

GCSE GEOGRAPHY:

NIGERIA –

A Newly Emerging Economy



STUDENT NAME: _____

CLASS TEACHER: _____

CASE STUDY: ECONOMIC DEVELOPMENT IN NIGERIA – A NEWLY EMERGING ECONOMY

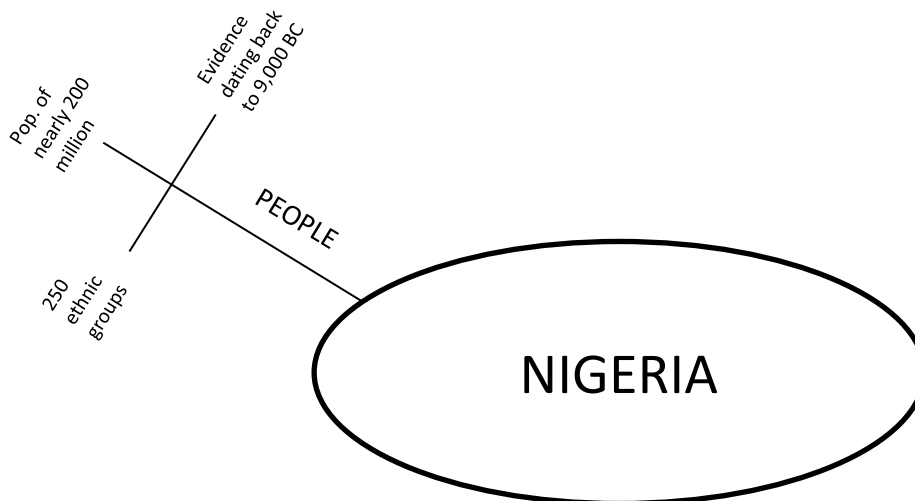
The specification requires you to study economic development in a low income country (LIC) or newly emerging economy (NEE). We are going to be focusing on Nigeria, a newly emerging economy.

This unit will not be taught in lessons. Instead, you will be expected to work through the tasks and exam questions in this booklet at home. Make sure that you familiarise yourself with the content and be prepared to show your class teacher the completed booklet when you return to lessons.

INTRODUCTION

Learning activity: Watch the video at the following link and complete the mind map below to describe some of Nigeria's characteristics. An example has been completed for you.

<https://www.youtube.com/watch?v=c7tlzKyxfuU>



2. WHAT IS THE WIDER POLITICAL, SOCIAL AND ENVIRONMENTAL CONTEXT?

POLITICAL

In 1883, European 'superpowers' created the political map of Africa. For many years Europeans exploited African resources and promoted slavery.

Nigeria achieved independence from the UK in 1960, but then experienced political instability as different factions fought to control, with a bitter civil war raging from 1967 to 1970.

In 1991 the newly built city of Abuja became Nigeria's capital city. From 1999, the country has been largely stable, enjoying 'free and fair' elections in 2011 and 2015. This has encouraged investment, particularly from China (construction projects), South Africa (banking) and the USA (Walmart, IBM and Microsoft).

SOCIAL

Nigeria is a multi-cultural, multi-faith society, with several tribes, including the Yoruba, Hausa and Fulani, represented. Several faiths including Christianity and Islam, are practised widely.

While social diversity is one of Nigeria's greatest strengths, it has led to some regional conflicts and power struggles. The rise of the Islamic fundamentalist group Boko Haram has caused conflict and hindered economic development.

