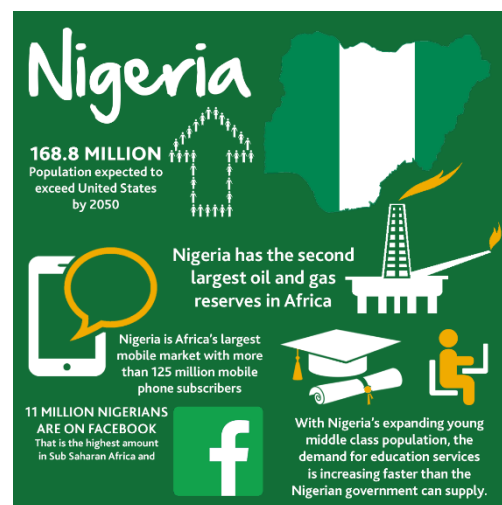


# Changing Economic World

## Nigeria Case Study Booklet



### Information Booklet

This booklet contains prep for over the summer period for the **Nigeria Case Study** in Changing Economic World.

It is essential you read this information and complete the tasks within the Work Booklet provided. This covers key content for your exams in summer 2018 and due to time being tight in Year 11 it is being set to get ahead.

**Failure to complete this will result in a detention being set.**

**Those who complete this well will be rewarded.**

Nigeria is a former colony of the UK that can be found in West Africa. It is growing rapidly as a country both economically and in terms of population. Many people around the globe think that Nigeria could be Africa's global superpower if it can overcome the many problems that limit its development. It already has the continent's biggest economy, a huge military budget and is active in the West African and African continent.

## **NIGERIA'S GLOBAL AND REGIONAL IMPORTANCE**

*Next to each statement write either a G (global) or R (regional):*

1. It is a country experiencing rapid economic growth – according to the UN in 2016, it was the 22<sup>nd</sup> largest economy in the world.
2. It has the largest population in Africa.
3. It is the 12<sup>th</sup> largest oil producer in the world.
4. It has the largest GDP in the continent.
5. It is the 5<sup>th</sup> largest contributor to United Nations peacekeeping missions.
6. It is Africa's fastest growing economy.
7. It has the highest agricultural output in Africa.

### Political context

- **Berlin conference 1883-** powerful European countries meet to divide up Africa. See how straight the borders of countries are? Well this is why! Each European country took control of a place in Africa to use their natural resources and enslave their people.
- 
- **Independence 1960s-** many African countries became independent during this time. **NIGERIA** became independent in **1960**. This meant that different groups within Nigeria wanted power; causing a civil war in Nigeria from 1967-1970. Political instability led to a lack of development and corruption.
- 
- **Political stability from 2011-** elections in 2011 and 2015 were seen to be fair. And have encouraged development.
- 
- Now the country is seen as secure, it is attracting foreign investment from countries like China and South Africa, and companies like Microsoft, IBM and Wal-Mart.



## NIGERIA FACT FILE & UK COMPARISON

Fact	Nigeria	UK
Land area KM <sup>2</sup>	924 000	244 000
Population (millions)	182 (largest in Africa)	65
Population growth rate % per year	2.4	0.6
Birth Rate per 1,000	38	12
Death Rate per 1,000	13	9
Infant mortality per 1000	73	4
Life expectancy	53	81
Literacy rates (%)	61	99
GNI per capita (\$)	2970	43,430
Capital	Abuja	London
Largest city	Lagos	London
Internet users (in millions)	86	90
Percentage in poverty	70	15

### **Social context**

- Multi-ethnic & multi-faith country. Many different types of people who follow lots of different religions (i.e. Islam, Christianity and traditional African religions).
- This social diversity is a great strength, but it can also cause conflict:
  - Religion caused the Civil War 1967-1970 as the south east, who followed the Igdo people in the south-east tried to separate from the rest of Nigeria.
  - Currently, Boko Haram (a radical Islamist group) has been destabilised the country, which has had a negative impact on the economy and foreign investment. As a result, unemployment has increased.

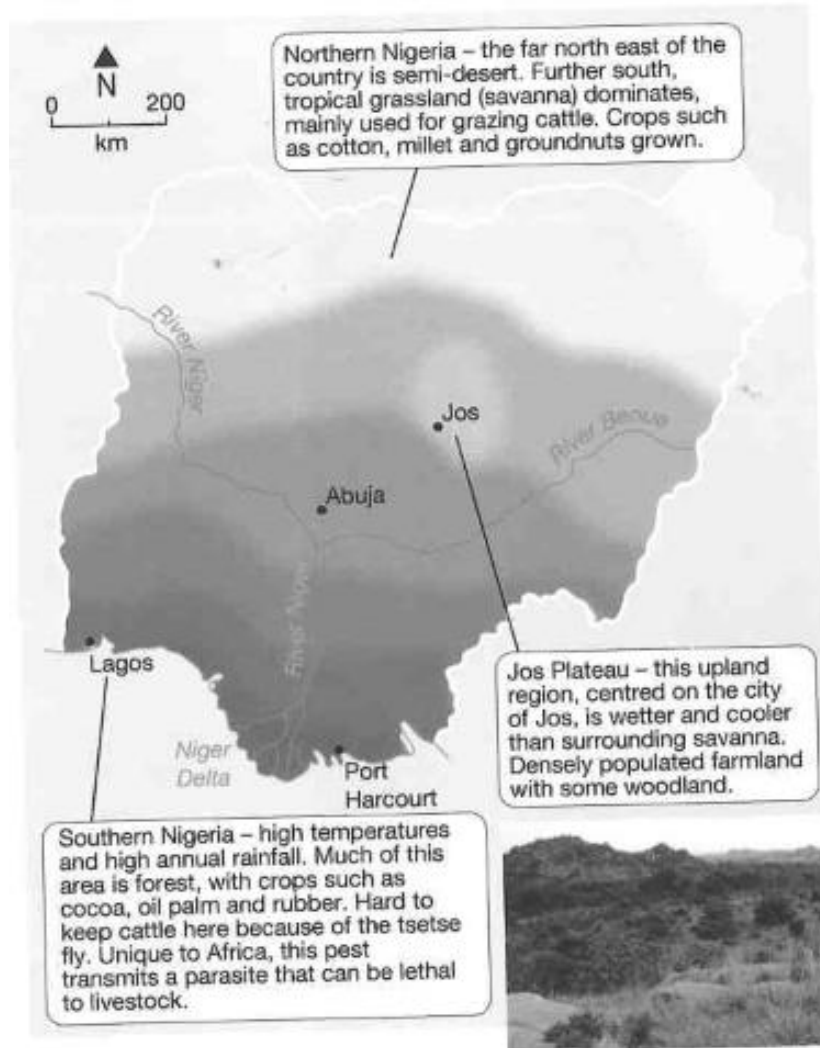
## Cultural context

- Nigerian music is popular across Africa
- Nollywood = Nigerian Cinema!! This is the 2nd largest film industry in the world!!
- Literature- Big names in writing are from Nigeria.
- Nigerian team have won the African Cup of Nations 3 times!

