



# Nigeria's Context



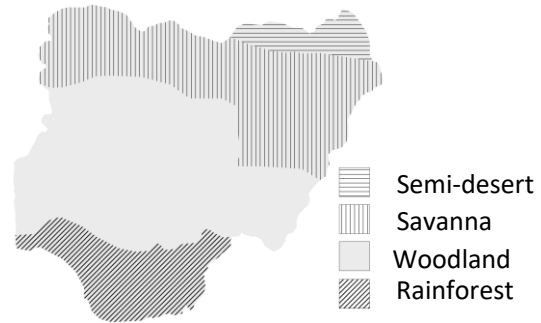
## Political Context

- After independence from the UK in 1960, Nigeria experienced political instability for several years due to different factions fighting for control. Civil war ravaged the country between 1967 to 1970.
- In 1991 the capital moved from Lagos to the newly built city of Abuja.
- The country, regarded as stable since 1999, experienced free & fair elections in 2011 & 2015.
- Increased confidence in the country has led to considerable economic investment from China, the USA and South Africa.
- Nigeria is a member of the Commonwealth.

## Social Context

- The population of Nigeria is multi-cultural & multi-faith. It is a land of over 500 languages and hundreds of ethnic groups.
- Although social diversity is a considerable strength of Nigeria, it has led to some regional conflicts. The fundamentalist group Boko Haram has hindered economic development through conflict.

## Environmental Context



- Tropical climate to the south, drier in the north.
- Rainforest thrives in the equatorial climate in southern Nigeria. Tree crops in this area include cocoa, palm oil and rubber.
- To the north, savanna grassland replaces the rainforest. A range of field crops is typical here, including cotton and millet. Cattle also graze the savanna.
- Semi-desert exists in the very north of Nigeria. The nomadic grazing of cattle is the primary type of agriculture in the region.

## Cultural Context

- Nigeria has a rich & varied culture and social diversity. Its film, music & literary sectors are thriving.
- Nigeria has experienced football success by winning the African Cup of Nations three times.
- Nigeria has the second-largest film industry in the world, behind India. Nigerian cinema is known as "Nollywood".

## Regional Variations

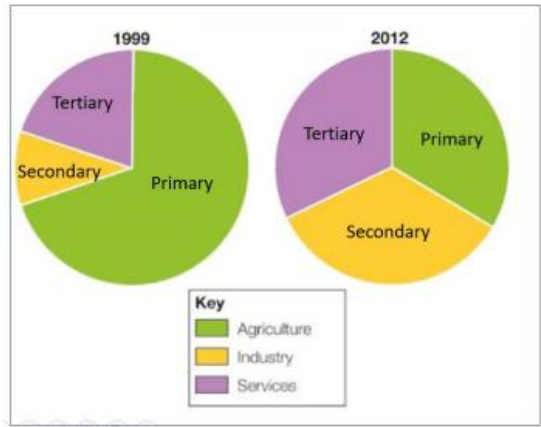
- There are huge variations in Nigeria.
- Urban areas have a greater share of public services. The south is more developed than the north.

## Nigeria's changing Industrial structure

Nigeria is the largest economy in Africa, and one of the fastest growing economies in the world. Between 1999 and 2012 the main changes that have occurred are:

- Primary sector- Decreased
- Secondary sector- Increased
- Tertiary Sector- Increased

Despite this, almost 100 million people in Nigeria live on less than US\$1 a day. Wealth tends to be focused in the south, around Lagos, with greater poverty in the north. Nigeria's industrial structure has significantly changed in recent times.



# Investment, Trade, TNCs & Aid in Nigeria



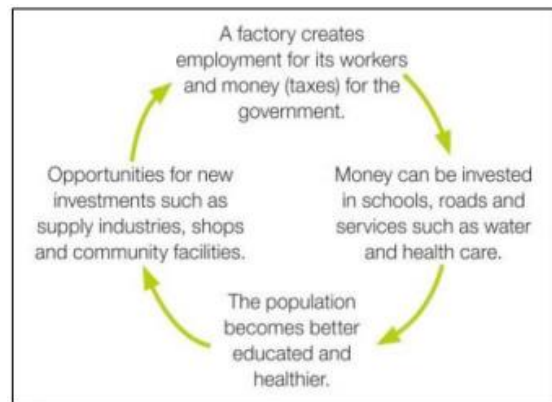
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## Investment in Nigeria

- Discovered in the 1950s, oil and gas
- extracted from the Niger Delta has fuelled Nigeria's industrial revolution & attracted foreign investment.
- Fluctuating prices, social & environmental issues in the delta region, have created economic turbulence.
- Manufacturing is Nigeria's fastest-growing sector because Nigeria has a large, cheap labour force and a huge market.
- Many industries have benefited from links to one another for example, petrochemicals, plastics and detergents.



## Trading relationships

Nigeria has strong trading relationships with Africa and the rest of the world:

- Imports: Nigeria's main imports are refined petroleum products from the European Union and the USA
- Exports: almost 50 per cent of Nigeria's exports are to the EU, and include crude oil, natural gas, rubber, cotton and cocoa. Most of Nigeria's crude oil is exported India, China, Japan and South Korea.



## Shell in Nigeria

The Anglo-Dutch company with its headquarters in the Netherlands. Since the discovery of oil in the 1958, since then their presence in Nigeria has been controversial.