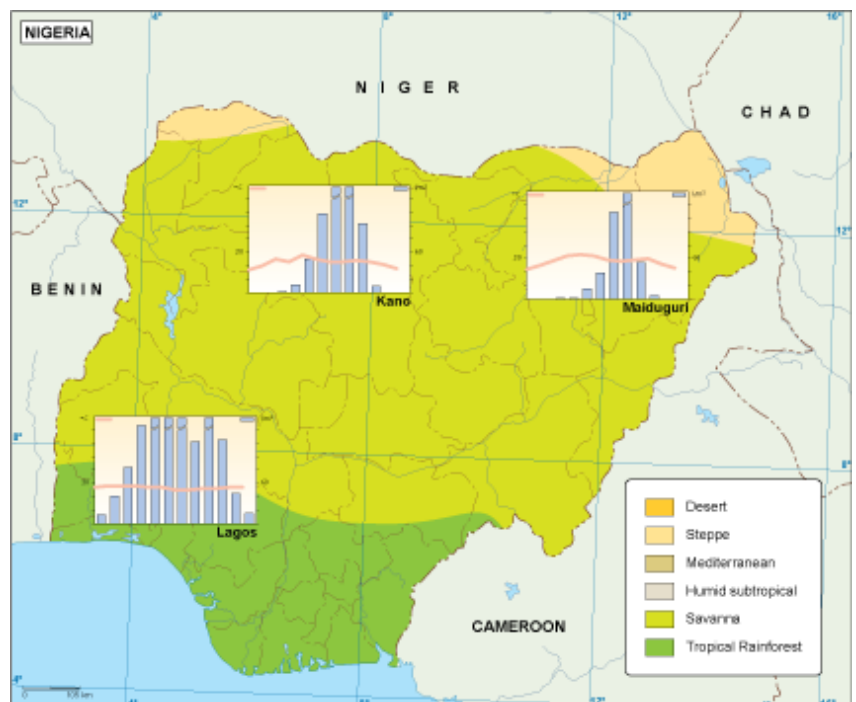
CULTURAL

Nigeria's social diversity has created a rich and varied artistic culture, with thriving music, film and literary sectors. It has its own version of 'Bollywood' called 'Nollywood' – one of the largest film industries in the world. The Nigerian football team has won the African cup of Nations on three occasions, and several players belong to Premier Clubs in the UK.

ENVIRONMENTAL

Nigeria's global location places it within the Tropics:

- To the south, high rainfall promotes tropical rainforest. In this region, tree crops include cocoa, rubber and oil palm.
- Further north, as rainfall decreases, grassland (savanna) replaces trees. Here, people grow field crops such as millet, cotton and groundnuts (peanuts), and cattle graze.
- An upland plateau region – the Jos Plateau – experiences cooler and wetter conditions (more favourable for farming) than the surrounding savanna.
- The far north has semi-desert conditions, with nomadic grazing cattle.



Learning activity: Read the information on page 4. Highlight the most important information using a highlighter and write brief notes to summarise it into the grid below. An example is completed for you.

NIGERIA – THE WIDER CONTEXT	
POLITICAL	SOCIAL
<ul style="list-style-type: none"> • European ‘superpowers’ occupied much of Africa • Nigeria was a British colony • Gained independence in 1960 • Period of political instability followed • Civil war (1967-70) • 1991 – Abuja becomes new capital • Politically stable since 1999 • Fair elections (2011, 2015) • Significant investment since 	
CULTURAL	ENVIRONMENTAL

3. HOW IS NIGERIA'S INDUSTRIAL STRUCTURE AND ECONOMY BALANCE CHANGING?

When studying a country's economy, often we look at their **economic structure**. This refers to the proportion of primary, secondary and tertiary industry. Can you remember what these terms mean?

Primary industry – jobs which involve the harnessing of resources from the land or sea (farming, mining, fishing etc)