## Environmental context

- The north of Nigeria is much drier than the south because it is near the Sahel region. The Sahel region is an arid area of
- Semi-desert.

h and varied culture. D Nigeria's natural environments



## Regional Variations

- Development is uneven in Nigeria...
- **Urban** areas have better services and facilities and more money, whereas **rural** areas are more deprived.
- 60% of children in urban areas go to school compared to only 36% in rural areas, which encourages rural-urban migration.
- GDP varies across Nigeria: it's \$3617 in the south, \$8343 in the wealthier north-east, and only \$242 in the south-east

## Your task 1 – exam practice 1

Describe the location of Nigeria. (4 marks)



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## **Nigeria's Relationship with the World**

Until its independence in 1960, Nigeria was a colony of the British Empire. While it remains a member of the British Commonwealth, it is now a leading member of a number of political and economic groups.

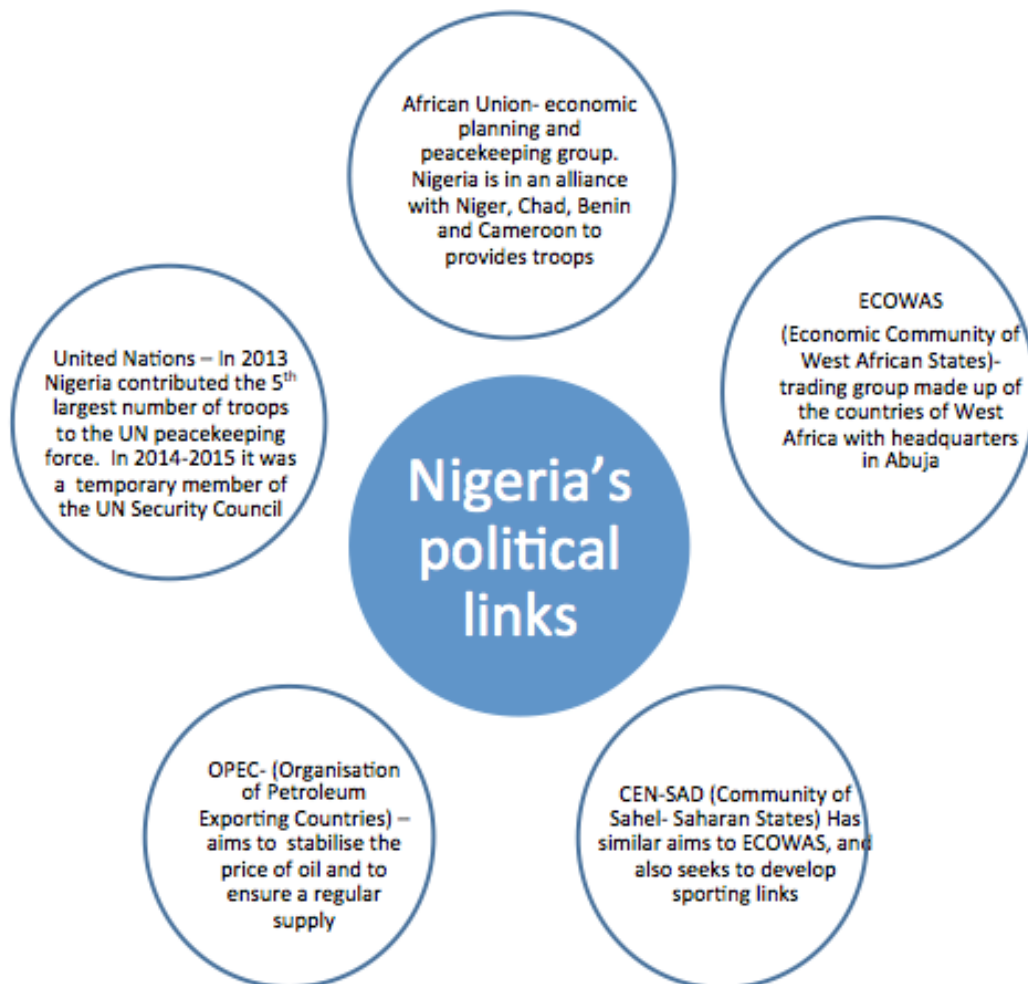
### Your task 2

Your task is to identify what type of organisations Nigeria belongs to.

Outline the organisations with the following key:

- Political = red
- Economic = blue
- Social = green

Some organisations may have more than one function.



## Nigeria's Trading Partners

The Major Imports Partners

Rk	Partners	Mio euro	%
	World (all countrie	35.104,1	100,0%
1	EU27	10.795,7	30,8%
2	China	5.582,3	15,9%
3	United States	3.354,0	9,6%
4	India	1.229,1	3,5%
5	Thailand	777,8	2,2%
6	Brazil	713,8	2,0%
7	United Arab Emirat:	690,9	2,0%
8	South Korea	636,2	1,8%
9	Ivory Coast	634,3	1,8%
10	South Africa	595,8	1,7%

The Major Export Partners

Rk	Partners	Mio euro	%
	World (all countrie	56.334,3	100,0%
1	United States	21.588,4	38,3%
2	EU27	13.230,6	23,5%
3	India	5.695,6	10,1%
4	Brazil	4.480,7	8,0%
5	South Africa	1.739,7	3,1%
6	Canada	1.228,0	2,2%
7	Ivory Coast	1.200,4	2,1%
8	Ghana	1.031,1	1,8%
9	China	737,5	1,3%
10	Cameroon	710,0	1,3%

The Major Trade Partners

Rk	Partners	Mio euro	%
	World (all countrie	91.438,4	100,0%
1	United States	24.942,4	27,3%
2	EU27	24.026,3	26,3%
3	India	6.924,6	7,6%
4	China	6.319,8	6,9%
5	Brazil	5.194,4	5,7%
6	South Africa	2.335,5	2,6%
7	Ivory Coast	1.834,8	2,0%
8	Canada	1.408,1	1,5%
9	Ghana	1.087,4	1,2%
10	Japan	941,1	1,0%

### Your task 3

Identify in order (1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>):

- The 3 main countries/regions that Nigeria imports goods from
- The 3 main countries/ regions that Nigeria exports goods to
- The 3 main countries/ regions for total trade with Nigeria

