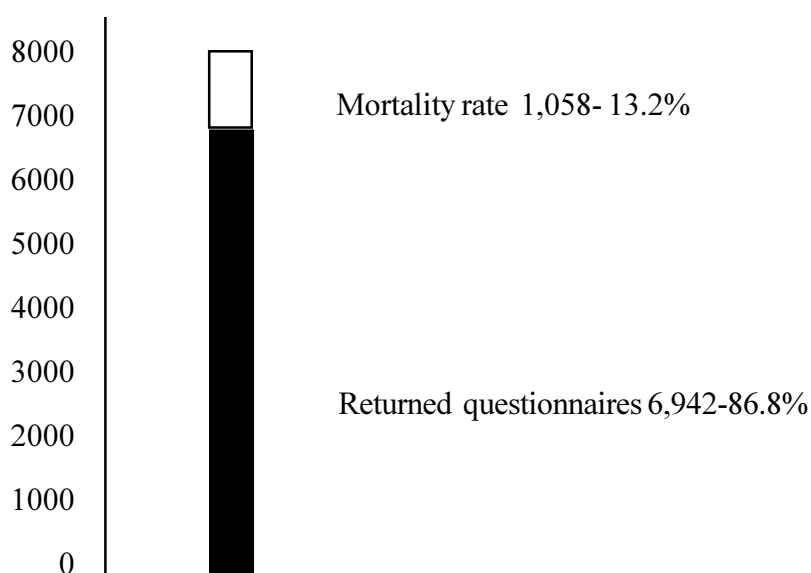
The survey also showed that 2,900 of the respondents are between the ages of 18 and 30 years, 2,982 are in the range of 31 to 50 years old and 853 are between the bracket of 51 to 60 years old. Two hundred and seven respondents are over 60 years old.

The occupation of the respondents ranges from civil servants, professionals, artisans, traders, housewives, unemployed persons and faith ministers.