Secondary industry – jobs which involve the manufacturing of products

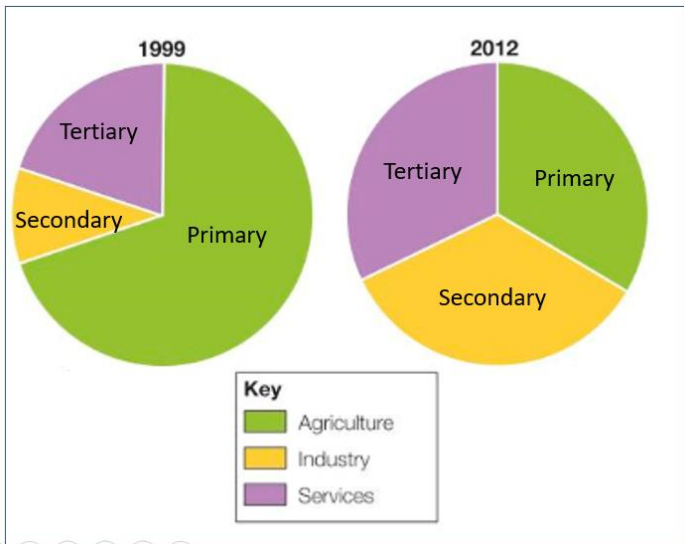
Tertiary industry – jobs which involve the provision of services to the public (e.g. shop assistants, teachers, doctors etc)

Nigeria is the largest economy in Africa, and one of the fastest growing economies in the world. 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.

Learning Activity: Study the pie graphs below. They show how Nigeria's economic structure has changed between 1999 to 2012. Describe how Nigeria's economic structure has changed and using the key words/phrases in the box below, explain some of the reasons for the changes.

Mechanisation; rural-urban migration; increased investment; political stability; increasing wealth and demand for services



The proportion of primary industry has...

This is because...

The proportion of secondary industry has...

This is because...

The proportion of tertiary industry has...

This is because...

Learning activity: To what extent can Nigeria be said to have a balanced economy. Explain.

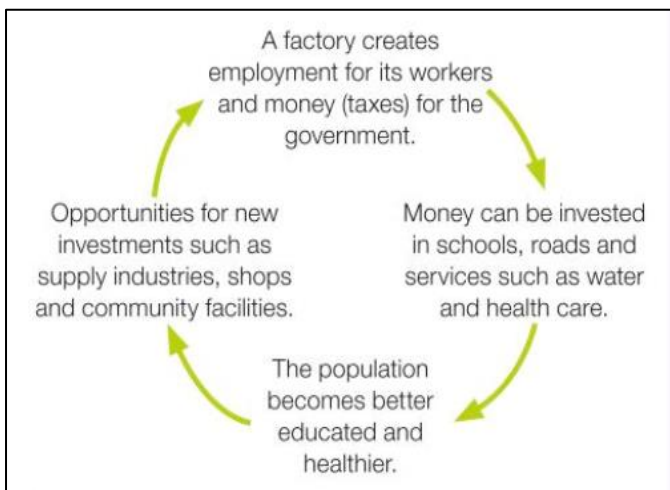
The oil and gas industry are hugely important to Nigeria's economy. Discovered in the 1950s, oil and gas extracted from the Niger Delta has fuelled Nigeria's industrial revolution and attracted massive foreign investment. However, fluctuating prices, and social and environmental issues in the delta region, have created economic turbulence.

Manufacturing is Nigeria's fastest-growing sector. It has a large, cheap labour force and a huge market. Many industries have benefited from links to one another like for example, petrochemicals, plastics and detergents.

Learning activity: Can you suggest reasons why it is 'good thing' that Nigeria has started to diversify its economy and become less reliant on just oil...?

4. HOW CAN MANUFACTURING INDUSTRY STIMULATE ECONOMIC GROWTH?

The growth of manufacturing can stimulate economic growth within a country known as the 'multiplier effect'. This is demonstrated in the diagram below.



Learning activity: Using the diagram to help you, explain how manufacturing has helped promote growth and development within countries like Nigeria.

5. HOW IMPORTANT ARE TNCs TO NIGERIA'S ECONOMIC DEVELOPMENT?

Transnational Corporations (TNCs) have played an important role in Nigeria's recent economic growth. They can invest huge amounts of money and expertise whilst benefiting from tax incentives, cheap labour and large internal markets.