## The changing industrial structure of Nigeria

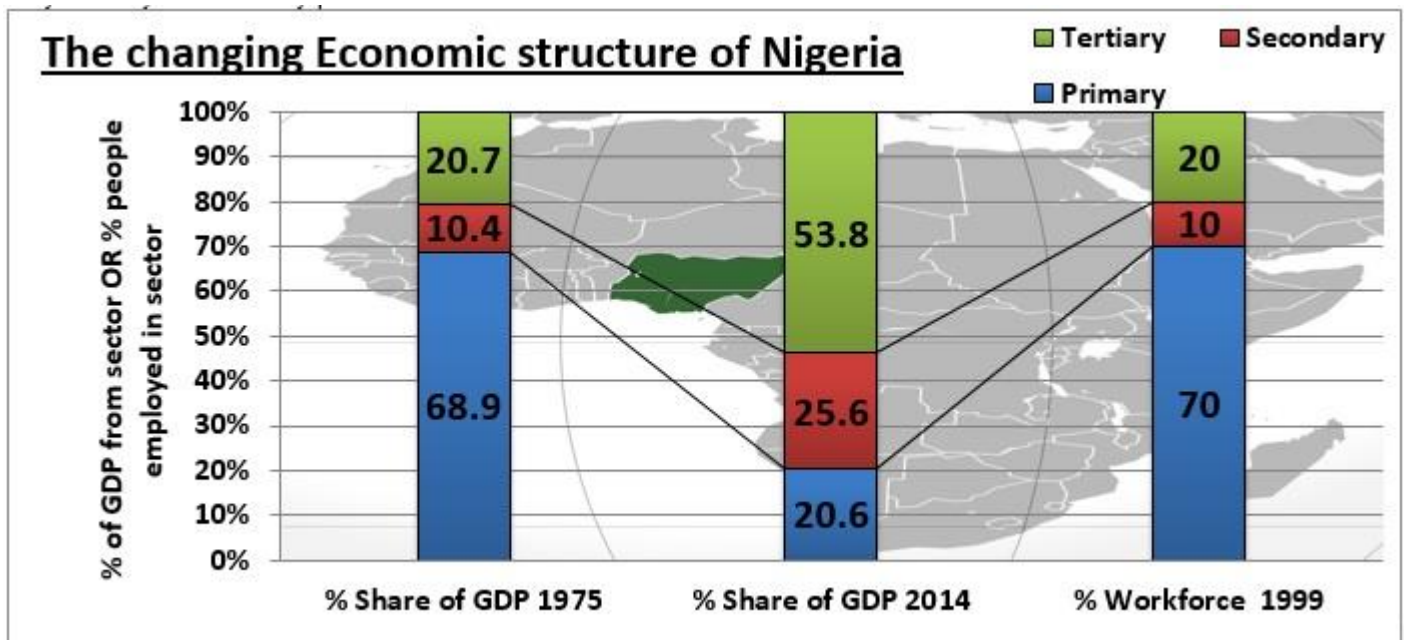
The economy of Nigeria is changing, and it is shifting from mainly PRIMARY based economy reliant on farming and extractive industries such as oil and gas, to one which making more money or GDP from manufacturing or secondary industries and more services in the tertiary sector. Despite these changes Nigeria remains a country divided as the graph below shows. Many people still work in farming and wealth is not well distributed between the very wealthy and the very poor.

Traditionally, primary products (products taken from the earth) were Nigeria's main exports and source of income, e.g. agricultural products like cocoa, timber, palm oil, groundnuts and cotton. The discovery of oil in 1950 has changed Nigeria's economy. Oil accounts for 98% of Nigeria's export earnings. It has the world's 10<sup>th</sup> largest oil reserves, which at the present rate of production will last for 50 years.

**Agricultural employment (primary sector)** has fallen due to mechanization (the increased use of farm machinery) and better pay and conditions in other sectors of the economy.

**Industry (the secondary sector)** has grown with a stable government. More people are working in manufacturing.

The **service (tertiary) sector** has grown, in particular, retail, finance and communications.



According to the World Bank, Nigeria would no longer be classified as a low income country (LIC) with a GNI of less than \$1,045; it is a Middle Income Country that is also a Newly Emerging Economy (NEE) with a GNI of \$5,360. The economy of Nigeria grew at a massive 7% per year every year for over a decade (2004-2014).

The oil industry has been one of the drivers of this change, but more recently it has been the growth of manufacturing and services that are helping the Nigerian economy grow.

Despite being Africa's largest economy, Nigeria is not a rich country. Estimates show that approximately 60 million people live below the national poverty line, and a further 60 million people live not far above it. More than 60% of those living in poverty are in the north and more than three quarters are estimated to be in rural areas. Nigeria now has 15% of the world's children out of school and 10% of the world's child and maternal deaths. Many girls and women are excluded from opportunities: only about 57% of girls in northern Nigeria attend primary school, and less than 1 in 4 go on to secondary school

## **ECONOMIC POTENTIAL**

Nigeria's economic potential is big because:

1. It has a large National (domestic) market
2. Its geographical position is good in West Africa
3. It has human resources (a large population)
4. It has plentiful natural resources such as oil.

## **LIMITS TO GROWTH**

Limits to growth for ALL Nigerians include;

- Poor infrastructure such as roads
- Limited access to financial services for small/medium businesses and poor people.
- Lack of electricity
- Job creation being limited by import and export taxes or barriers
- A reliance on agriculture (with low productivity) is the main livelihood for poor people
- Poor governance and ongoing instability - Nigeria has problems with corrupt politicians and recent terrorist attacks by Boko Haram in the north
- Disputes over land and water and access to (government) resources have also created grievances and violence. The Niger Delta continues to be fragile, but there has been no significant return to violence since an amnesty was implemented in 2010.
- Nigeria has only been democratic since 1999

## **Oil in Nigeria**

Oil dominates Nigeria's exports. 'Nigeria produces sweet oil', that is oil with 42% less sulphur. This higher quality than Middle Eastern oil and can be turned into petrol.

Until 2013, the USA was Nigeria's major customer, but this has fallen due to fracking and the development of shale oil in the USA. Now, India is its largest customer, followed by China, Japan and South Korea.

## **Agriculture in Nigeria**

Nigeria's reliance on crude oil has reduced the importance of agriculture there. However, farming still employs 40% of the population. Australia, then Indonesia, are its largest customers.

## **How manufacturing industry can stimulate economic development**

Manufacturing is a very important sector of an economy. It is with manufacturing (also known as secondary industry) where primary goods such as foodstuffs (like cocoa) or minerals (e.g. Iron ore) are processed into usable goods such as chocolate or steel. This is important for many LICs and NEEs because the price they receive for primary goods is often low and varies a lot on the world market. Secondary goods command a higher price so the country can raise its GDP.

