



# Changing Economic World

Nigeria: a Newly Emerging Economy (NEE)

## Where is Nigeria?



**Q1. Using the maps describe the location of Nigeria**

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### Global Importance of Nigeria

Nigeria is a Newly Emerging Economy (NEE). In 2014 Nigeria became the world's 21<sup>st</sup> largest economy and it is predicted that by 2050 it will be in the top 20. It is predicted to have the highest GDP growth for 2010-15. It is the 12<sup>th</sup> largest producer of oil in the world and much of the recent economic growth is based on the money made from oil. The economy is now becoming more diverse and money is made from a number of different types of businesses including telecoms and financial services (banking). It ranks as the fifth largest contributor to UN peacekeeping around the world.

### Importance of Nigeria in Africa

In 2014 it had the highest GDP in the continent of Africa and the third largest manufacturing sector. It has the largest population of any African country at 182 million. There are issues over land ownership, but still it has the largest farm output in Africa and 70% of the population are employed in this industry. Nigeria has 19 million cattle, the largest of any African country. Despite issues with internal corruption, a lack of infrastructure and regular power cuts the country has huge potential to help lead the way in the development of the whole continent.

**Q2. Read the information above. Highlight three reasons why Nigeria is important globally and three reasons why Nigeria is important within Africa.**

Political Context	Social Context	Cultural Context
<ul style="list-style-type: none"> <li>• 1960s many African countries gained independence from European nations</li> <li>• Civil wars and dictatorships followed independence which prevented development</li> <li>• Recently there have been free and fair elections and there is a stable government</li> <li>• Foreign companies are now starting to invest e.g. Microsoft</li> </ul>	<ul style="list-style-type: none"> <li>• Nigeria is multi ethnic and multi faith. Diversity is a strength but has also been a source of conflict.</li> <li>• 1960s there was a civil war when one group tried to separate from the rest of Nigeria</li> <li>• Economic inequality between north and south has led to religious and ethnic tensions.</li> <li>• Fundamentalist groups have made the country unstable.</li> </ul>	<ul style="list-style-type: none"> <li>• Nigeria has its own music and cinema 'Nollywood' that are enjoyed across the country</li> <li>• It has the second largest film production industry in the world!</li> <li>• Nigerian teams have won the African Cup of Nations three times and several Nigerians have played in the Premier League</li> </ul>

**Q3. Read the information about the political, social and cultural context of Nigeria. Explain how politics has shaped economic development (4 marks)**

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**Q4. How have social and political conflict affected development in Nigeria in recent years? (4 marks)**

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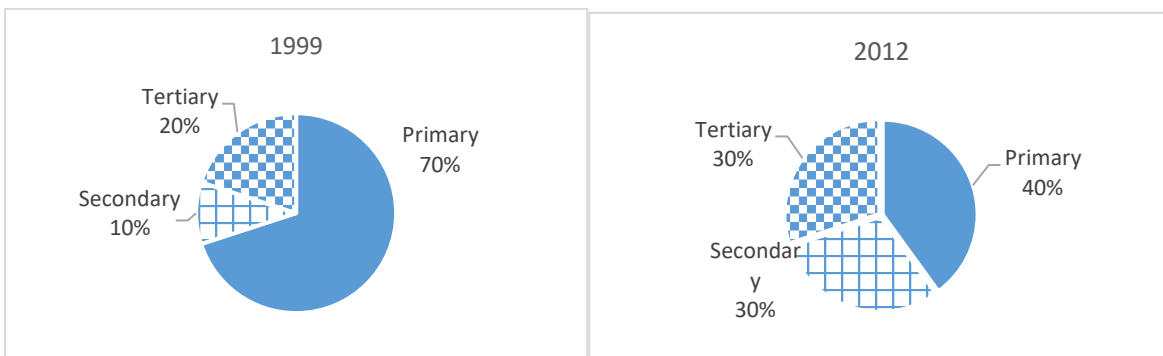
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Graphs showing the different sectors that people in Nigeria work in

**Q5 Using evidence form the graphs describe how employment and industry has changed in Nigeria between 1999 and 2012 (3 marks)**

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Primary jobs in Nigeria are mostly in farming, secondary jobs are in making processed foods, textiles, leather items and chemicals. Tertiary jobs are in communications, media, retail and finance.

Nigeria's **manufacturing** sector is growing and helping to boost economic development in the country.

