

**Review**

# **An Appraisal of Political Economy of New Media in Nigerian Context**

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The globalized and deregulated processes of informational production can, in Castells' thought, be understood through the main concept of the network. Production, rather than mass and 'routinized', relies instead in the formation of informational networks, which generate the information, knowledge and techniques that lead to a more rationalized or efficient production. These informational networks operate as add-ons to industrial production rather than replacing it. The paper adopts Political Economy Theory and utilizes the descriptive research method whereby relevant literature, documents and records were consulted and analyzed based on existing literature. The paper discovered that the economic potentials of the social media would translate to economic success for Nigerians only to the extent social media has penetrated among the population. Without social media platforms being at the disposal of a reasonable portion of the population, realizing its economic benefits becomes a mirage. Again, low literacy rate is still a formidable challenge for African countries in their bid to maximize the economic opportunities offered by the social media. Similarly, social media is information technology-based and so its thriving requires ample availability of relevant information technology hardware and software. The paper concludes that within the conceptual framework of the political economy theory, which is understood as a collective term for theories and approaches that stress the necessity of analyzing the interrelations between economic processes and specific political circumstances. This concern, which might sound banal, is given a more meaningful twist when one look at the development of the interpretations that have been nurtured by it.

**Keywords:** Appraisal, new media, information capitalism, Nigeria and political economy.

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## **INTRODUCTION**

Accepting Castells' argument that the network society constitutes a new social formation, in which the network organization takes precedence, implies that this new formation must include shifts in the economy precisely as

an outcome of this network organization. Therefore, one should expect the economy to change as a result of the network and its associated technologies. But why are such changes important? What is the role of the economy and what is its relationship to the new media and society? More broadly, therefore, the question here concerns the

relationship between the economy, society and the new media. All too often people come across rather polarized views on the role of the economy. Some theorists view the economy as the determining factor not only of the media, but also of society itself, this is found in the classic Marxian approaches to the (new) media; conversely, emphasis on the symbolic aspects of the (new) media, their uses and users, and their differential appropriation and interpretation assumes that the economy has only a marginal role to play. It is crucial therefore to bridge the two positions, and to view the role of the economy not as determining but as one of the co-determinants of society, along with politics, culture and human agency. In doing this, the paper follows Mansell's (2004) call for a revitalized political economy of the internet and the new media more broadly.

Mansell (2004) argues that if people are to understand the new media, in terms of contents, communications and services, people need to understand the processes that produce them, and more generally the ways in which they are located in capitalism, as well as the ways in which these influence and shape new media use and consumption patterns. Typically, the political economy of communication examines the conditions of media production, distribution and consumption, and the ways in which they are structured by power (Mosco, 1996). A political economic approach would include examinations of the overall position of new media businesses in the global economy, investigations of patterns of ownership, distribution of products and services, as well as studies of use and consumption practices. The political economy view, although it privileges the economic as an entry point into the study of communicative and more broadly social practices, is not necessarily reductionist: it does not assume that all kinds of social relations are reduced to economic relations (Siapera, 2018).

Rather, the most recent approaches are fully aware of the contribution of other factors, symbolic, historical, political, as well as reflexive, coming from citizens, from people and their actions, that all interact in an asymmetrical way leading to a fluid, indeterminate and dynamic set of relations of production, distribution and consumption of new media artifacts, technologies, services and contents. Following this logic, the paper examines first the relations of production of the new media: who owns the means of new media production, to use the well-known Marxian formation? Under what circumstances are new media (as artefacts, technologies, contents, services, etc.) produced and by whom? Subsequently, people need to look at the distribution and consumption patterns to complete the circuit of the political economy of the new media.

However, this understanding of the political economy of the new media assumes that they are just another kind of product or service. But if one is to take Castells' view seriously, then one must also consider the ways in which

the new media are changing the very operation of the economy. Indeed, Vincent Mosco's renewal of the political economy approach explicitly holds that communication processes and late capitalist societies are mutually constituted (Mosco, 1996). Coupled with Castells' approach to new technologies and the rise of the network, it follows that the new media are fundamentally transforming capitalism. From this point of view, the discussion of the political economy of the media must be preceded by a broader discussion of the ways in which the economy is organized under the new media. Is this economic organization still capitalist in the same way as it was in the industrial paradigm of mass production?