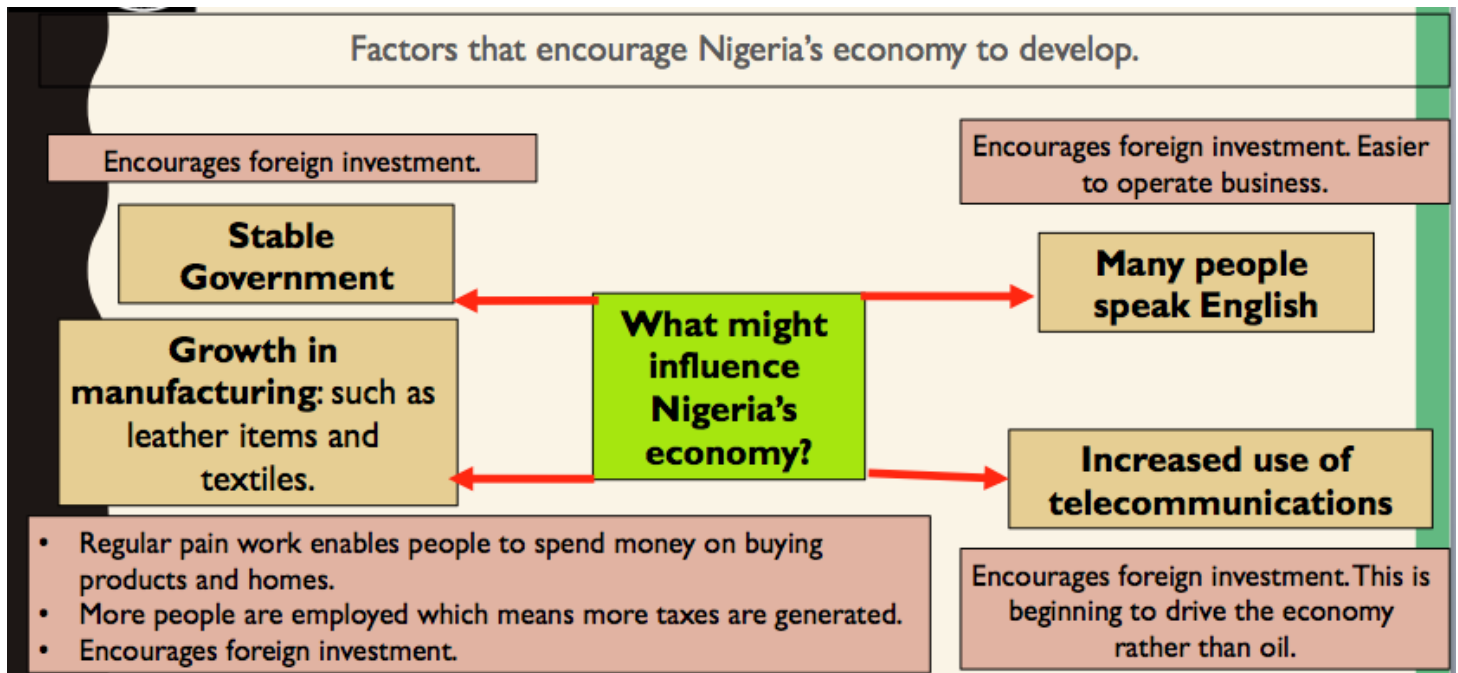


Little manufacturing used to occur in Nigeria as the raw materials had to be imported. Now it accounts for 10% of Nigeria's GDP, and is the fastest growing sector of Nigeria's economy. Its main products are: processed foods, textiles, leather items and, soaps and detergents.

This sector is likely to continue to grow as the home market grows and the infrastructure is improving.

The growth of manufacturing in Nigeria has stimulated economic development in a number of ways:

- Regular paid work provides a greater disposable income to buy cars, electrical goods, etc.
- More employed people means more tax revenues for the government, which can be spent on improving services such as health and education, and infrastructure.
- A strong industrial sector attracts foreign investment.
- Oil processing has created chemical by-products leading to the growth of chemical industries (including soaps, detergents and plastics).



### Your task 4

Complete the table:

NIGERIA'S SOURCES OF INCOME		
	Product(s)	Details
Traditionally		
Now		
Challenge task:	What is the problem of a country having these products as their main source of income?	

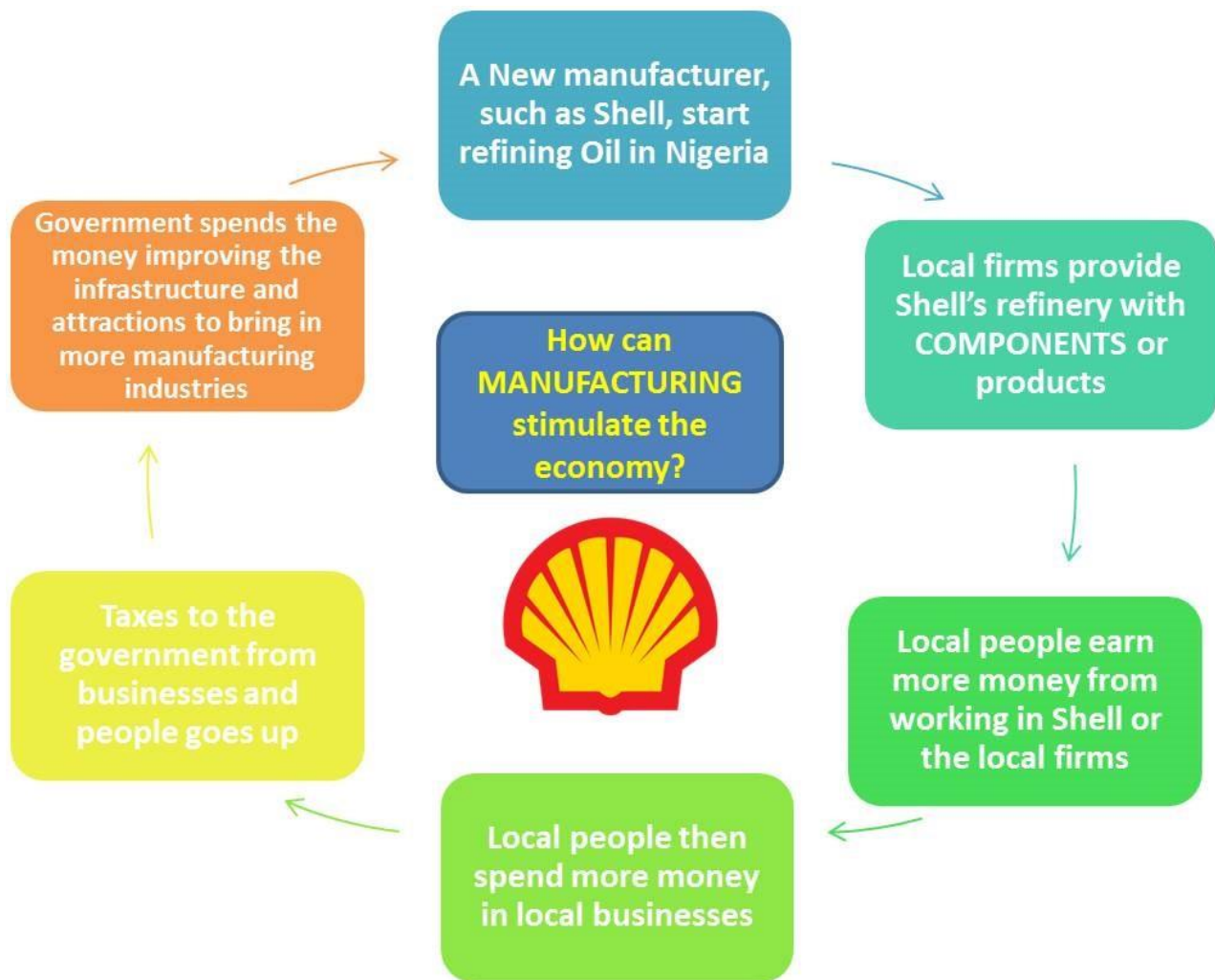
**DOES NIGERIA HAVE A BALANCED ECONOMY?**

