

**EMPLOYMENT OPERATION AND POVERTY REDUCTION VIA INTERNET  
BUSINESS:  
PROBLEMS AND PROSPECTS FOR NIGERIA**

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**Abstract**

Politics have led to dire conditions in many nations especially in the developing nations. In many cases, international political interests have led to a diversion of available resources from domestic needs to western markets, used for purchasing arms and ammunition. This has resulted in a lack of basic access to food, water, health, shelter, education, technology and other important social services. This is a major obstacle to equitable development in the Nigeria. What does it mean to be poor? How is poverty measured? Third World countries where Nigeria belongs, are often described as “developing”, while the First World, the industrialized nations are often decented as developed”. What does it mean to describe a nation as “developing”? A lack of material wealth does not necessarily mean that one is deprived. A strong economy in a developed nation does not mean much when a significant percentage (even a majority) of the population is struggling to survive.

A successful development can imply many things such as:

- \* An improvement in living standards and access to all basic needs such that a person has enough food, water, shelter, clothing, health, technology, education and employment.
- \* A stable political, social and economic environment, with associated, political, social and economic freedoms, such as (though not limited to) equitable ownership of land and property the ability to make free and informed choices that are not coerced.
- \* Be able to participate in a democratic environment with the ability to have a say in one's own future.
- \* To have the full potential for what the United Nations calls Human Development.

Human resources development is about much more than the rise or fall of national incomes. It is about creating an environment in which people can develop their full potential and live productive, creative lives in accordance with their needs, interests and values. People are the real wealth of nations.

Development is thus about expanding the choices people have to live lives that the value. And this is thus about much more than economic growth, which is only a means - if a very important one - of enlarging people's choices. In view of the foregoing, this paper attempts to look at how the internet works, the internet as a global IT platform. Accessing the Internet, adequate training of the unemployed youths on Information Technology, and the related Internet business.

**Introduction**

According to Lyons (2000:06), representatives from a wide spectrum of government, intergovernmental, private and what was termed “civil society” organisations met at Geneva in December 2003, at the first phase of the World Summit on the Information Society (WSIS) to discuss the challenges and opportunities presented by information and communication technologies (ICT), in particular, the Internet. In many ways, it was an effort by the world community to begin defining the digital agenda for the future. The primary focus was on the use of the Internet in meeting the needs of the least advantaged and marginalized groups in society, but there may be more profound effects stemming from this endeavour. Policies adopted with an Internet agenda in mind may also have an impact on future national and international laws and policies in areas such as frequency allocations, intellectual property

rights, learning environments and methodologies, provision of financial aid, cyber security, Spam, privacy, trade, taxation, and more generally, the management and dissemination of information.

The gathering was held under the umbrella of the United Nations, with secretariat services provided by the International Telecommunications Union (ITU). The second phase of the World Summit on the Information Society will be held on November 3, 2005.

Since the inception of Internet, the job market has been moved to the Internet, where thousands of employment agencies operate, hundreds of thousands of employers advertise on their Home Pages, estimated 10 million job seekers place their resumes and curriculum vitae on the Internet, individuals and organisations operate and run cybercafes, individuals and organisations operate and run call centres for both local and international calls, thereby creating jobs for both the young and the old.

The job market is one of the largest markets in the world where employers are looking for employees with specific skills and individuals are looking for a job. In a simplistic way, we can view employees as selling their skills to organisations frequently at a negotiated price. The job market is very volatile where the supply and demand are frequently unbalanced. Job matching is done in several ways, ranging from adverts in classified sections of newspapers to the use of corporate recruiters and commercial employment agencies and headhunting companies Internet also provides a platform and an infrastructure for self development and subsequent self employment, giving the desired financial support from government, the public and the private sectors.

### **How the Internet Works**

The Internet, transmits data from one computer (called a host) to another. If the receiving computer is on a network to which the first computer is directly connected, it can send the message directly. If the receiving computer is not on a network to which the sending computer is connected, the sending computer sends the message to another computer that can forward it. The message may be sent through a router to reach the forwarding computer. The forwarding host, which presumably is attached to at least one other network, in turn delivers the message directly if it can or passes it yet to another forwarding host. It is quite common for a message to pass through a dozen or more forwarders on its way from one part of the Internet to another.