There are currently about 40 TNCs operating in Nigeria, most of which have their headquarters in Europe or the USA. Increasingly, Asian TNCs are also investing in Nigeria.

There are several advantages and disadvantages of TNCs:

Advantages of TNCs	Disadvantages of TNCs
<ul style="list-style-type: none"> ● Large companies provide employment and training of skills. ● Modern technology is introduced. ● Companies often invest in the local area, improving services (e.g. roads, electricity) and social amenities. ● Local companies may benefit by supplying the TNCs. ● TNCs have many international business links, helping industry to thrive. ● The government benefits from export taxes, providing money that can be spent on improving education, health care and services. 	<ul style="list-style-type: none"> ● TNCs can exploit the low wage economy and avoid paying local taxes. ● Working conditions may be poor, with fewer rules and regulations than exist in richer countries. ● Environmental damage may be caused. ● Higher-paid management jobs are often held by foreign nationals. ● Most of the profit goes abroad rather than benefiting the host country. ● Incentives used to attract TNCs could have been spent supporting Nigerian companies.

CASE STUDY: SHELL OIL IN THE NIGER DELTA

An example of a TNC operating in Nigeria is the oil company Shell. Details of their operation in Nigeria are given below:

Shell Oil in the Niger Delta


Shell – or Royal Dutch Shell – is one of the world's largest oil companies. It is an Anglo-Dutch company with its headquarters in the Netherlands. Since the discovery of oil in 1958, its operations in the Niger Delta have been controversial.

The swampy river delta is one of the most difficult places in the world to extract oil (map **C**). As a TNC, Shell has been able to invest huge amounts of money and expertise into extracting oil here. Shell has brought a number of benefits to Nigeria's economy by:


- ◆ making major contributions in taxes and export revenue
- ◆ providing direct employment for 65 000 Nigerian workers and a further 250 000 jobs in related industries (photo **D**)
- ◆ giving 91 per cent of Shell contracts to Nigerian companies
- ◆ supporting the growth of Nigeria's energy sector.

Despite the benefits, oil developments have caused tensions and environmental problems.

- ◆ Oil spills have caused water pollution and soil degradation, reducing agricultural production and fishing yields.
- ◆ Frequent oil flares send toxic fumes into the air.
- ◆ Militant groups disrupt oil supply in the delta.
- ◆ Oil theft and sabotage are big problems in the region, reducing production levels and costing TNCs and the government billions of dollars every year.



C Oil extraction in the Niger Delta



D An oil rig in the Niger Delta

Learning activity: Fill in the table below, detailing the advantages and disadvantages of oil extraction by TNCs such as Shell in Nigeria.

ADVANTAGES	DISADVANTAGES

PRACTICE EXAM QUESTION:

To what extent do the advantages of Transnational Corporations (TNCs) outweigh the disadvantages in promoting economic development? [9 marks]

Suggested structure:

Point:

Transnational Corporation bring many advantages to a country in terms of promoting development including...

Evidence:

For example, in Nigeria, the arrival of the TNC...has been advantageous because...

Explanation:

This means that...

Also...In addition...Furthermore...

Link:

For this reason, the presence of TNCs within a country can be advantageous in promoting development to a extent.

[Repeat for opposing argument]

Point:

On the other hand, the presence of transnational corporations can bring many disadvantages in terms of promoting development including...

Evidence:

For example,...

Explanation:

This means that...

Also...In addition...Furthermore...

Link:

For this reason...

Conclusion:

Overall, the advantages of transnational corporations outweigh the disadvantages in promoting economic development to a ...extent because...