Before embarking on a discussion of all these issues, however, the paper needs to highlight that the perspective assumed here is a critical one. In general, political economic approaches seek to find and outline power differentials and asymmetries with a view to correcting them, thereby contributing to the creation of more equitable and just societies. This is the position that this paper adopts in its examination of the economy. On the one hand, the paper is concerned with showing the changes that have occurred since the advent of the new media, while on the other, it aims to show the continued or new kinds of inequalities that have been created. Equally, this paper is concerned to show the contributions of a dynamic economy to society, the new and innovative possibilities it creates. But so long as the overall context is one of profit-driven capitalism, inequalities inevitably prevail and commercial considerations win over considerations of the public good. The paper therefore begins with a discussion of the production and consumption processes under informational capitalism and their relationship to new media technologies, followed by an examination of the political economy of the new media in Nigerian context.

## Objectives and Method

The paper aims to interrogate the political economy of new media in Nigerian context. In order to achieve this broad objective, the following specific objectives are set:

1. To study the production, consumption in informational capitalism, new media corporations and political economy.
2. To examine the production and employment in information capitalism.
3. To interrogate new media corporation using who is who approach.
4. To examine the prospects and challenges of social media in Nigeria.

With this context, the paper is exploratory, as it utilises the descriptive research method whereby relevant

literature, documents and records were consulted and analyzed based on existing literature to interrogate the political economy of new media in Nigerian context. The study is predominantly based on information derived from the qualitative data using secondary sources, such as relevant texts, journals, official publications, historical documents and the Internet, which served as tangible sources of insight into the analysis. However, the inquiry is strictly limited to data found in scholarly journals, books, internet and libraries. The method was used to evaluate such findings with other existing literature on the subject matter. The method help findings in the works available, check the consistency of such findings, evaluates such findings with other findings.

### Theoretical Framework

This paper is anchored on the Political Economy Theory. Historically, political economy originally referred to “a tradition of economic thinking that addressed the production, distribution and consumption of resources used to sustain human existence” the prominent eighteenth century, Scottish thinker, Adams Smith referred to political economy as the study of wealth and the study of how mankind arranges to allocate scarce resources with a view to satisfied certain needs and not others.

Mosco (1996) observed that the term political economy would seem to indicate a shared concern with the politics and economics of any given institution including the mass media'. From conceptual point of view, 'political economy is the science of wealth and deals with efforts made by man to supply wants and satisfy desires,' it is important to stress that before political economy became a science, it served as the intellectual description for a system of production, distribution and exchange; 'political' meant the social custom, practice and knowledge about how to manage, first the household and later, the community. Specifically, the term 'economics' has its roots in the classical Greek '*oikos*' for household and '*nomos*' for laws. Hence, economics initially referred to household management, a view that persisted into the work of founding influences in classical political economy, Scottish Enlightenment figure like Francis Hutcheson and, crucially, Adam Smith. Mosco (1996) sees political economy as 'the study of the social relations, particularly the power relations that mutually constitute the production, distribution and consumption of resources'. From this perspectives the products of communication, such as social media constitutes the primary resources.

This theory studies elite control of economic institutions, such as banks and stock markets and, try to show how this control affects many other social institutions, including the social media (Baran and Davis, 2012). Political economists accept the classical Marxist

assumption that the base dominates the superstructure. They investigate the means of production by looking at economic institutions, expecting to find that these institutions shape the media to suit their interests and purposes. For example, Herb Schiller, 'one of the most widely, recognized and influential political economists of communication'. Schiller (2000) is of the view that political economists have examined how economic constraint limit or bias the forms of mass culture produced and distributed through the media. These theorists focus on, how the process of content production and distribution are constrained. Why do some forms of culture or activity dominate a particular social media whereas other forms are absent? Does audience taste alone explain these differences or can other, less obvious reasons be linked to the interests of economic institutions?