The various networks that are linked together to form the Internet function and work pretty much the same way - they pass data around in chunks called packets, each of which carries the addresses of its sender and its receiver. The set of conventions as the Internet Protocol (IP), which operated at the network layer of the seven ISO OSI model, which is shown below:

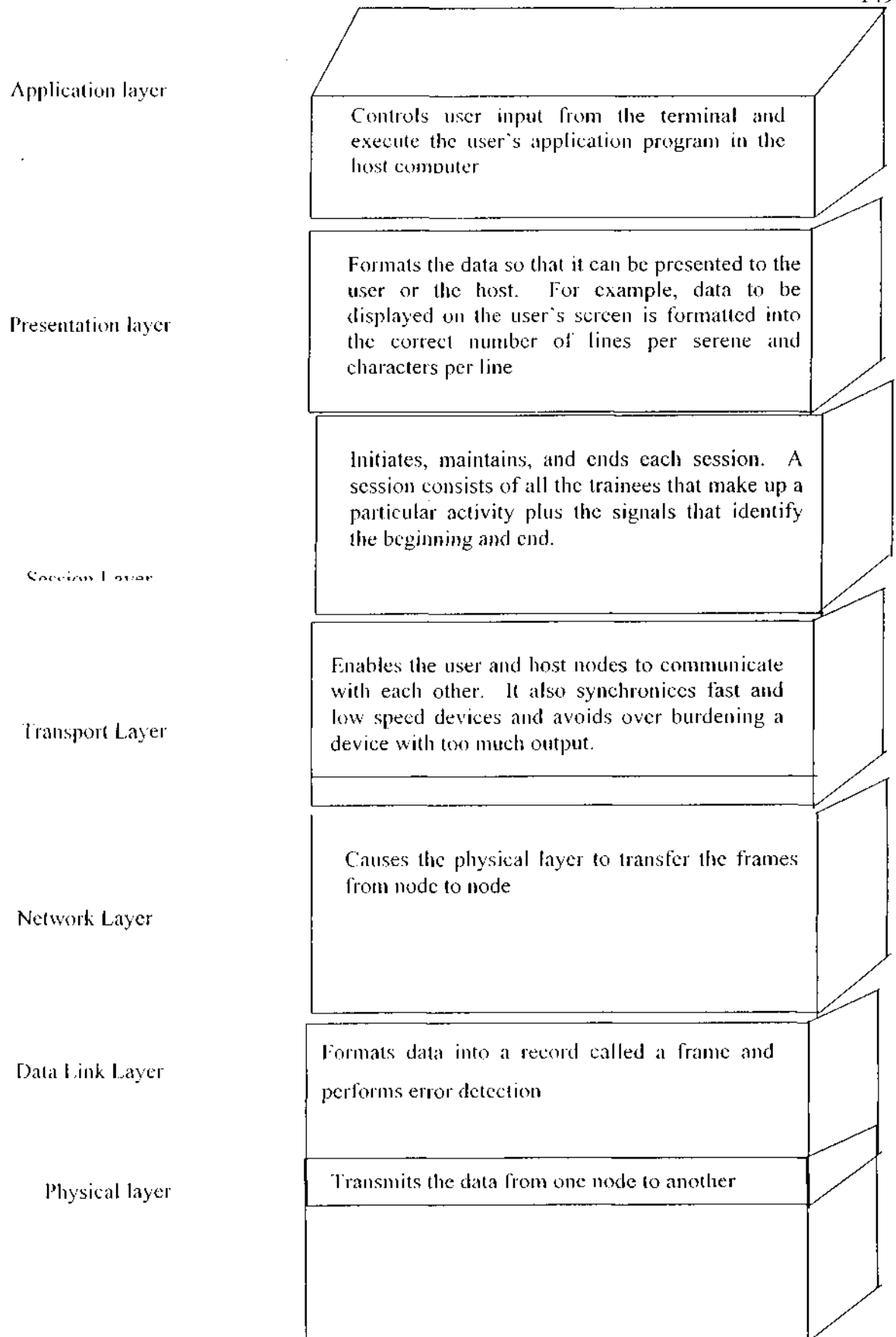


Fig. 1: The seven layers of the OSI (Open Systems Interconnect) model

Open Systems Interconnection (OSI) model is designed to permit communication among different computers from different manufacturers, using different operating systems as long as each conforms to the OSI model, (Reynolds, 1995: 134).

Many other protocols are used in connection with IP. The best known is Transport Control Protocol (TCP), which operates at the transport layer. TCP is so widely used as the transport layer protocol that many people refer to as TCP/IP, the combination of TCP and IP used by most Internet applications.