<b>Describe employment by sector in 1999</b>		
<b>Describe employment by sector in 2012</b>		
<b>How has employment structure changed?</b>		
<b>Sector changes</b>	<b>How?</b>	<b>Why?</b>
<b>Primary sector</b>		
<b>Secondary sector</b>		
<b>Service sector</b>		
<b>Is the economy balanced?</b>	<b>Yes/no</b>	<b>Why?</b>
<b>OIL</b>		
<b>What is 'sweet oil'?</b>		
<b>Describe global demand for Nigeria's oil</b>		
<b>Describe American demand for Nigeria's oil</b>		
<b>AGRICULTURE</b>		
<b>Is it becoming more or less important for the Nigerian economy? Why?</b>		
<b>Describe its agricultural exports.</b>		

<b>NIGERIA'S GROWING MANUFACTURING SECTOR</b>		
	<b>Details</b>	<b>Reason</b>
<b>In the past</b>		
<b>Now</b>		
<b>The future</b>		
<b>HOW IS MANUFACTURING AFFECTING ECONOMIC DEVELOPMENT?</b>		
<b>Regular paid work</b>		
<b>Industrial growth</b>		
<b>A strong industrial sector</b>		
<b>Oil processing</b>		

**Your task 5 – exam practice 2**

How can the manufacturing industry stimulate economic development? (4 marks)



The diagram shows how manufacturing can have a full **POSITIVE MULTIPLIER EFFECT**. If an industry such as the Oil industry in Nigeria's Niger Delta invests in manufacturing plants (such as an oil refinery like the Warri Oil refinery in Nigeria, shown below) there can be many knock on beneficial effects.

The manufacturing attracts jobs **DIRECTLY** within the factory as locals take up new jobs. These locals then spend their money in the local economy and pay taxes. This leads to knock on **INDIRECT** secondary positives. Other industries that can help to service the factory can make money, a cleaning or catering company for example, or a component company. This boosts the economy further, allowing more money to be put into services, immigration to occur and innovation which could lead to other new industries.



There are often many TNCs involved in this process, including Royal Dutch Shell, a British/Dutch company which extracts and refines oil in Nigeria. Locals have also profited but in an illegal manner, stealing oil from pipelines and refining or manufacturing it themselves, causing widespread toxic pollution of the environment. Further information on this is found in the section on TNCs.

## Nigeria and Transnational corporations

A Trans National Corporation (TNC) is a company that has operations (factories, offices, research and development, shops) in more than one country. Many TNCs are large and have well-known brands. Often TNCs have their headquarters and areas of research, development and product innovation in the country they start in, and manufacturing and factories in other countries (**TNCs locate in foreign countries to take advantage of tax incentive, cheaper labour, and weaker environmental laws and gain access to a wider market**).

### Your task 6

Using a key, identify the pros and cons of TNCs operating in LICs and NEEs.

Companies provide employment and the development of new skills	Working conditions are sometimes very poor	Management jobs go to foreign employees brought in by the TNC	Other local companies benefit from increased orders	Much of the profit generated goes abroad
Local workers are sometimes poorly paid	More money is spent in the economy	Investment by companies in local infrastructure and education	Valuable export revenues are earned	Grants and subsidies used to attract TNCs could have been used to invest in Nigerian industry



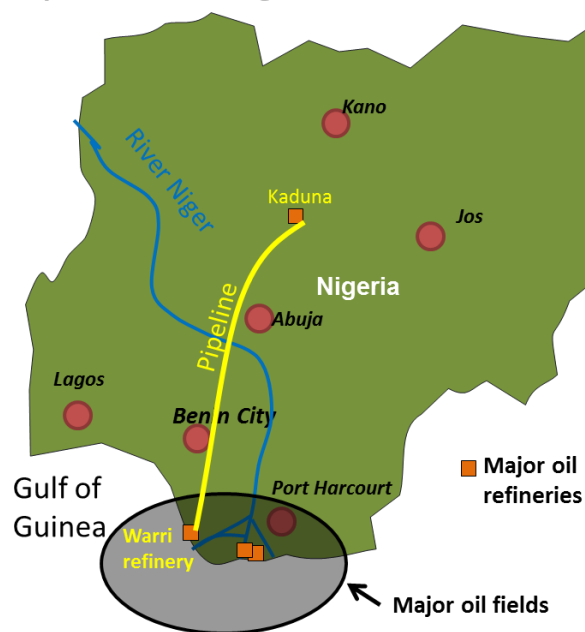
Nigeria is attractive to many TNCs because of the large market on offer and lower labour costs.

### Shell in Nigeria

Shell is a massive TNC that operates in many countries around the world. Extracting the oil is a primary industry but Shell also refine the oil, which is a secondary manufacturing industry and they also sell the finished products, which is a tertiary service. Shell's work in Nigeria produces more than 21% of the countries total petroleum production from more than eighty fields. Shells bring positives and negatives to the country.

Oil was discovered in Nigeria in 1958 in the Niger Delta. The swampy river is one of the most difficult places in the world to extract oil. Shell's operations in Nigeria are also controversial.

## Oil production in Nigeria



## Advantages and disadvantages of TNC(s) to the host country

There are many positives and negatives of TNC for a country like Nigeria. TNCs like Shell provide jobs in factories making supplies and in services where the products are available for sale, and they do try to clean up after they accidentally damage the environment. The main advantage is that TNCs can help countries develop by investing money **ENCOURAGING DEVELOPMENT**. Shell has spent \$12 billion in LICs for example. This also means that TNCs pay tax, which can be used by the governments of countries to help their people. Shell paid £20 billion in corporation tax in 2013 for example. Finally, oil refineries like those in Nigeria use lots of local companies to help them run. This creates a multiplier effect and TNCs allow the import of new technologies into a country, improving it. Shell benefits Nigeria by:

- ✓ Making contributions in taxes
- ✓ Providing direct employment for 65,000 people
- ✓ 90% of employees are from Nigeria
- ✓ Providing school and training for Nigeria's young people
- ✓ Providing health care, e.g. maternity units
- ✓ Supporting growth of small businesses
- ✓ 250,000 jobs have been created in Nigeria in related industries
- ✓ 91% of Shell contracts are given to Nigerian companies

However, sometimes TNCs come in for criticism. Their activities have polluted the environment in the past. Shell has had many incidents involving oil spills for example. TNCs have been accused of human rights abuses in the past. Shell has been accused of crimes against the Ogoni people in the Niger Delta (see case study box). In addition, employees in LIC's are working for long hours (e.g. 12+ hours) in poor conditions (in factories known as "Sweat Shops"). Also, employees in LIC's might be paid much less than employees in HIC's for doing higher intensity jobs. Some TNCs have even been known to use child labour in their factories. In addition, the jobs in the LIC's are not secure. They could lose their jobs without warning if company decide to set up somewhere cheaper. The profits from the production go straight to the headquarters in the HIC. They aren't reinvested in the LIC. Even in HICs,

big TNCs like Amazon and Starbucks have been accused of doing everything they can to limit the amount of tax they pay by playing the system. The disadvantages of Shell in Nigeria are:

- ❖ 9 million oil barrels spilt in the last 50 years.
- ❖ This causes water and soil pollution, 75% of rural areas have no access to clean water.
- ❖ Frequent oil flares send toxic fumes into the air.
- ❖ Poverty is increased due to pollution.
- ❖ Rumours that Shell fund militant groups who try to disrupt oil supplies.
- ❖ The pollution reduces crop and fishing yields
- ❖ Oil theft and sabotage are big problems. This reduces oil production and costs TNCs and the Nigerian government billions of dollars every year.