QUESTIONNAIRE RATE OF RETURN / MORTALITY

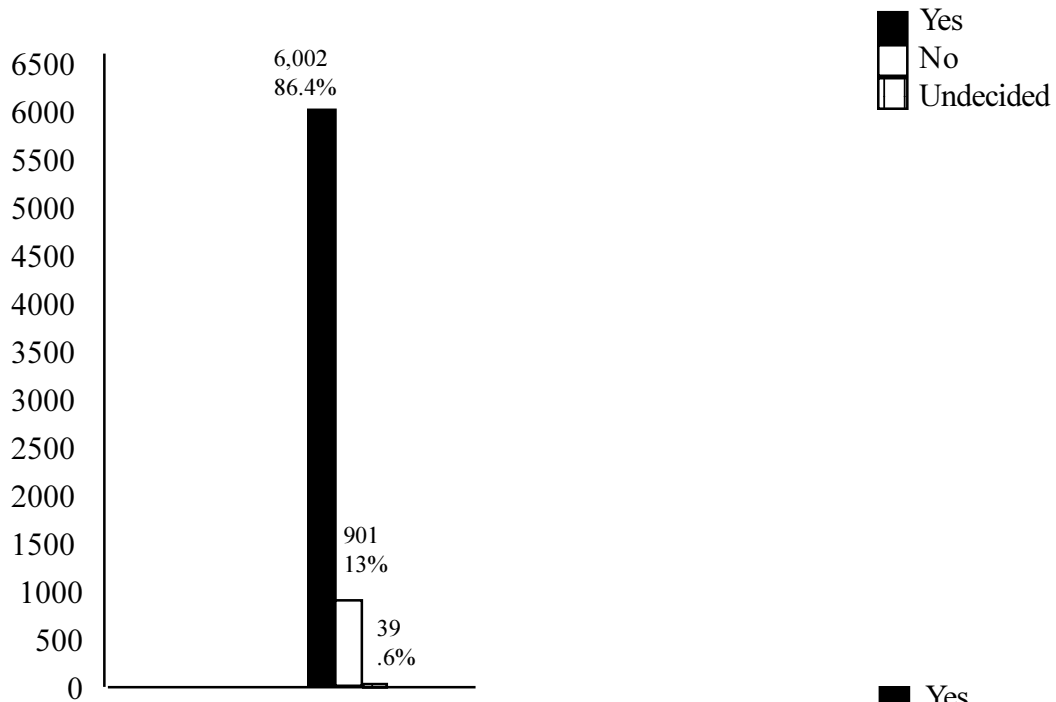
ACHIEVED SAMPLE

Sample sizes Sample groups	No of questionnaires administered	No of questionnaires received & %	No of questionnaires not received & %
Abuja	1,000	1,000 (100%)	-
Benin	1,000	750 (75%)	250 (25%)
Enugu	1,000	921 (92.1%)	79 (7.9%)
Ibadan	1,000	781 (78.1%)	219 (21.9%)
Kaduna	1,000	942 (94.2%)	58 (5.8%)
Kano	1,000	731 (73.1%)	269 (26.9%)
Lagos	1,000	832 (83.2)	168 (16.8%)
Port Harcourt	1,000	985 (98.5)	15 (1.5%)
Grand Total	Cumulative 8,000	Cumulative & % 6,942 86.8 %	Cumulative & % 1,058 13.2%