Many Local Area Networks (LANs) have hardware and software devices that allow them to communicate with other networks that employ different transmission media and/or protocols. A bridge connects two or more networks at the media access control portion of the data link layer with common protocols. A router operates at the network level of the ISO model and features more sophisticated addressing software than bridges. Whereas bridges simply pass along everything that comes to them, routers can determine preferred paths to a final destination. A specific router works with only one particular protocol. A gateway operates at or above the ISO transport layer and links LANs or networks that employ different higher-level protocols. Data received by a gateway must be restructured into a format understandable by the destination network. Thus a gateway allows networks using dissimilar protocols to communicate. Corporations, institutions and establishments have a gateway to other types of networks, so that workers can access the programs and data contained on networks outside their geographic region.

### **The Internet as Global II Platform**

What makes the Internet and World Wide Web so important for international business? This interconnected matrix of computers, information, and networks that reaches tens of millions of users in over one hundred and fifty countries is a business environment free of traditional boundaries and limits. Linking to an online global infrastructure offers companies unprecedented potential for expanding markets, reducing costs, improving profit margins, and creating jobs at a price that is typically a small percentage of the corporate communications budget. The Internet provides an interactive channel for direct communication and data exchange with customers, suppliers, distributors, manufacturers, product developers, financial backers, information providers, Global System for Mobile Communications, operators in Nigeria-in fact, with all parties involved in a given business venture, (Gronin, 1996:25).

Decisions about telecommunications networks are vital to establishing a technology platform for any company or organisation in particular and any country like Nigeria in general, and present major challenges in global IT management. There are some managerial opportunities and challenges posed by the Internet and other telecommunications network technologies. Global networks like the Internet that cross many international boundaries make such issues even more challenging and strategic. The following are the key questions for companies, governments and countries establishing global Internet web sites:

- \* Will you have to develop a new navigational logic to accommodate cultural norms, values and preferences?
- \* Will you have to develop a new navigational logic to provide a conducive environment for the creation of jobs?
- \* Will you have to develop a new navigational logic to provide logistics support to job applicants and seekers that would make them self-reliant?
- \* What contents will you translate, and what content will you create from scratch to address regional competitors or products or job opportunities that differ from those in the developed and developing countries?
- \* Should your multilingual effort be an adjunct to your main site, or will you make it a separate site, perhaps with a country or local government specific domain name?
- \* What kinds of cultural, traditional and new media advertising will you have to do in each country to draw traffic to your site?
- \* Will your site get so many hits that you will need to set up a server in a local government?
- \* What are the legal ramifications of having your web site targeted at a particular country, such as laws on competitive behaviour, Internet crime, software piracy, privacy and security?

### **Accessing the Internet**

There are three ways to connect to the Internet. Which method is chosen is determined by the size and capability of the organisation or individual.

(a) **Connect Via LAN Server**

This approach requires the user to install on his or her PC a network adapter card and open Datalink Interplace (ODI) or Network Driver Interface Specification (NDIS) packet drivers. These drivers allow multiple transport protocols to run on one network card simultaneously. TCP/IP must also be installed on the PC. If you are running windows, you will also need to install Winsock (as in Windows socket) software, which manages the applications interface to TCP/IP. This set of communications software is often called a communications stack, as it provides a set of communications protocols that perform the complete functions of the seven layers of the OSI communications model. LAN servers are typically connected to the Internet at 56 Kbps or faster. Such speed makes for an exciting trip on the Internet, but is also very expensive. However, the cost of this connection can be shared among the several dozen LAN users to get to a reasonable cost per user. Additional costs associated with a LAN Connection to the Internet include the cost of the communication software.

(b) **Connect Via SLIP/PPP**

This approach requires a modem and the TCP/IP protocol software plus Serial Line Internet Protocol (SLIP) or Point-to-Point Protocol (PPP) software. SLIP and PPP are two communication protocols that transmit packets over telephone lines, allowing dial-up access to the Internet. If you are running Windows, you will also need Winsock. Users must also have a service provider that lets them dial into a SLIP/PPP server. SLIP/PPP accounts can be purchased for a token amount a month or less from regional provider. With all this in place, a modem is used to call into the SLIP/PPP server. Once the connection is made, you are on the Internet and can access any of its resources, there costs include the cost of the modem and software, plus the service provider's charges for access to the SLIP/PPP server.

(c) **Connect Via an online service**

This approach requires nothing more than what is required to connect to any of the on-line information services - a modem, standard communications software, and an on-line information service account. The costs include the on-line service fee, a per hour connect charge, and where applicable, e-mail service charges. The on-line information services have the capability to provide you with access to only certain of the Internet services, such as e-mail and World Wide Web.

Having discussed the three access methods to the Internet, the services provided by the Internet to the Nigerian society will now be show cased.

Three of the most commonly used Internet services include Global System for Mobile (GSM) communication services, electronic mail (e-mail) the Internet job market and newsgroups. Other commonly used services include connecting to other computers, finding and downloading files, and accessing different kinds of servers for information. These services are now discussed next.