- Regular paid work gives people a secure income to improve their own lives. Also the income for the government from taxes increases
- Many manufactured goods are available for people to buy
- Manufacturing a car needs many parts so other businesses benefit from making and supplying the parts
- Attracts foreign companies to establish and invest in Nigeria creating more jobs

**Q6 Give a definition of 'manufacturing' (1 mark)**

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A **Trans National Corporation** or TNC is a large company that operates in several countries. A TNC usually has its headquarters in a HIC and production plants in NEE / LICs. There are forty TNCs operating in Nigeria. Unilever is an example of a TNC with its headquarters in the UK and the Netherlands, but chemical and soap manufacturing plants in Nigeria.

Unilever manufacture soap using Nigerian grown Palm Oil, employing 1500 people. All the Palm Oil comes from sustainable sources to protect the environment. The company works with people from local cultural markets to make sure that standards of employment are high and workers are cared for.

The company has also promoted improvements in healthcare, education and water supply as part of its social responsibility programme in Nigeria. It was voted the second best company to work for in Nigeria in 2014!

Shell Oil also operate in Nigeria however:

- Oil spills have caused water pollution and damaged the land reducing agricultural and fishing yields
- Toxic fumes are polluting the air
- Militant groups disrupt the oil supply
- Oil theft is a costing the government and TNCs billions of dollars every year

**Q7. Assess the costs and benefits of TNCs in Nigeria (6 marks)**

Read – what a bad one looks like	Improve and develop the answer further
<p><i>The benefits of a TNC are that they give people a job, put money into the country for stuff like roads. Also other companies start to make money.</i></p> <p><i>Problems are that local people are poorly paid, working conditions can be poor like a sweatshop. The big jobs go to people from foreign countries like the one where the head office is.</i></p> <p><i>Overall, I think there are good and bad things about TNC in Nigeria.</i></p>	

## Impacts of International Aid

Nigeria receives International Aid because even though the country is developing rapidly many people are still poor. They have limited access to safe water, health and education services and a reliable electricity supply. 60% of the population live on less than 63p per day. Birth rates and infant mortality rates are high and life expectancy low, particularly in the north-east of the country. Most aid comes from countries like the UK and USA, but organisations like The World Bank and charities also provide support. The most successful aid projects are small and community based, supported by charities and Non-Governmental Organisations (NGOs) These deliver help directly where it is needed, so that no money is wasted.

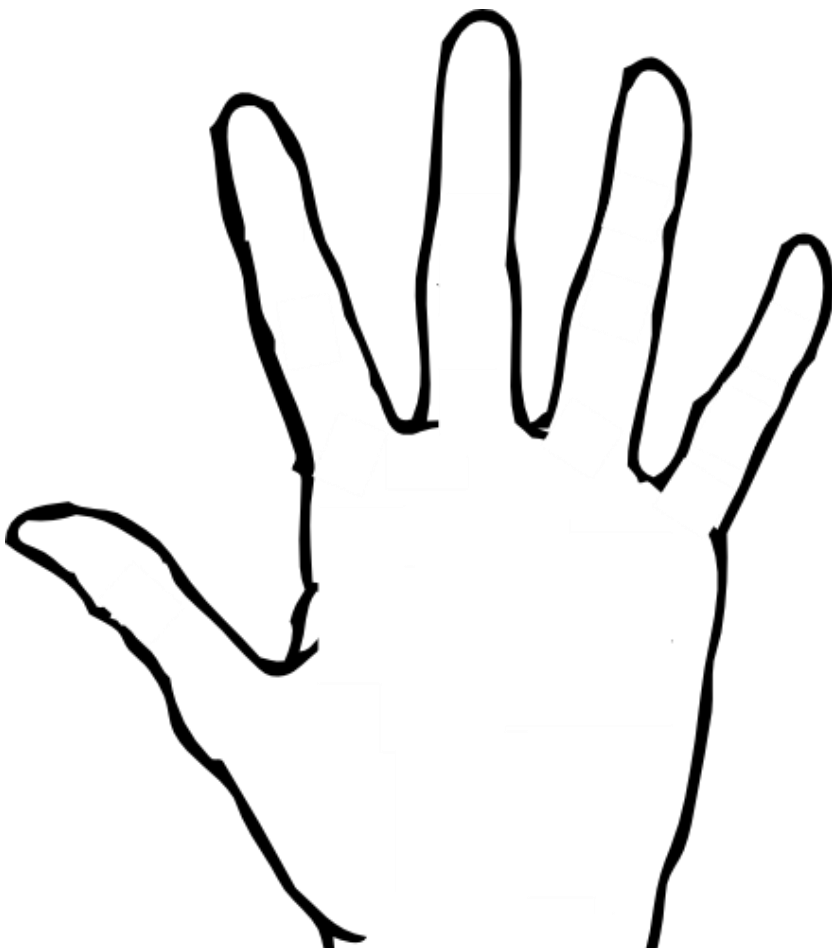
**Aid isn't always used effectively** in Nigeria because:

- Corruption in the government and individuals means aid is lost or not given to the right people
- There have been claims aid money has been used to supply the Navy
- Donors of aid may have political influence over who does and does not benefit. They may use donations to promote themselves.