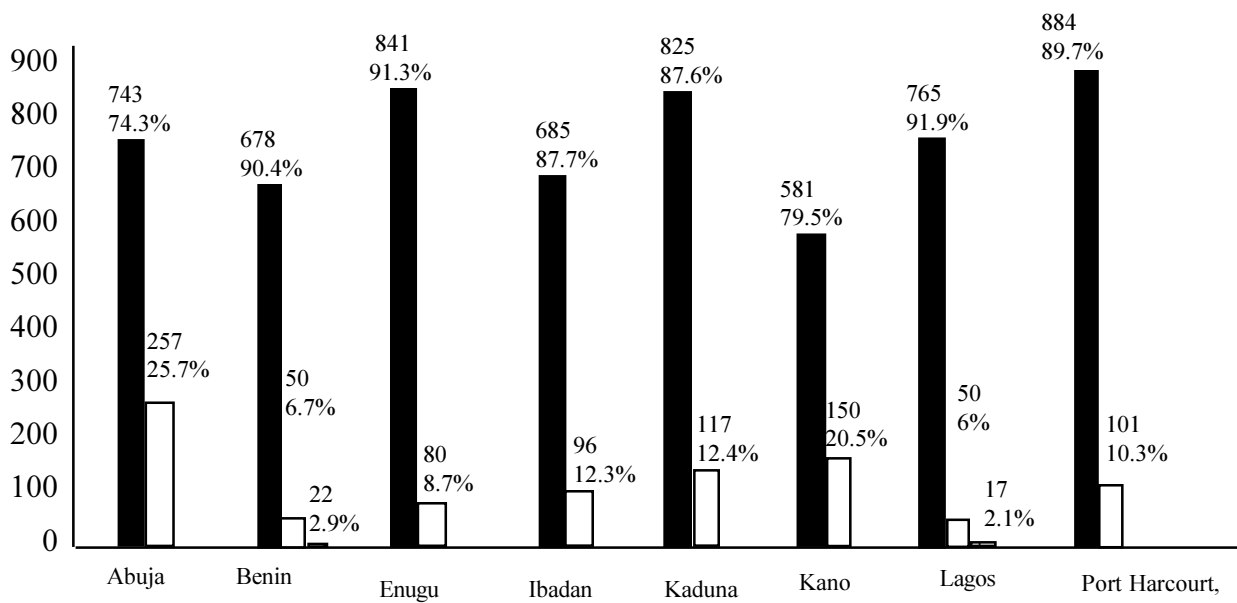


Questions_1. Do you think the cost of GSM lisenca was rather high? Yes No

AGGREGATE RESPONSE

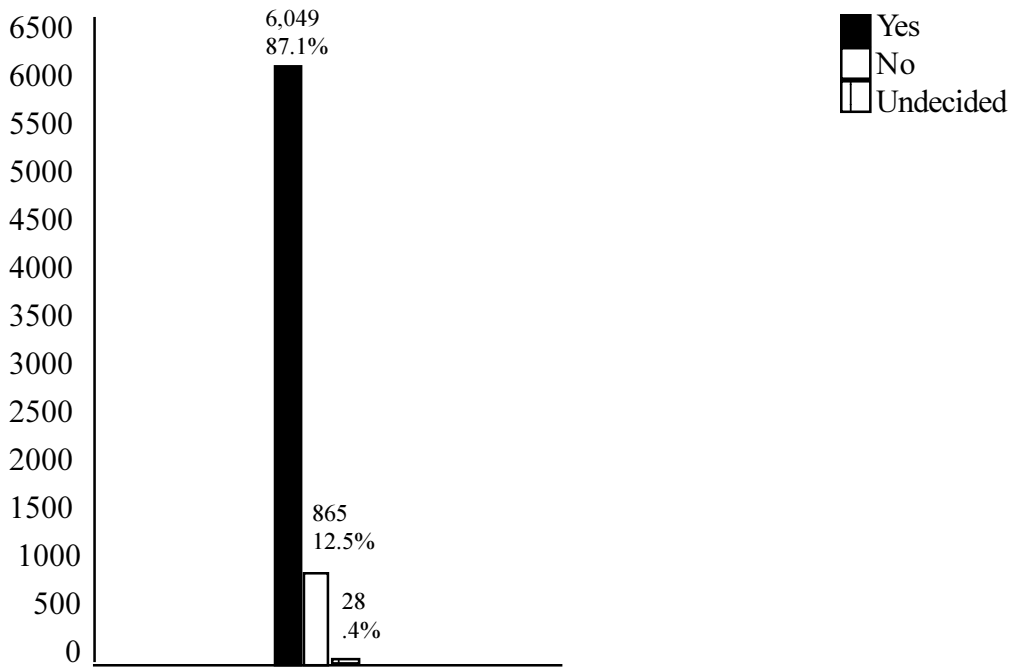