**The Global System for Mobile (GSM) Communication - The Issues at Stake in Nigeria**

The Global System for Mobile (GSM) Communication services began in Nigeria with three operators, MTN Nigeria, LCONLT Wireless Nigeria (now Vmobile) and the Nigerian Telecommunication Limited (now M-Tel) in August 2001.

Prior to their official launch in August 2001, the three companies among others had gone through a bidding process conducted by the Nigerian Communication Commission (NCC), under the leadership of its Vice Chairman, Chief Ernest Ndukwe, of Nigeria for a 15 year exclusive period to operate in the market. This means that for 15 years of their operation in Nigeria, no serious competition will be introduced in order to allow them recoup their investment and as well make profit.

Contrary to misgivings in certain quarters, especially from some international telecom companies who did not take part in the bidding process due to some pessimism they had about the

Nigerian environment, the advent of GSM in Nigeria has been a profitable venture both for operators and the subscribers.

The GSM operation has created jobs for Nigerians. Be it on university campuses, on

the streets of Nigeria, in the remote rural areas, in the market places, in motor parks, and even along the highways, GSM call centres are found with one or two attendants. This has in no small way created jobs for Nigerians, young and old. On investigation, it was discovered that each call center nets an average profit of N35,000 a month. Why then is the federal government not motivating the jobless by funding such small businesses through short term loans? If the government and the banks will sponsor the training of these job seekers in the promotion and the management of Internet business. This is one way Nigeria would be part of the IT revolution. Nigeria in particular, and Africa in general lost out and were not part of Industrial Revolution. Nigeria, therefore must do everything possible to join the rest of the world in the Global village.

The GSM service has been received with enthusiasm by Nigerians who had long being deprived and starved of telecommunications such that the number of subscribers grew into hundreds of thousand in about four months of operation. Gone are the days when communication was the exclusive preserve of the rich, now poor people too can talk, (Abosedo, 2004:40).

With GSM, Nigerians found a new way of life, GSM become a component which made life more meaningful and easy. Now one can afford to make a call to fix an appointment rather than going after the needed fellow several times without meeting him.

Also, because of the wide coverage of the cities and rural communities, an executive in the city can now afford to call his parents back in the village to know how they are faring rather than spend long hours on the road going to visit them.

Some businesses can now be transacted on the phone instead of wasting useful hours in the traffic going to meet business appointments.

Despite all the success stories about GSM, there were and still are some shortcomings. The first of these shortcoming is the inability of the job seekers to receive short term loans from the federal or state governments, to enable them become GSM operators. By so doing, they would become self employed, and this become self employed, and this goes a long way in enhancing poverty eradication and job creation. The second of these shortcomings was the interconnectivity problem which existed between operators for better part of the year 2003. It constituted a very big problem between the private GSM operators (MTN and Vmobile) and M - tel.

Glomobile, the mobile arm of the second national operator, Globacom was also affected by this problem at the commencement of service.

As at November, 2003, there were big interconnection problems between the national carriers, NITEL GSM (now M-tel); Glomobile and private GSM operators, MTN and Econet (now V mobile). Initially calls were routed to M-tel through NITEL'S fixed network, while Glomobiles was provided with few interconnection links, a situation which affected the two national carriers drastically in terms of public acceptance and patronage.

Another problem that beset the Nigerian GSM market was the issue of per second billing. Though Nigerians did not mind paying N50 per minute call at the onset to operators who smiled to the banks, they soon realized the draining effect on their pockets and demanded for per second billing (PSB). Operators who were not used to charging so high claimed that though N50 per minute call was high compared with some other markets around the world, it was not possible to introduce PSB until the year 2006.

However, pressures continued to mount on them from subscribers to the extent that Nigerians held a one day strike by refusing to use their phones on September 19, 2003 to protest high GSM teriff. Though the strike was said to be factor that influenced operators, change to PSB in November and December 2003, some people are of the opinion that MTN and Vmobile who had said it was not possible to do that at that time were actually forced to implement PSB because Glomobile had proved them wrong by introducing the billing option at commencement of its service in the year 2003. The same Globacom it should be noted brought another brilliant development to the telecommunications industry by launching its international gateway as part of activities to mark its one-year of service in August 2004.

This infrastructure which was recently launched in the United Kingdom promises to offer international voice and data services not only to Globacom subscribers, but ail phone users in Nigeria.

The cost of acquiring a GSM line at the onset was for above £420,000. Today, the same line cost about £46,000 each and the price is still expected to experience a downward review.