### **Watch:**

Shell in Nigeria – over 50 years of operations: <https://www.youtube.com/watch?v=XAZP03ijzAo>

Shell in Nigeria – the awful truth: <https://www.youtube.com/watch?v=ejym4mKelhM>

Money can't fix the Nigeria village ruined by Shell Oil: <https://www.youtube.com/watch?v=y2yPii0yz10>

### **CASE STUDY: HUMAN RIGHTS VS. OIL**

The Niger Delta contains Ogoniland, home to a community that fought back against Shell. Shell has extracted \$30billion worth of crude oil from the land of the Ogoni people since the 1950s. Oil revenue makes up 75% of the Nigerian economy and ½ of that comes from Shell. This has had consequences for the Ogoni people, many of whom live without electricity or running water, who see none of the oil profits and have to live with the poisoning of land and water from pipelines, oil spills and gas fires.

Ken Saro-Wiwa (pictured), organised the locals into the Movement for the Survival of the Ogoni People (MOSOP) who used non-violent protest methods against the power of Shell. The protest movement were attacked, killed and mutilated and some people blamed the government for this. The military Government made their intentions clear and Ken Saro-Wiwa said on May 10 1994 – *“This is it. They (the Nigerian army) are going to arrest us all and execute us. All for Shell”*. On May 22nd 1994 Ken Saro-Wiwa was arrested on a murder charge, he told the tribunal “I and my colleagues are not the only ones on trial. Shell is here on trial....The company (Shell) has indeed ducked this particular trial but its day will surely come”. Despite massive pressure from Germany, France and Australia, Saro-Wiwa was hanged with 8 other protestors in 1995.

### **Your task 7**

- 1) If you worked for Shell and were sending a Snapchat photo of Shell's operations in Nigeria, what would it show and why?
- 2) If you were an Ogoni farmer and were sending a Snapchat photo of Shell's operations in Nigeria, what would it show and why?

## **Your task 8**

1. What is a TNC?
2. What are the characteristics of TNCs?
3. Why do TNCs locate in developing countries?
4. How do TNCs benefit LICs and NEEs?
5. What are the disadvantages to LICs and NEEs?
6. How many TNCs operate in Nigeria?
7. Which TNC in Nigeria did we look at?
8. Why is it located in Nigeria?
9. How does this benefit Nigeria? Give examples.
10. How does this negatively affect Nigeria? Give examples.

## **Your task 9 – exam practice 3**

Transnational corporations (TNCs) only bring advantages to the host country.' To what extent do you agree with this statement? (9+3 = 12 marks)

## **The environmental problems of development & economic growth**

### **Commercial farming and deforestation**

Land has become degraded due to commercial farming and inappropriate farming practices. Fertilisers and pesticides have polluted water sources, and there has been soil erosion and silting of the rivers. Deforestation has also occurred due to settlement and road building, which destroys habitats and adds to CO<sub>2</sub> emissions. Many species, such as cheetahs and giraffes, and 500 species of plant, have disappeared due to deforestation.

### **Mining and oil extraction**

Mining and oil extraction can result in serious pollution. Tin mining has led to soil erosion, and the pollution of local water supplies by toxic chemicals. There have been many oil spills in the Niger Delta with disastrous impacts on freshwater and marine ecosystems. Oil spills can also cause fires which release CO<sub>2</sub>.

## **Your task 10**

Using the key, shade each box in the table below to decide if the problems are caused by industrial or urban growth.



= industrial growth

= urban growth

In Kano, Kaduna and Lagos, many harmful pollutants go directly into open drains and water channels. They are harmful to people and damage ecosystems downstream.	Squatter settlements are common in most cities.
Services have failed to keep pace with the rate of economic growth.	Some industries dispose of chemical waste on nearby land, threatening the groundwater supply.
Waste disposal has become a major issue.	Industrial chimneys emit poisonous gases that can cause respiratory and heart problems in humans.
Traffic congestion is a major problem in most Nigerian cities, leading to high levels of exhaust emissions.	70-80% of Nigeria's forests have been destroyed through logging, agriculture, urban expansion, roads and industrial development.
Desertification is a major problem in Nigeria, made worse by the large-scale dam and irrigation schemes.	Development of Abuja has seen natural vegetation replaced by concrete.
Loss of biodiversity due to bush burning	Green belt and recreational areas are becoming building sites.

### The Bodo oil spills, 2008/09

The leaks released 11 million gallons of crude oil over a 20km<sup>2</sup> area of creeks and swamps. In 2015 Shell agreed to pay £55 million in compensation to individuals and the Bodo community. The money will be used to build health clinics and improve schools. Shell has also agreed to clean up the swamps and the fishing grounds. However, this has criticised as in some places the oil has been covered with sand rather than cleaned up.

### Your task 11

Watch the clip below and answer the questions:

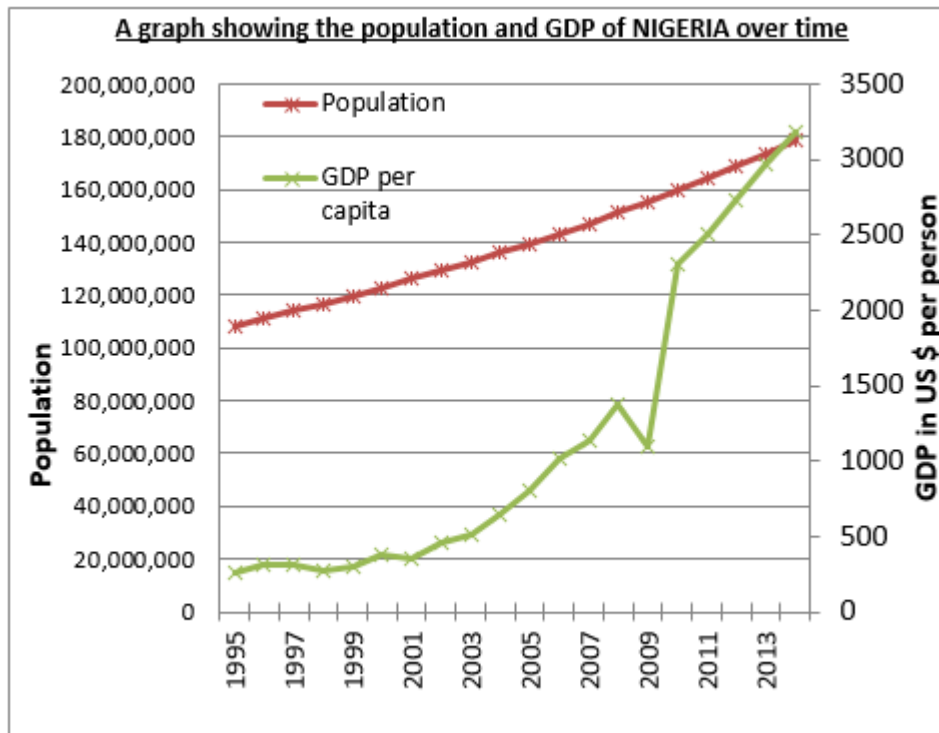
<https://www.youtube.com/watch?v=sEGwd4clojE>

- What happened?
- Where?
- When?
- Who are the pipeline owners?
- How long did the leaks last for?
- What were the environmental effects of the spills?
- What were the economic effects of the spills?