CITY-BY-CITY RESPONSES

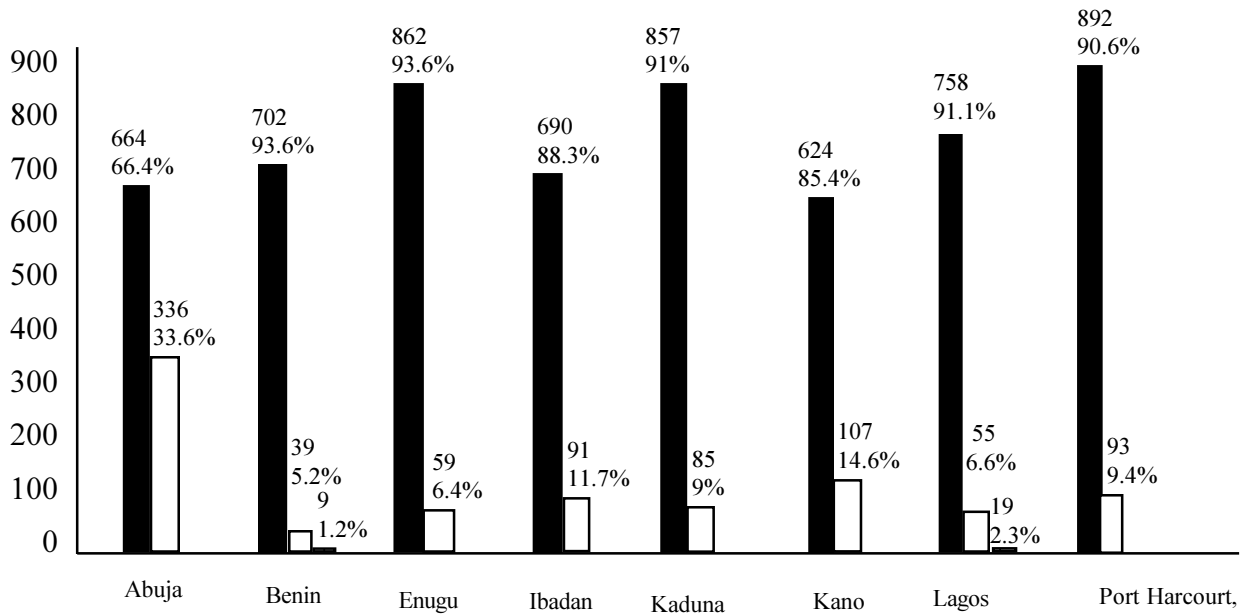


Q2. Do you think the cost charged by GSM providers for their services is high?
 Yes No