6. HOW IS NIGERIA'S POLITICAL AND TRADING RELATIONSHIP WITH THE REST OF THE WORLD CHANGING?

POLITICAL RELATIONSHIPS

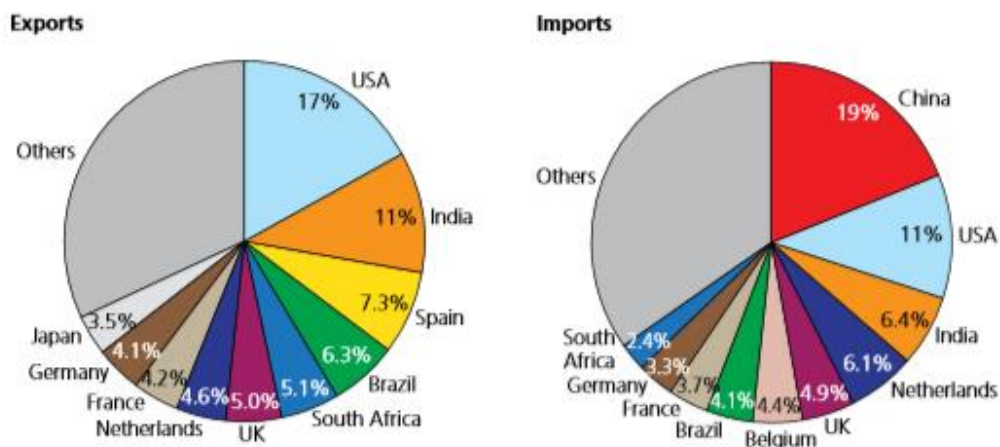
Nigeria's development from an LIC to an NEE has changed its global political position:

- Nigeria was originally part of the British Empire, so most political and trading relationships were with the UK and other members of the Empire
- Since becoming independent in 1960, Nigeria has been part of the Commonwealth, maintaining strong links with the UK but also developing links with other countries elsewhere (particularly Africa, Asia and the USA)
- Nigeria plays a leading political role within Africa in terms of economic planning through the African Union and peacekeeping as part of the United Nations.
- Links with China are growing, as Nigeria benefits from increased investment, such as US\$12 billion to construct a new 1,400km railway.

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, cars from Brazil, mobile phones from China, the USA and the EU.
- 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 to India, China, Japan and South Korea. Approximately 30 per cent of Nigeria's cotton is exported to Australia and 15 per cent to Indonesia. Cocoa is exported for processing in Barbados.



Nigeria belongs to several trading groups including the Economic Community of West Africa (ECOWAS), a trading alliance with its headquarters in Abuja, and the Organisation of Petroleum Exporting Countries (OPEC).

Learning activity: How and why have Nigeria's political relationships changed since 1960?

Assess the importance of Nigeria's trading relationships with China?

7. WHAT ARE THE ENVIRONMENTAL IMPACTS OF ECONOMIC DEVELOPMENT

The rapid pace of economic development in Nigeria has had some harmful impacts on the environment.

MINING AND OIL EXTRACTION

This has resulted in serious incidents of pollution, particularly involving oil spills and fires in the Niger Delta, causing damage to aquatic ecosystems and toxic fumes being released into the atmosphere. Tin mining has polluted local water supplies and resulted in soil erosion.

In 2008/09, two massive oil spills devastated 20km² of natural swamps close to the town of Bodo in the Niger Delta. In 2015, Shell agreed to pay compensation to the community and to clean up the affected area.

INDUSTRIAL DEVELOPMENT

The speed of industrial growth means that many large-scale industrial developments are unregulated and lack planning consent:

- In the major cities of Lagos and Kano, toxic chemicals are discharged into drains and open sewers, posing dangers to human health and natural ecosystems
- Chimneys emit poisonous gases that can affect people's respiratory tract and contribute to global warming
- Deforestation is a major issue. Up to 80 per cent of Nigeria's forests have been destroyed. Burning releases carbon dioxide (a greenhouse gas) into the atmosphere and forest removal results in serious soil erosion.
- Waste disposal can poison rivers or the land, where it can contaminate groundwater supplies.