Political economy can be understood as a collective term for theories and approaches that stress the necessity of analyzing the interrelations between economic processes and specific political circumstances. This concern, which might sound banal, is given a more meaningful twist when one look at the development of the interpretations that have been nurtured by it. Although the term had been coined earlier within the framework of eighteenth-century European moral philosophy, a critical assessment of the 'political economy' of nineteenth-century Europe is closely connected with the German philosopher Karl Marx. Marx reviewed the intertwining of the state with economic modes of production in capitalist systems both in general terms and against the background of his universal visions. In his view, capitalism as economy and system of social organization was only ever made possible with the help of the modern state and its legal structures.

One of the compound concepts that have found a permanent stay in the discipline of mass communication for many decades now is political economy. This word is from two distinct social science disciplines- political science and economics with historical explanations and theoretical viewpoints available to explain the relevance and applications. Schiller (2000, p. 101) sees political economy of the media as “involving the idea of media ownership, the media market and financial support”. McQuail (2005) sees it differently when he affirmed that mass communication can be considered as both a 'societal' and a 'cultural' phenomenon. The mass media institution is part of the structure of society and its technological infrastructure is part of the economic and power base, while the ideas, images and information disseminated by the media are evidently on important aspect of our culture. Therefore, considering the interplay of the political economy and the operation of the social media in Nigeria, the application of the theory appears apt in the study.

### **Understanding Production, Consumption in Informational Capitalism, New Media Corporations and Political Economy**

The paper argued in this perspective that the globalization of capitalism is associated with a new kind of capitalism, which Castells has termed 'informational capitalism'. Informational capitalism refers to the new kind of economic organization that, on the one hand, relies on the new media and technologies and, on the other hand, imposes their logic on all areas of production and consumption. To understand how this dynamic operates people need to consider the new media as agents of this kind of change in themselves. Such changes include the so-called informationalization of production (i.e., the ways in which the process of production depends on information) and the associated shift towards the production of information and knowledge. In addition, people must examine the implications that these changes have for employment and workers, and the kinds of resistance and critique that have emerged vis-à-vis this kind of capitalism.

Classical political economy of the media emphasizes the ways in which processes of media production and consumption reproduce dominant relationships (Mosco, 1996). Because it relies on Marxian theory, it prioritizes the role played by capital in shaping these processes. It comes as no surprise, therefore, that most such analyses have focused on media ownership and the ways in which it has influenced the production and contents of the media. Consumption, in these terms, was seen as secondary in that it was seen as determined by production and contents: after all, audiences can only read or watch what production makes available to them. Studies such as Herman and Chomsky's (1989) *Manufacturing Consent* outlined the role played by concentration of media ownership in the hands of a few powerful corporations, as well as the role played by advertising as one of the most important sources of media income. These, argue Herman and Chomsky, act as 'filters', allowing only certain contents, news stories and frames passing through and receiving media attention. But this emphasis on the production side and ownership has tended to overlook both the polysomic of media texts as well as the act of consumption itself. A proper critical political economy, argues Mosco (1996), should examine all these aspects, with a view to outlining the contribution of the media to democratic politics and the barriers to this.

### **Perspective on Production and Employment in Informational Capitalism**

The globalized and deregulated processes of informational production can, in Castells' thought, be

understood through the main concept of the network. Production, rather than mass and 'routinized', relies instead in the formation of informational networks, which generate the information, knowledge and techniques that lead to a more rationalized or efficient production. These informational networks operate as add-ons to industrial production rather than replacing it. From this point of view, industrial and agricultural production processes are all encompassed in new economic networks, which are enabled and mediated by new technologies (Castells, 2000). While informationalism informs industrial and agricultural production, it has also given rise to a new kind of production model. If one accepts that the car manufacturer Ford was the paradigmatic model of industrial capitalism, Castells holds that Cisco, a US-based company that makes switchers and routers, can be considered paradigmatic of informational capitalism. Castells reports that Cisco actually only owns two of the 30 plants that produce its switches and routers, sells its products almost exclusively online, and employs mainly engineers, researchers, managers and salespersons.