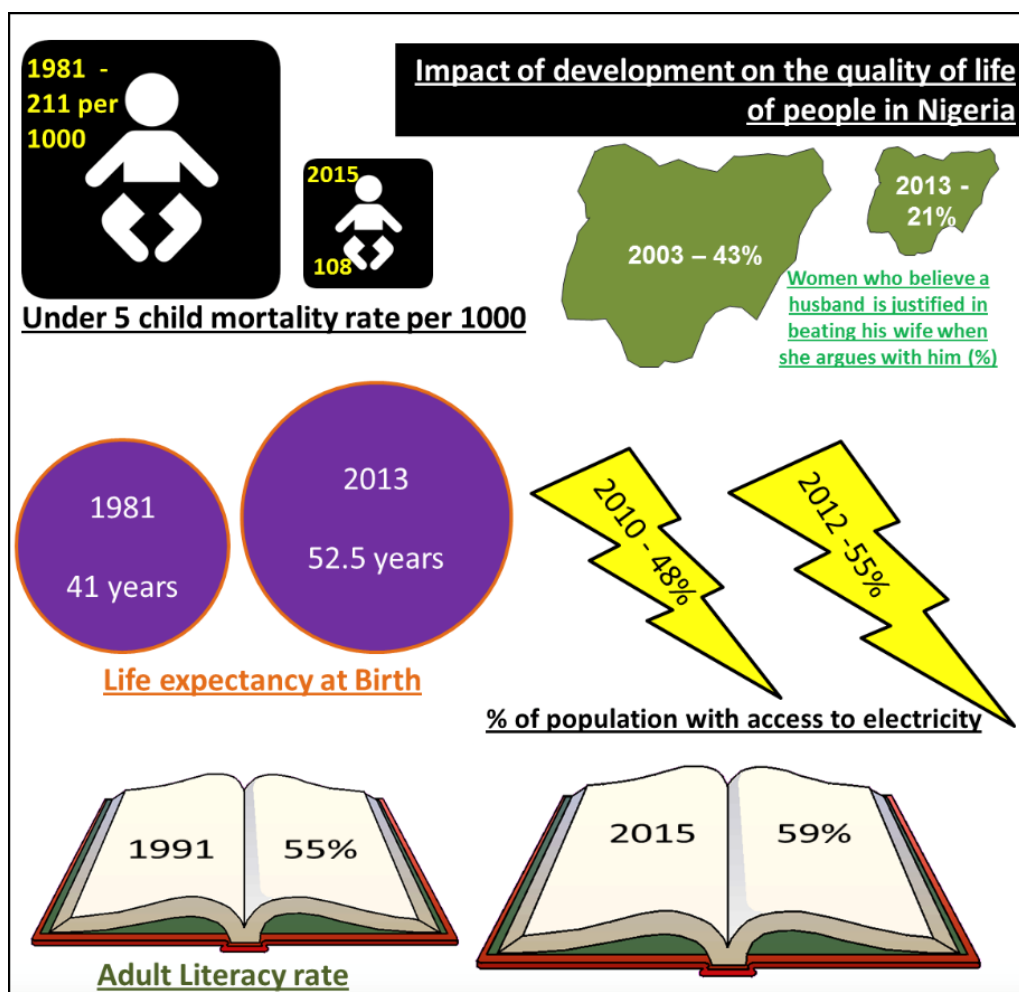
## Nigeria Quality of Life

### How economic development is improving the quality of life for the population

Nigeria is improving slowly as a country, its GDP is growing and as it does so, so do certain parts of the quality of life of the people. As can be seen from the graph opposite Nigeria's GDP has grown massively over the past 15 years and Nigeria is now classified as a Newly Emerging Economy and a middle-income country by the World Bank.



The info graphic below shows how some of the development indicators are improving in Nigeria. However, don't forget that the pace of change is slow and that Nigeria remains a deeply divided country in terms of wealth and quality of life. The poorest people in Nigeria can be counted amongst the poorest in Africa, whilst the wealthiest control much of the money and resources within the country.



## Your task 12

Watch the clip and summarise why the quality of life hasn't improved for everyone:

<https://www.youtube.com/watch?v=VhIW-DzaosQ>

### **Nigerian International aid**

**International aid: types of aid, impacts of aid on the receiving country**

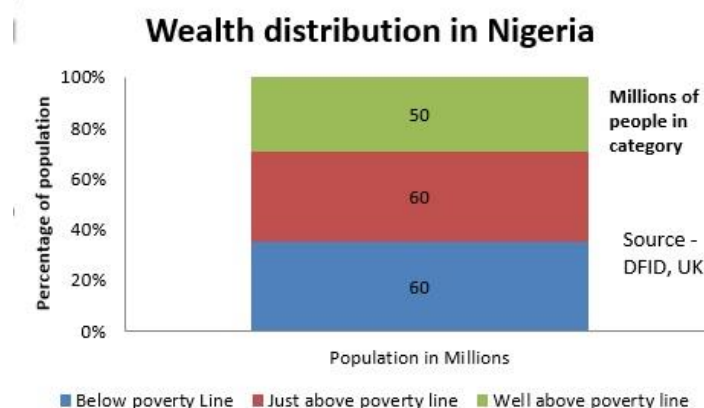
Key Word	Definition
Aid	A form of help given from one country (or organisation) to another country
Emergency Aid	This is long term in order to promote progress and development within a country. The aim of this aid is to improve quality of life.
Developmental Aid	This usually follows a natural disaster, war or conflict. Essential items are often given e.g. food, water and medicines.
Non-Governmental Organisation (NGO)	Independent organisations that provide development aid, e.g. charities such as Oxfam and Water Aid.

Nigeria is Africa's largest economy, but it is not a rich or equal country. Oil exports provided £30.9 billion of government money in 2012, but per person this brings in only £183 per year. The fact is that Nigeria is still heavily reliant upon foreign aid.