The NCC has also created a forum, the telecom consumer parliament which brings the operators face to face with the subscribers and attendants so that those who have problems with operator's services could lodge their complaints and get instant solutions.

Though the telecom industry in Nigeria has experienced much improvement in the last three years, some problems are yet to be solved.

The biggest of these problems is that of power. The National Electric Power Authority (NEPA) is yet to be efficient, and this has been a major headache for operators who often quote millions of Naira as the cost of generating power for their base stations on a monthly basis.

Some operators have said that this factor contributes substantially to the high tariffs being charged since their many base stations, scattered across the country run on generators 24 hours of the day.

This, they said also contributes to the frequent drop calls and failures experienced on the networks because when the base stations are down, subscribers in the area would experience down time until the generators are refueled.

However, some operators are sometimes responsible for the drop calls and network failures. Some of them sign on more subscribers than their network capacity can accommodate, thereby causing congestion which in turn causes network breakdown to the detriment of the subscribers.

### **The Electronic Mail (e-mail) Services**

Electronic mail, or e-mail, is a way of sending an electronic message between individuals or computers. Businesses have used e-mail in their internal networks for years, but with the spread of Internet use, it is now commonly used for national and international communications. E-mail is no longer limited to simple text messages. Depending on your software, and the hardware and software of the recipient of your e-mail message, you can embed sound and images in your message and attach files that contain text documents, spreadsheets, graphs, or executable programs. E-mails travel through the systems and networks that make up the Internet. Gateways can receive e-mail messages from the Internet and deliver them to users on other networks.

E-mail has changed the way people communicate. It improves the efficiency of communications by reducing interruptions from the telephone and unscheduled person contacts. Furthermore, messages can be distributed to multiple recipients easily and quickly without the inconvenience and delay of scheduling meetings.

As a result, with advent of the Internet and with adequate IT infrastructure in place, many cybercafes have sprung up in Nigeria, providing jobs to the unemployed. Each cybercafe has at least three attendants who assist customers in sending and receiving e-mails.

What each prospective cybercafe operator needs is a few thousand of Naira to start the business. Also, the prospective cybercafe operators desire little training on computer operations, internet access, use of web-based e-mail spam, the addressing scheme for Internet hosts, the addressing scheme for Web documents, what is on the Internet, and Searching the Internet/www.

Governments, federal, state and local should intensify their efforts towards empowering the unemployed youth through adequate training on the Internet and electronic mail (e-mail).

A few weeks of intensive training on Internet -hooking up to the Internet creation of e-mail addresses - creating free e-mail address from Web-based programs, creating e-mail address with yahoo, creating e-mail address with Onebox, creating e-mail address with other Web-base programs could be mounted for the youths. The youths undergoing the training could equally be taught how to send e-mail-sending e-mail with yahoo, and sending e-mail with other Web-based programs. Also, the youths could be taught how to read e-mail-reading e-mail with outlook express, reading e-mail with yahoo, reading e-mail with one box, reading with other web-based programs.

The youth could be taught how to reply e-mail, how to close e-mail box, and how to print e-mails.

A further training could be given to the youths on how to send cards and pictures, sending with yahoo, sending with one box, sending with other web-based programs.

The youths could be given further training on Website operations, such as opening of websites, overview of search engines and how search engines are used in searching for information on Internet.

The youths could also learn how to download text files, how to download pictures, how to download a computer program, how to download research materials and how to download other fields.

### **Adequate Support for the Youths by Federal, State and Local Governments**

Soft, short term loans could be made available for the youths who would successfully undergo the aforementioned training in Information and Communication Technology (ICT) through the community banks.

The soft loan will enable the youths procure computers, computer accessories and it will also take care of some of the hidden costs that would enable the youths start their own business centres, cyber cafes and computer training outfit.

By so doing, the youths shall be self employed, and this will go a long way in reducing unemployment and poverty in the Nigerian society.

### **Conclusion**

The Internet, which is commonly know as the Net, is a world wide collection of computer networks, a network of networks that belongs to no one-sharing digital information through a common set of networking and software protocols.

The question is, why can't the Nigerian youths benefit from the goodies found on the Internet, such as e-mail facilities, news, sports, reference information, music, text books, encyclopedia, free electronic books, electronic commerce, people, products, services, research, education, job, healing and love? These days people are finding jobs, romance, on the Net. Patients and Doctors keep-up-to date with the latest medical findings, share treatment experience, and give one another support around medical problems.

If the Nigeria unemployed are given adequate training on Information and Communication technology (TCT), they will become self-employed. By so doing, poverty will be eradicated in Nigeria, the unemployed youths shall be empowered.

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