AGGREGATE RESPONSE

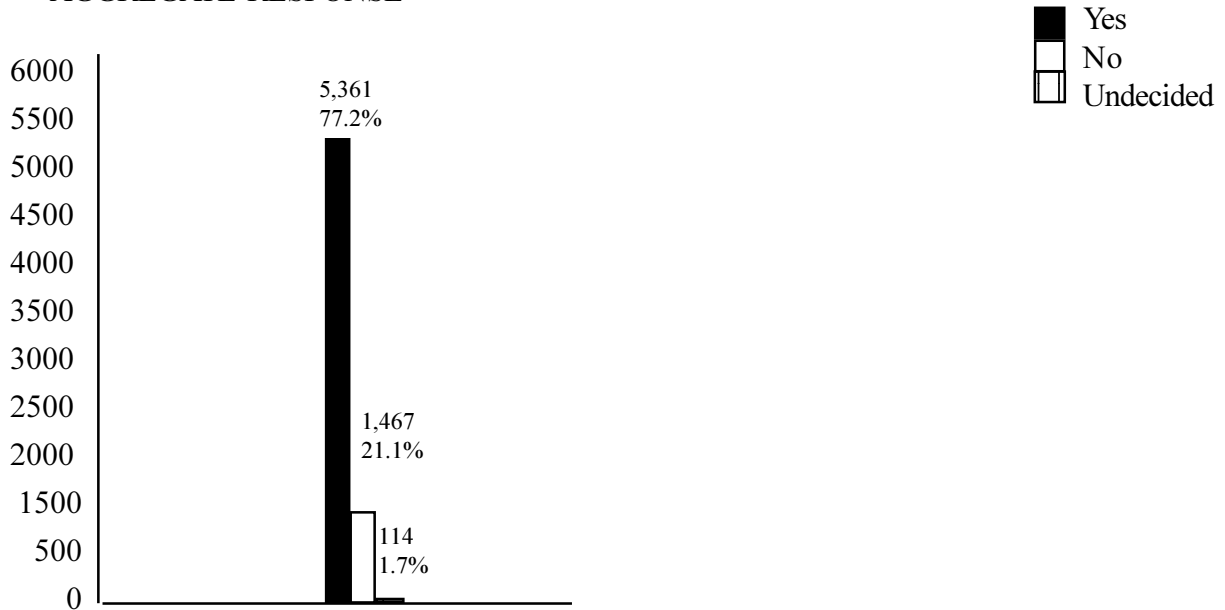


CITY-BY-CITY RESPONSES

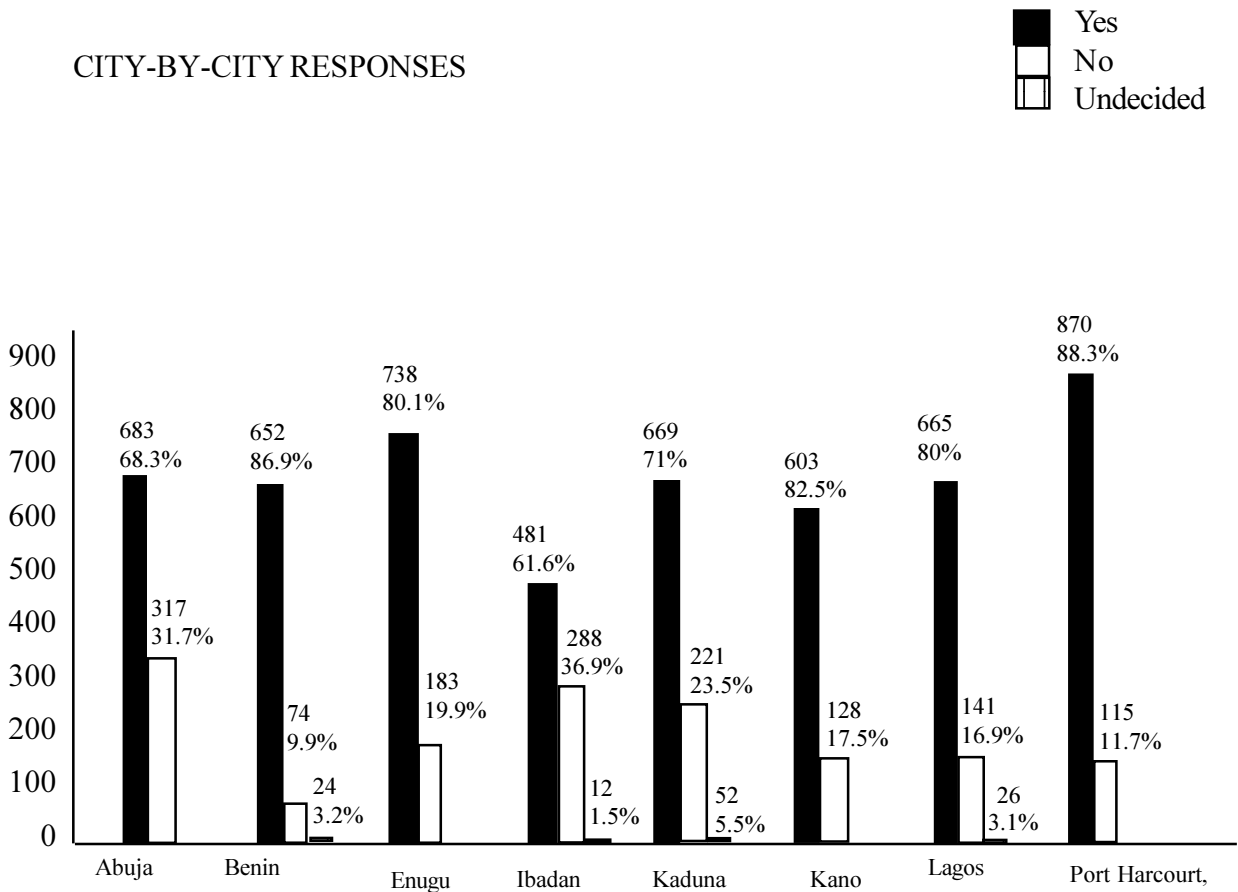


Q3. If your answer to question No 2 above is 'Yes', do you think it is as a result of the amount they paid to obtain the licences? Yes No