URBAN GROWTH

The rapid growth and outwards sprawl of urban centre such as Lagos have had a significant impact on the environment. Large areas of countryside have been lost, swallowed up by industrial developments or squatter settlements. The lack of sanitation and inadequate waste disposal cause land and water pollution, and the fumes caused by traffic congestion contribute to climate change.

Learning activity: Read through the information on the environmental impacts of economic development above and complete the following:

1. Watch the videos at the following links regarding oil pollution in the Niger Delta
https://www.youtube.com/watch?time_continue=151&v=sEGwd4clojE&feature=emb_logo
<https://www.youtube.com/watch?v=YKhbKSD9u0s>
<https://www.youtube.com/watch?v=s3kF-YRNMuw>

2. **What impact have these oil spills had on the environment of the area?**

3. **How have the oil spills impacted the lives of the local people?**

4. **In what ways are industrial developments in Nigeria impacting a) air quality, b) soil quality and c) water courses?**

5. **How is industrial development contributing to global warming?**

6. **In what way is rapid urbanisation a) leading to loss of habitats and b) pollution of land and water courses and c) climate change?**

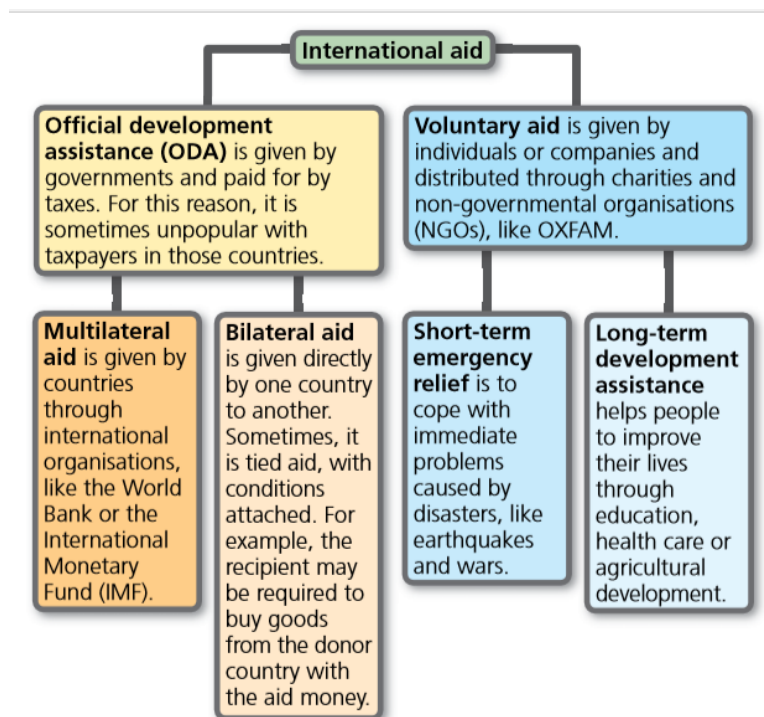
7. **Does progress and economic development always have to come at an environmental cost? What do you think?**

8. WHAT HAS BEEN THE IMPACT OF INTERNATIONAL AID ON NIGERIA?

Aid involves the provision of support for people. It can take two forms:

- a) **Emergency aid** – usually provided in an emergency such as a natural disaster or...
- b) **Long-term aid** – developmental aid aimed at improving people’s quality of life (e.g. health clinics; water supply; schools)

The diagram below shows the different types of **international aid**:



Despite huge economic growth, poverty remains common in Nigeria. Infant mortality rates are high and life expectancy is low, especially in parts of northeast Nigeria.