By contracting out the production, through operating mostly online, and through building strategic alliances with other players in the field, Cisco has managed to drastically cut costs and maximize profit. It is essentially a manufacturing company that does no manufacturing itself, but rather produces and markets the know-how, design and relevant information on the kinds of products it sells. More broadly, informational production is characterized by a network organization, whereby different aspects of the production process become autonomous and operate as separate nodes connected to a larger network. This model of the network enterprise is, for Castells, characteristic of the new kind of production process within informational capitalism. The network enterprise is de-territorialized, internally decentralized, segmented across various chains of production and distribution; it relies on *ad hoc* joint ventures and strategic alliances with other networks-firms, and it has built within it the potential for synchronous interaction with customers, which gives rise to a process of mass customization and personalization typical of the new kind of consumption model within informational capitalism (Castells, 2000 and Barney, 2004).

These shifts within the capitalist mode of production have led to associated changes in employment or labour. Shifts in these were already noted by Bell and others, who assumed that the decline of manual labour and the rise of the service sector will lead to new, kinder, economic and social arrangements. But it turns out that these shifts in employment are more complex and leave considerably less room for optimism. To begin with, Castells' (2000) analyses of employment trends in the G7 countries confirmed the trends observed by Bell (1973) and other theorists such as Alain Touraine in 1971. Thus,

in the G7 countries (USA, UK, Japan, Germany, Italy, France and Canada), in the years 1970–1990 there was an average of 4.72% increase of service jobs, including both producer services and social services. But this is not the only change. Based on his analyses of the data on the G7 countries, Castells highlights several trends in employment in informational capitalism: the informationalization of employment has led to a steady decline of agricultural and manufacturing jobs; the rise of both producer and social services; the increasing diversification of service activities as sources of employment; and the expansion of both upper (e.g., managerial) and lower (e.g., clerical and retail) levels on the occupational structure.

This in turn reflects 'a relative upgrading of the occupational structure over time' (Castells, 2000). To some extent, these broad trends might be taken to imply a general improvement of working conditions, since; after all, a service worker may be seen as enjoying higher levels of job satisfaction and status than a manual worker – indeed, this is partly Daniel Bell's argument. But a proper evaluation of the conditions of working life under informational capitalism must take into account changes not only in the occupational structure but also in the working conditions and generally the working lives of people.

The most prevalent trend in the working conditions under informational capitalism is the increased importance of flexibility in work (Barney, 2004). To understand the changes introduced by flexibility in employment, Barney (2004) looks at the typical form of employment under industrial capitalism. A typical worker was employed full-time, in a well-defined job, in which he (typically workers were men) knew exactly not only the tasks but also the routinized ways in which he should carry them out. The job was permanent, and carried out at a fixed place of employment provided by the employers. Workers typically remained in the same job throughout their working lives, or otherwise sought promotion within the same firm: in short, they followed a set career pattern over their lifecycle (Castells, 2000). Employment in industrial capitalism was institutionalized (Barney, 2004) and as such it was much too inflexible to respond to the needs of a capitalist system that requires constant innovation and growth. Under the pressure of the requirements of the new kind of production, such as globalization and deregulation, and a decentralized, network organization, labour had to be made flexible.

In practice, rendering labour flexible has led to the creation of non-standard forms of employment. These are non-standard in several ways: in terms of time, with work being part-time or flex-time; in terms of distance, with tele-work, based at home or even in a different country; in terms of relationship to employers, with work increasingly undertaken as an external contract, *ad hoc* or freelance work. The results of these new forms of work and more

generally of the 'flexibilization' of labour include: the feminization of labour, with more and more women participating in the workforce in non-standard ways; and the loss of a clear career path, with more and more people changing jobs, functions and employers.