Shell has invested huge amounts of money and expertise into Nigeria including:

- 65000 direct jobs and 250,000 indirect jobs
- 91% of shell contracts go to Nigerian companies
- Supports the growth of the Nigerian energy sector.
- Major contributions in taxes and export revenue

Despite these benefits, oil developments have caused tensions and environmental issues such as:

- Oil spills have caused water and soil pollution in the Niger Delta reducing fishing and farming yields
- Frequent flares send toxic fumes into the air
- Militant groups disrupt the oil supply in the Delta
- Oil theft and sabotage are big problems in the region reducing production levels and costing TNC's and the government billions of dollars each year



## Aid in Nigeria

Despite economic growth, poverty remains common in Nigeria.

Infant mortality rates are high and life expectancy is low, especially in parts of northeast Nigeria.

Nigeria receives about 4 per cent of the total aid given to African countries.

Aid comes from organisations like the International Development Agency / World Bank (medicines), the EU, UINCEF, and individual countries including the USA, the UK and Germany.

The total amount of aid to Nigeria is about US\$5,000 million.

Aid has benefited many people, particularly through community based projects supported by small charities and non-governmental organisations (NGOs).

Projects have included the following:

- The Aduwan Health Centre in Northern Nigeria, supported by ActionAid and the World Bank, it provides vaccinations and general healthcare, particularly for mothers and babies.
  - Anti-mosquito nets provided by the organisation 'Nets for Life'
  - Community Care in Nigeria, funded by USA AID, supports orphans and vulnerable children
  - Aid from the USA helps to educate and protect people against AIDS/HIV
- Despite good intentions, some aid money fails to get to the people who need it, due to corrupt individuals and corruption within the government.

# Impact of economic development in Nigeria

## Environmental Impacts of Development



### Oil Spills

Oils spills in the Niger delta are caused by pipeline and tanker accidents, lack of maintenance of pipelines, sabotage and non-functioning equipment.

Many of these spills have poisoned water supplies for local people and ruined the ecosystems.

In 2011 Shell said they spilt 17.5 million litres of oil into the Niger delta.



### Deforestation

As of 2005, Nigeria has the highest rate of deforestation in the world.

Between 70-80% of Nigeria's forests have been removed.

Forest has been cleared for logging, timber export, subsistence agriculture, commercial farming, road and urban development.

This is bad for soils, which can be quickly eroded. It also releases CO<sub>2</sub> into the atmosphere and results in a loss of biodiversity.



### Industrial Pollution

Many industries in Nigeria are growing more quickly than regulation can monitor and manage.

There are an estimated 10,000 illegal small-scale industries in Nigeria. These industries have increased waste which damages groundwater supplies.

In addition, these industries emit dust and other pollutants into the air which can result in respiratory & heart problems for people.



### Desertification

Rapid economic growth and population growth in northern Nigeria is creating the problem of desertification. The process by which dryland ecosystems are continually degraded by the removal of tree and plant cover, mostly by human activity.

This is largely caused by the developed of intensive agriculture for crops like soya or livestock grazing.

### **Growth of Urban Areas:**

- **Water pollution** is a major problem. Uncontrolled disposal of raw sewage, sediment carrying runoff and effluents into the water supplies is common. Deadly waterborne diseases like cholera & diarrhoea are affecting people as a result.
- **Air pollution** – Lagos has dangerous levels of nitrous oxides and small dust particles called particulate matter. These are both hazardous to human health and can cause things like asthma. The causes of this pollution are industry, ever increasing numbers of cars and construction dust.
- **Waste** – Increased urbanisation means more waste. It has been estimated that Lagos produces 13million kg of waste per day using infrastructure developed in the 1970's when the city had only 3 million residents. That leaves a lot of uncollected waste.
- **Traffic congestion** – rising car ownership and wealth have meant that more people own cars in Nigeria. These contribute to both noise and air pollution, as well as lots of lost hours as people sit in traffic jams.

# Social Impacts of Development

As a country's economy develops, ordinary people will usually see some benefits. Their quality of life should improve (photo **A**).

Reliable, better-paid jobs in manufacturing industries or services (for example, health care and education)

Better access to safe water and sanitation

Improved access to a better diet means higher productivity at work and in school

Higher disposable income to spend on schooling, home improvements, food, clothes and recreation

Reliable electricity supplies providing lighting and heating – easier to go out at night, and for children to do homework

Improvements to infrastructure such as roads

Better-quality health care, with more doctors and better-equipped hospitals



**A** *The benefits of economic development*



## Successes:

- Nigeria's Human Development Index (HDI) has increased steadily since 2005 from below 0.47 to 0.532. The country has one of the fastest-growing rates of HDI in the world.
- Life expectancy has increased from 46 to 53 years.
- 64% have access to safe water.
- Typical schooling years has increased from 7 to 9.



## Ongoing problems:

- Not everyone has benefitted from economic development in Nigeria.
- 60% of Nigeria's population still live in poverty.
- There is a gap between the wealthy and poor – the economic gains from oil have not benefitted everyone.
- The rural areas of Nigeria still lack basic services and the urban poor in cities lack good quality of life.

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP\$)	HDI value
1990	45.9	6.7		2,792	
1995	45.9	7.2		2,569	
2000	46.3	8.0		2,451	
2005	48.2	9.0	5.2	3,669	0.465
2010	50.8	8.4	5.2	4,862	0.484
2015	53.0	10.0	6.0	5,527	0.527
2016	53.4	10.0	6.2	5,326	0.530
2017	53.9	10.0	6.2	5,231	0.532