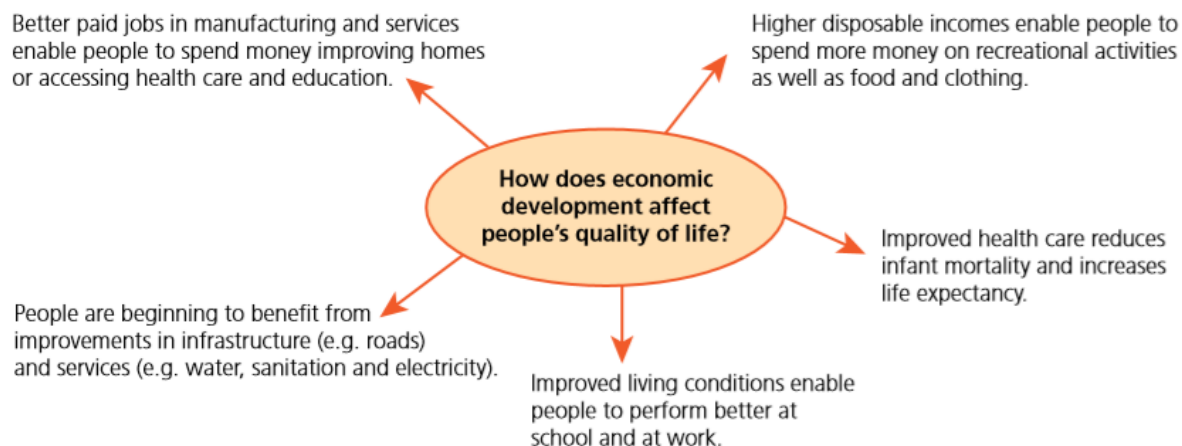
Nigeria receives about 4 per cent of the total aid given to African countries. This aid comes from organisations such as the International Development Agency / World Bank (medicines), the EU, UNICEF, and individual countries including the USA, the UK and Germany. The total amount of aid to Nigeria is 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.

9. HOW DOES ECONOMIC DEVELOPMENT AFFECT PEOPLE'S QUALITY OF LIFE?



Whilst many people in Nigeria remain poor, especially in the rural areas of the north, a great many people have benefited from economic development. Nigeria's Human Development Index (HDI) has increased steadily since 2005 from below 0.47 to 0.50 today. It is one of the fastest growing rates of HDI in the world.

Since 1980:

- Life expectancy has increased from 45.66 to 52.5
- Access to safe water has increased from 46 percent to 64 per cent
- Expected years in schooling has increased from 6.7 to 9.0
- Over 70 per cent of Nigerian's now have mobile phone subscriptions
- 38 per cent have internet access

However, as recently as 2013:

- Life expectancy was still only 52 years
- Only 28 per cent of people had access to sanitation facilities
- Only 38 per cent of births were attended by skilled medics
- 60 per cent of the population still lived on less than US\$1 (£0.63) a day

For the future, if the 60 per cent of Nigeria's population currently living in poverty are to benefit from economic development, certain challenges are to be met:

- The issue of individual and government corruption needs to be addressed to ensure that wealth reaches all people
- Oil revenues need to stimulate growth across the economy and should be used to Nigeria's industry
- Environmental issues, such as soil erosion, desertification, malarial breeding grounds and oil spills, need to be addressed
- Basic service provision (water, sanitation and electricity) needs to be a priority for all people
- Ethnic and religious conflicts need to be addressed sensitively

Only when the lives of ordinary people have been improved will Nigeria's economic development be considered a great success.

PRACTICE EXAM QUESTION:

With reference to a case study of an LIC or NEE country, discuss the extent to which economic development has improved people's quality of life [9 marks]

Suggested structure:

Point:

Economic development can improve the quality of life for people in developing countries.

Evidence:

For example, in Nigeria, economic development such as... has improved the quality of life by...

Explanation:

This means that...

Also...In addition...Furthermore...

Link:

For this reason, economic development has improved the quality of life to a...extent.

[Repeat for opposing argument]

Point:

On the other hand, economic development can worsen or do little to improve the quality of life in many developing countries.

Evidence:

For example,...

Explanation:

This means that...

Also...In addition...Furthermore...

Link:

For this reason...

Conclusion:

Overall, economic development improved quality of life to a...extent because...