The increasing precariousness of flexible labour has led to an emphasis on continuous training and lifelong learning, pointing to an increasing gap between the educated and skilled workers and the low or unskilled ones. These developments in the field of employment are generally linked to the demands of production under informational capitalism, and can be more specifically associated to the increased importance of information and communication in the production process. But people must also note here that most of these developments were brought about by new technologies. Thus, tele-work is made possible because of technologies of instant and reliable communication and data transfer. Further, the increased productivity associated with technological innovation has given rise, on the one hand, to the need for a more educated and technologically literate labour force, and to flexible, *ad hoc* or part-time work (Siapera, 2018).

How might people assess these new forms of employment? If people look at tele-work as a case study, they can see that it entails important benefits both for employers and employees. In a cost-benefit analysis, Gareis (2003) reports that tele-work and freelancing has important advantages for employers because new forms of work allow them to adapt to changing market conditions. This includes the ability to deploy workers exactly when and wherethey are needed. At the same time, they can decentralize responsibilities and delegate decision-taking to workers, thereby removing a layer of management, allowing them to cut costs. From the point of view of employees, tele-working may allow them to better match private requirements and preferences with work demands. This is especially the case with working mothers, for whom tele-working allows them to arrange working times to match child care requirements and to be closer to their children. Tele-workers can also choose to work where it is most convenient or pleasurable, avoiding the costs of commuting. In terms of work organization, they are able to take more control of their own tasks and to organize their work according to their preferences and priorities. But tele-work is not always or necessarily positive. Based on a study of tele-work in six countries (Bulgaria, Germany, Israel, Italy, Norway and the UK), Anderson and Ytri (2007) found no statistically significant difference between new forms of work and life satisfaction. They conclude that tele-work is mostly based on pragmatic choices, and is often a temporary solution.

### **New Media Corporations: A Who is Who**

Who are the main players in the field of new media?

Technological and economic convergence implies that people need to take into account the involvement of more than one type of industry. In its annual report on the Global 500, *Fortune* lists the top corporations in terms of growth in revenues. In terms of new media corporations, these are found in the technology sector. First, it is very clear that these are hugely successful companies, raking in millions of dollars in revenues, while most of them are household names. Second, it is also clear that companies that trade in new media as technological objects generate more revenues than those that trade primarily in software, such as, Microsoft, or that operate as platforms, for example Google. Third, notwithstanding the huge revenues, profits are a different question and companies as well known as Amazon are still not profitable. Interestingly, Hon Hai Precision Industry is the Taiwanese parent company of Foxconn, who are manufacturing Apple products. In fact, *Fortune* reports that about 40% of Hon Hai's income comes from Apple, which shows the dominance of Apple in the table below.

The short answer is that they are nowhere near as large and profitable as any of these ten corporations. In 2015, *Fortune* ranked Facebook in number 242 of the top US companies, with revenues of \$12,466 million, and profits of \$2.940 million. Its growth rate is a phenomenal 58% in terms of revenues and 96% in terms of profits, leading *Fortune* to rank it number 10 on its or zlist of the fastest growing companies in the USA. While there is no doubt that Facebook is a success story, the decline and fall of MySpace is part of the boom-and-bust story of social media. MySpace was bought by News Corporation for \$580 million in 2005.

#### Top 10 Companies in the Technology Sector

Rank	Name	Revenue (\$ million)	Profit (\$million)	Change in profit (%)
13	Samsung Electronics	195,845	21,922	-19
15	Apple Inc	182,795	39,510	6
31	HonHai Precision Industry	139,039	4,307	19
53	HP	111,454	5,013	-2
82	IBM	94,128	12,022	-27
88	Amazon	88,988	-241	-188
95	Microsoft	86,833	22,074	1
116	Sony	74,724	-1,145	-
124	Google [Alphabet]	71,487	14,444	11
131	Panasonic	70,169	1,632	35

Source: (Siapera, 2018).