AGGREGATE RESPONSE



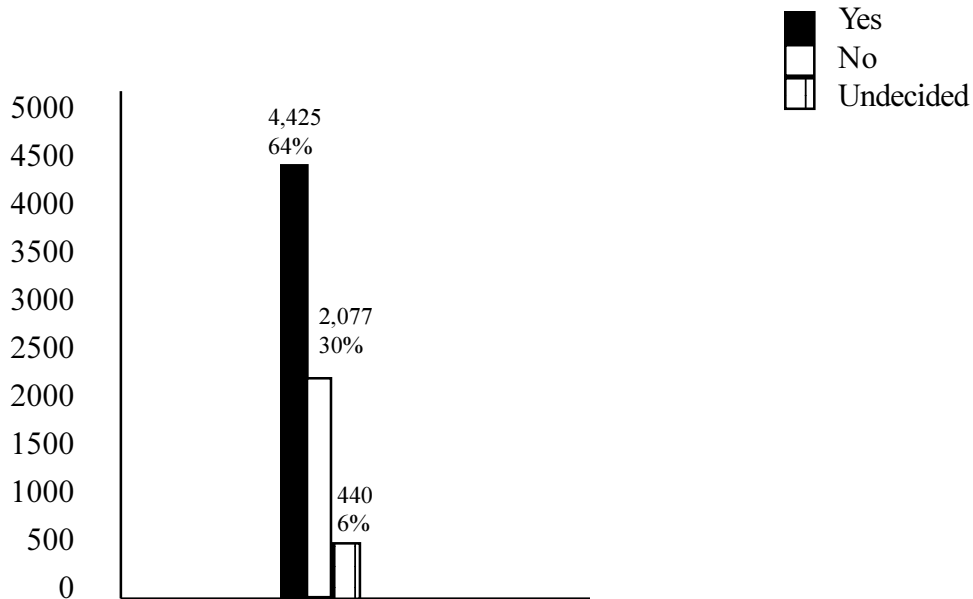
CITY-BY-CITY RESPONSES



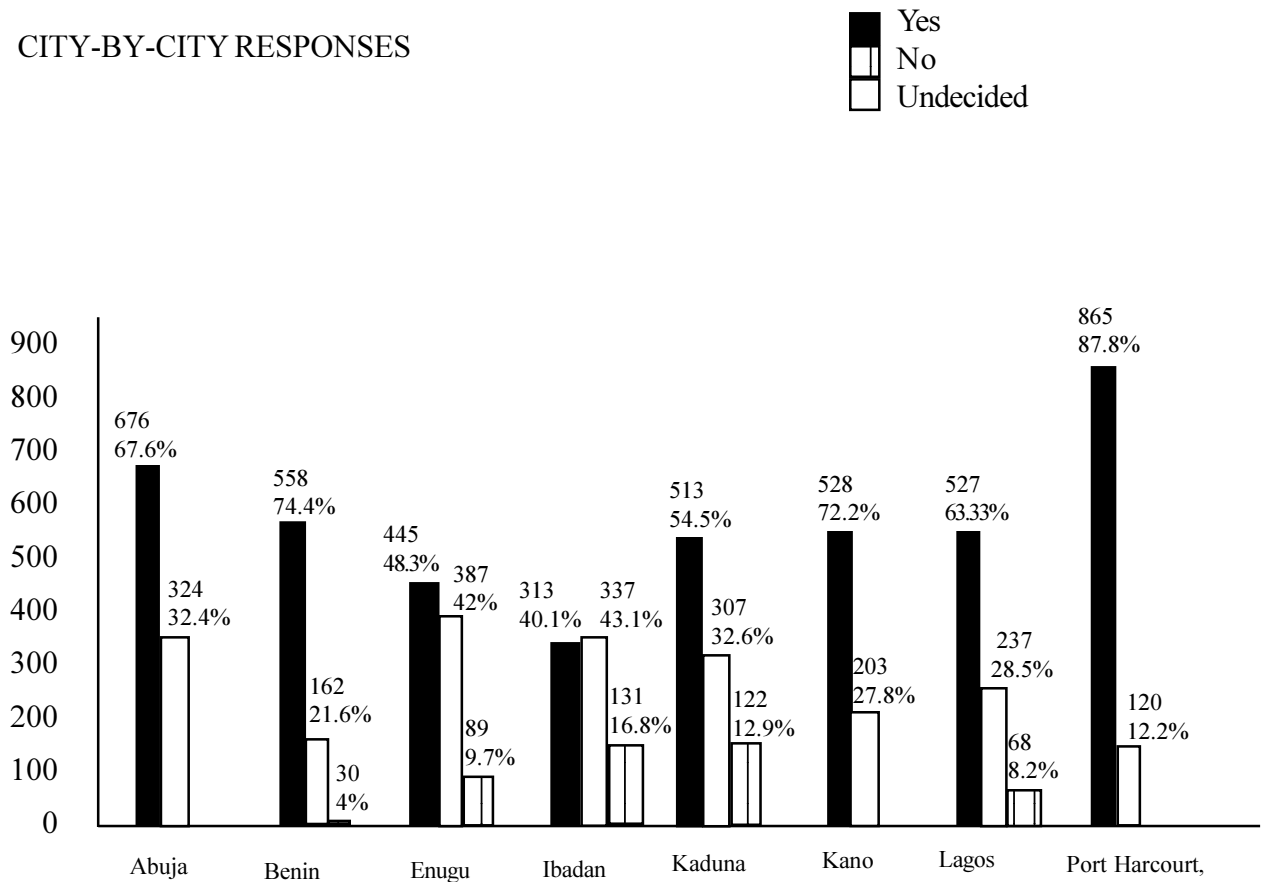
Q4. If your answer to question No 3 above is 'Yes', do you think this is sufficient justification considering that the government reduced by over 70 per cent the duties on the GSM equipment?