### **The issues in Nigeria**

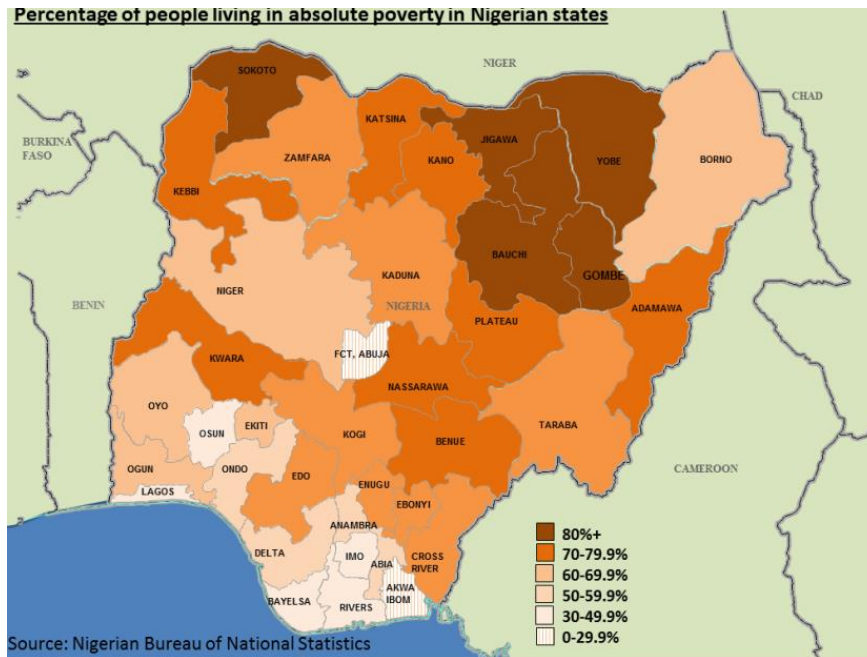
The country is Africa's most populated, with an estimated 170 million people. New estimates show that approximately 60 million people live below the national poverty line, and a further 60 million people live not far above it.

More than 60% of those living in poverty are in the north and more than three quarters are estimated to be in rural areas.



## Other issues include

- Nigeria now has 15% of the world's children out of school and 10% of the world's child and maternal deaths.
- Many girls and women are excluded from opportunities: only about 57% of girls in northern Nigeria attend primary school, and less than 1 in 4 moves on to secondary school.
- Businesses lack access to regular electricity supply
- Lack of financial services limits people's ability to start businesses
- Agriculture is the main job for many but it is not very productive so Nigeria has to import food
- Terrorism occurs in the North, with Boko Haram making repeated attacks since 2012
- There are outbreaks of violence and protest in the Niger delta to the south based around access to oil wealth



## Aid to Nigeria – what the UK does to help?

1. Nigeria receives 4% of all the aid given to Africa.
2. In 2013, this represented 0.5% of Nigeria's GNP.
3. Most aid came from countries such as the USA and the UK, and international organisations such as the World Bank.
4. Development projects have also been supported by NGOs.

In 2013 the UK became the first G7 country to meet the United Nations target of spending 0.7% of gross national income on international development via aid.

The Department for International Development of the UK Government believe that a “peaceful, more democratic and prosperous Nigeria, meeting the basic needs of its citizens, is possible within a generation.” This is where it has focussed its aid.

Nigeria will get £1.14 billion of UK overseas aid over the five years from 2013

Aid can be prevented from being used effectively by:

- Corruption- government officials keep money for themselves.
- Money used for other things- e.g.: some aid has been given to Nigeria's navy.
- Donors (people who give the money) can influence where the money goes for their own gain.

### How UK aid money is spent in Nigeria

Development area	Indicator	How successful? (2013-2014)	Cost (2014-15)
Governance	Number of people voting in Nigeria's national elections	40 million people voted in the 2011 election, 5 million more than in the last election	£71.6 million (includes security too)
Wealth Creation	Number of poor people whose income increase by between 15% and 50% due to DFID projects.	515,708 poor people with incomes raised above 15% estimated 98,000 women.	£43.3million
	Number of people with access to formal financial services.	10m more people have access of which 4.1m are women.	
Health	Number of births delivered with skilled health personnel in targeted sites in northern Nigeria.	500,000 delivered	£100 million
	Number of insecticide treated malaria nets distributed with DFID support.	10 million nets given out	
Education	Number of additional children receiving education in Nigeria.	481,000 additional children (48% girls)	30.8 million
Water and Sanitation	Number of people using safer water and living in open-defecation free villages as a result of DFID support.	5.5 million (50% girls and women)	£6.9 million
Poverty and Vulnerability	Number of pregnant women and unique under five children reached by DFID supported nutrition programmes in northern Nigeria.	4.3 million women and pregnant mothers.	£3.8 million

# DEPENDENCY THEORY

If a country receives lots of aid for a long period of time, it could become **dependent** on the aid and be unable to develop without it.

## Your task 13

Watch the clip and take notes to answer the following questions:

1. Describe the Battiye slum in Lagos.
2. What is the quality of life there? Give examples.
3. What has the World Bank done?
4. Has this been successful? Why/ why not?

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

## Yor task 14 - challenge

1. Describe **the living conditions in photo A and B.**
2. Explain **HOW you think aid should be spent in this area?**
3. Justify **WHY small scale development projects are more likely to be successful in Nigeria.**

### Challenge:

*Do you think Nigeria will ever stop needing aid from other countries/NGO's?*



# Answers

## Exam Practice 1

Describe the location of Nigeria. (4 marks)



- Nigeria is a country in West Africa (1). Nigeria is east of Benin (1), south of Niger (1), south-west of Chad (1) and north-west of Cameroon (1 – max. 2 marks for neighbouring countries). Its latitude is 10 degrees north and its longitude 8 degrees east (1). It extends from the Gulf of Guinea in the south to the Sahel in the North (1). It has a coastline on the Atlantic Ocean (1).

## Exam Practice 2

How can the manufacturing industry stimulate economic development? (4 marks)

- Manufacturing involves making products from raw materials (1) and the manufactured goods are worth a higher price than the raw materials (1). In Nigeria's case soaps and detergents are worth more than the raw material palm oil. (1)
- Regular, paid work gives people a regular income (1); they are more likely to go out and buy other things, such as cars, clothes and electrical appliances (1).
- As more people work, more people pay tax (1), so the government can invest in services, such as education and health care, and develop the infrastructure. (1)
- As companies grow they pay more tax (1), and electrical appliances (1).
- As more people work, more people pay tax (1), so the government can invest in services, such as education and health care, and develop the infrastructure. (1)
- Foreign companies are more likely to invest in a thriving industrial sector. (1)

## Exam practice 3

Transnational corporations (TNCs) only bring advantages to the host country.' To what extent do you agree with this statement? (9+3 = 12 marks)

	<b>Description/Explanation</b>	<b>SPGST</b>
<b>7-9 marks</b>	<p>Demonstrates comprehensive and specific knowledge of the characteristics of TNCs.</p> <p>Shows clear and accurate understanding of the pros and cons of TNCs to host countries.</p> <p>Applies knowledge and understanding effectively to make judgements and reach a developed conclusion.</p> <p>Justification is detailed and balanced.</p>	<p>Spell, punctuate and use grammar with consistent accuracy. Regular use of geographical terminology.</p>
<b>4-6 marks</b>	<p>Shows clear knowledge of the characteristics of TNCs.</p> <p>Shows clear understanding of the pros and cons of TNCs to the host country.</p> <p>Clear understanding and knowledge is used to make a judgement about the issues and reach a conclusion.</p> <p>Justification is clear and well-supported.</p>	<p>Spell, punctuate and use grammar with considerable accuracy. Some use of geographical terminology.</p>
<b>1-3 marks</b>	<p>Limited knowledge of TNCs – may be generic.</p> <p>Some understanding of pros and cons of TNCs to the host country.</p> <p>Application of knowledge, justifications and conclusion are limited or simple points.</p>	<p>Spell, punctuate and use grammar with some accuracy. Occasional use of geographical terminology.</p>