Since then, it has been slowly and steadily in decline. According to research by eMarketer, MySpace (2009) is said to face a reduction of 21% in its advertising income in 2010, dropping from \$490 million in 2009 to \$385 million in 2010 (eMarketer, 2009). Eventually, MySpace was bought by Justin Timberlake for \$35 million in 2011. Twitter is facing mixed fortunes at the moment, after a tough year in 2015. Twitter reported revenues of \$665 million in 2013, \$1.8 billion in 2014, and \$2.20 for 2015. While its revenues are growing, the company is still not profitable. In the spring of 2015, Twitter's Q1 results were leaked and it appeared that its revenues were less than the projections, leading its stock to a free-fall. After the stock lost more than 20%, Twitter ceased trading for a while (Ha, 2015). In October 2015, Twitter recovered after the announcement of the appointment of its founder, Jack Dorsey as the company's CEO, following the resignation of Dick Costolo earlier in 2015. Other well-known social media are equally teetering on the brink of

profit but are not quite profitable: for example, YouTube, which is a Google company, had revenues of \$4 billion in 2014, but according to Winkler (2015), after paying for copyrighted content as well as for the equipment to deliver videos fast, YouTube is roughly breaking even.

These issues show that, notwithstanding the popularity of these social media, and their wide diffusion among global internet users, they have yet to find a fail-safe business model and means by which to guarantee a steady income. The main business model of social media is to sell advertisements, or rather users (and their data), to advertisers (Fuchs, 2013). It is therefore very important for them to keep on growing their user base. One of the reasons that Twitter ran into trouble in early 2015 has been that its growth in users was seen as lackluster. Moreover, the spread of ad block apps, which prevent users from seeing ads, is damaging the very core of this business model. Another income generator for these companies is the collection of data and metadata on their

users, which they subsequently sell to market research companies. While this seems a more certain way to make money, the data can sell for as little of a few cents. According to King and Seward (2013), in 2013, 85% of Twitter's revenue came from advertising and the remaining 15% from selling its data to third parties. King and Seward estimate that Twitter's average revenue per user would be slightly greater than 55 cents. On the other hand, Facebook's total average revenue per user was \$1.60 in the quarter that ended in June 2013.

In the nutshell, one can draw so far is that although there are considerable amounts of money involved in new media businesses, there are no clear solutions to income problems. In addition, notoriety and popularity with users is not always translatable to economic viability. On the other hand, success stories seem to have made use of strategic alliances, and to combine older media revenue models with new media user dynamics. Attracting regular users to sites such as Facebook and Twitter has the potential to attract advertisers, who can see a new means of reaching these audiences or users. In his original formulation on the audience commodity, Dallas Smythe (1981) argued that the main media product is in fact the audience, which is sold to advertisers: this is very clearly the case for new media companies. Given that most online content is produced by users themselves, new media companies need to find new ways for attracting audiences, and this is primarily done through delivering new and innovative platforms for users to post their content; these may include blogs and

micro blogs such as Twitter, video streaming sites, such as YouTube, picture sites such as Instagram, and social networking sites such as Facebook.

### **Social Media Economics: Prospects and Challenges for Nigeria**

Having seen the various dimensions of social media economics, it becomes pertinent at this point to explore how they might operate within the Nigerian context. In other words, to what extent could these economic dynamics of the social media translate or fail to translate to socio-economic success for Nigeria? This question is answered under the sub-heads below:

#### **Penetration Factor**

The economic potentials of the social media would translate to economic success for Nigerians only to the extent social media has penetrated among the population. Without social media platforms being at the disposal of a reasonable portion of the population, realizing its economic benefits becomes a mirage. Unfortunately, the truth is that till date Internet penetration among most countries of Africa including Nigeria is still poor. This would mean that these nations are still hindered from fully reaping the benefits of the social media including its economic aspect as the table below buttresses this assertion.