Yes No

AGGREGATE RESPONSE

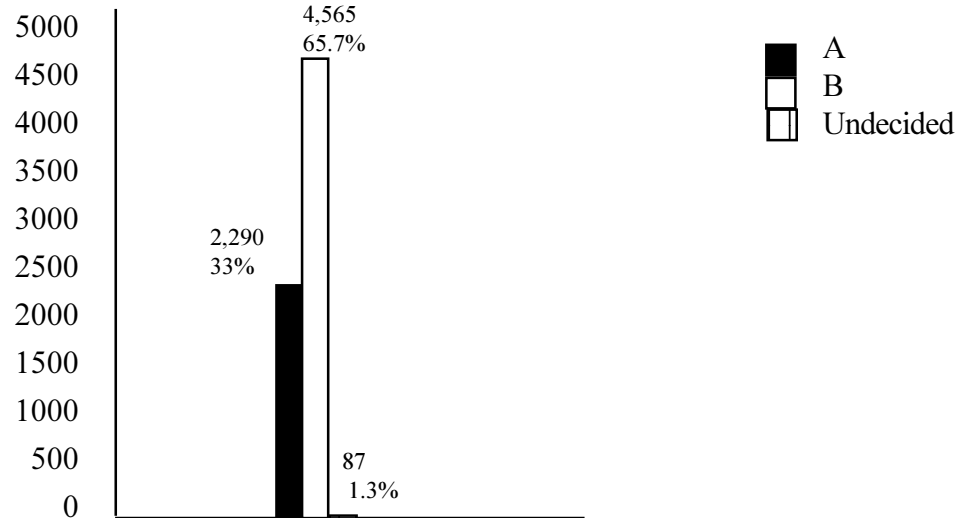


CITY-BY-CITY RESPONSES

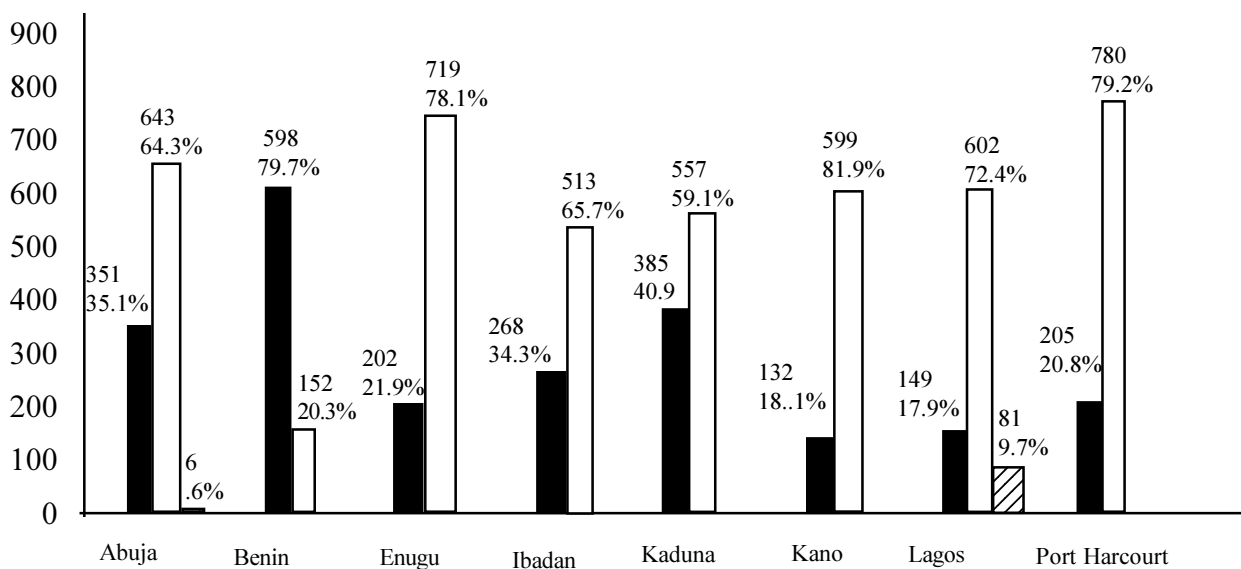


5. Which of the following two ways would you want the federal government to spend the proceed from the GSM licence?
- A: As proposed by the federal government. (To finance the federal government’s Suplimentary Budget while the two other tiers of government shares the balance).
- B: As proposed by some Nigerians. (Spend a large part on the development of the telecommunication sector and share the rest between the three tiers of government).

AGGREGATE RESPONSE



CITY BY CITY RESPONSES





Media Rights Agenda (MRA) is an independent, non-governmental organisation established in August 1993 for the purpose of promoting and protecting press freedom and freedom of expression in Nigeria. MRA is registered in Nigeria, and has Observer Status with the African Commission on Human and Peoples' Rights in Banjul, The Gambia.

The Aims and Objectives of Media Rights Agenda are:

- to promote respect and recognition for press freedom and freedom of expression in Nigeria;
- to provide protection and support for journalists and writers engaged in the lawful pursuit of their professional duties;
- to promote the highest standards of professional ethics, integrity, training and conduct in the journalism profession; and
- to bring about a conducive social and legal atmosphere for the practice of journalism, and ensure the protection of the journalist's right not to be compelled to work against his or her conviction or disclose confidential sources of information.

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