**How does Nigeria benefit?**

- Nets for Life project provides education on Malaria and give mosquito nets to households to prevent the spread of the disease
- World Bank funded loans to businesses to help diversify the economy away from being dependent on oil so that new businesses and industries are developed
- The UK government has funded health and HIV programme providing health and education in rural areas. This will help to protect people against infection in the future and help them to work and improve their own lives.

**Q8. In the hand summarise the five key points from the paragraph above. In the palm explain why aid might not be used effectively.**



### Types of aid

**Emergency or short-term aid** - needed after sudden disasters such as the 2000 Mozambique floods or the 2004 Asian tsunami.

**Charitable aid** - funded by donations from the public through organisations such as OXFAM.

**Long-term or development aid** - involves providing local communities with education and skills for sustainable development, usually through organisations such as Practical Action.

**Multilateral aid** - given through international organisations such as the World Bank rather than by one specific country.

### How does economic growth affect the environment?

Industrial Growth	Urban Growth	Mineral and oil extraction
<p>Nigeria has 5000 industrial plants and 10,000 illegal small scale industries. The fast and unchecked growth of industry has led to environmental issues such as:</p> <ul style="list-style-type: none"> <li>➤ Pollution of nearby land and rivers as toxic waste is dumped or leaked</li> <li>➤ Harmful pollutants go into open drains putting people and ecosystems at risk</li> <li>➤ Breathing and lung problems come from the huge number of fumes</li> </ul>	<p>Urban areas have developed rapidly bringing many challenges:</p> <ul style="list-style-type: none"> <li>➤ Squatter settlements are common in most cities</li> <li>➤ Services e.g. health, education, water have not kept pace with the growing cities</li> <li>➤ Waste disposal is a major issue as collection services are poor so it is dumped on the streets</li> <li>➤ Traffic congestion creates high levels of pollution</li> <li>➤ 70 – 80% of forests have been destroyed through logging, agriculture and urban development</li> </ul>	<p>Mining for raw materials and precious metals can lead to pollution, damaging ecosystems and affecting peoples' jobs:</p> <ul style="list-style-type: none"> <li>➤ Tin mining has led to soil erosion and local water supplies were polluted with toxic chemicals</li> <li>➤ Oil spills have damaged freshwater and marine ecosystems leading to loss of species and unhealthy ecosystems</li> <li>➤ Oil spills can cause fires which release huge amounts of CO2 causing acid rain</li> </ul>

#### **Q9. Explain how economic growth can have harmful impacts on the environment (6 marks)**

<b>Read</b> – what a bad one looks like	<b>Improve</b> and develop the answer further
<p><i>Economic growth is bad for the environment because it pollutes it.</i></p> <p><i>Industry growing is a cause of damage.</i></p> <p><i>Urban growth has happened quickly and this is bad for the environment too.</i></p> <p><i>Mining for oil, precious metals and minerals is bad because it poisons all the animals and they die.</i></p>	

**Quality of Life in Nigeria**

Quality of life is measured by the United Nations' HDI (Human Development Index). In 2000 Nigeria was ranked amongst the least developed nations for health and education. Nigeria's HDI has been increasing since 2005, so that in 2011 Nigeria had one of the highest average HDI improvements in the world over the last decade.

<b>Indicator</b>	<b>1990</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2013</b>
Life expectancy at birth	46	47	49	51	52
Births attended by skilled staff (%)	31	-	-	44	38
Mortality rate (per 1000)	213	188	159	131	117
Sanitation facilities % of population with access	37	33	31	29	28
Safe water %	46	55	59	63	64
Secondary school enrolment %	25	14	35	44	-
Mobile phone subscriptions per 100 people	0	0	13	55	73
Internet users per 100 people	0	0	4	24	38

**Q10. Evaluate to what extent economic development has improved the quality of people's lives in Nigeria (9 marks + 3 SPaG)**

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Economic development in Nigeria has improved Quality of Life in many ways. HDI means..... Over the last decade Nigeria's HDI has..... this shows that.....

Another major change in quality of life is life expectancy. Life expectancy is..... Strategies that have improved life expectancy are..... Other indicators are.....

Overall the evidence suggests that to a great / some / little extent quality of life has improved because....