**Internet Users by Region**

	<b>2013</b>	<b>2017</b>	<b>2020</b>
Africa	2%	10%	16%
America	36%	49%	61%
Arab States	8%	26%	38%
Asia and Pacific	9%	23%	32%
Commonwealth of Independent States	10%	34%	52%
Europe	46%	67%	75%

Source: (Siapera, 2018).

The table above shows the progression in Internet penetration across six regions of the world in the years 2013, 2017 and 2020. The figures show that by 2013, 2017 and 2020, Africa ranked lowest with 2%, 10% and 16% penetration rates respectively.

#### **Literacy or Awareness Factor**

Low literacy rate is still a formidable challenge for African countries in their bid to maximize the economic opportunities offered by the social media. Literacy is key to Internet use (Dare, 2008), and therefore he who lacks such lacks the capacity to be integrated into the Internet community. While the more advanced democracies, such

as the United States, Canada and most European nations have achieved almost 100 percent literacy rate, most countries of Africa are still battling in this front. Nigeria has its literacy rate standing at 61.3% (World Bank, 2014). With this educational handicap, a country like Nigeria naturally would be finding it difficult to fully reap the economic benefits of the social media. Related to this is the challenge of awareness. While it is one thing

to have access to social media, it is another to be aware of its economic potentials and be motivated to explore these. This fact is expressed by Barnes *et al.*, (2013) when they observe that:

Unfortunately, many small business owners continue to be disadvantaged because of their lack of education on how to use social media to grow business profits. Often times, small business owners simply do not have the technical background to understand how to use social media to grow their businesses. As long as there remains low awareness and low motivation, the full economic benefits of social media will remain unattained in Nigeria (p. 3).

### Infrastructure Factor

Social media is information technology-based and so its thriving requires ample availability of relevant information technology hardware and software. This is basically what is here referred to as ICT infrastructure. The precise ICT infrastructure primarily required here is Internet infrastructure, which unfortunately is yet to be satisfactorily developed in Nigeria. Thus, Banda *et al.*, (2009) observe that the problem of infrastructure in Africa has continued to undermine her quest to join the global train of information superhighway. This infrastructure problem, the authors argue, relates, among others, to poor telecommunication networks which results in low levels of Internet usage. Oduche (2013) observes that in Nigeria, Internet bandwidth is still so small that Internet use in the country is still hampered significantly. Thus, when one is in need of data-consuming social media services such as video streaming, a whole lot of troubles are experienced. Furthermore, the bandwidth deficiency also results in high cost of Internet access. Oduche (2013) therefore, hopes that the Nigerian government's pledge of achieving the much needed bandwidth sufficiency by 2018 becomes a reality. The foregoing shows how Nigeria might be lagging behind in terms of harnessing the economic potentials of the social media.

### CONCLUSION

This paper is an appraisal of political economy of new media in Nigeria context. The paper argued, along with Manuel Castells, that these changes still take place within the dominant social formation of capitalism, and hence share important similarities with institutions and practices of industrial capitalism. Following Castells, the paper termed the new social formation 'informational capitalism', to denote that, to the extent that it is capitalist, it revolves around the same quest of profit and entails the same dynamic between labour and capital as with the previous paradigm, that of industrial capitalism.

But to the extent that it is characterized as informational, this kind of capitalism is substantially different from the industrial one, and people must study its differences in order to understand how the economy and society are changing. From the discussion so far, the paper focused on the economic dimension of social media, i.e. its place in the society's wealth creation and distribution endeavour.

Existing literature overwhelmingly supports the view that social media has great potentials for economic empowerment through enhancing job creation and skill acquisition, serving as a platform for marketing and business collaboration, as well as offering cheap platforms for small businesses to thrive. However, Nigeria's capacity to explore these potentials is inevitably affected by certain elements including social media penetration, literacy or awareness and infrastructure. The foregoing can be viewed within the conceptual framework of the political economy theory, which is understood as a collective term for theories and approaches that stress the necessity of analyzing the interrelations between economic processes and specific political circumstances. This concern, which might sound banal, is given a more meaningful twist when one look at the development of the interpretations that have been nurtured by it.

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