



Nigeria: MINT-ed?

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Author: Jon Lunn

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Jim O'Neill, the economist who first coined the term 'BRICS' in 2001, has announced that Nigeria (along with Mexico, Indonesia and Turkey [acronym: MINT) could become one of the next emerging 'economic giants'. The main reason he gives for thinking so is its rapidly growing and youthful labour force. He believes that "many put far too much weight on the negative issues that are well-known - crime and corruption". He argues that "Nigeria could grow at 10-12%" simply by improving power supplies, enabling the economy to double in size by the end of the decade.

Jim O'Neill's viewpoint is an interesting rejoinder to the much more common tales of woe that come out of Nigeria. *Africa Confidential* recently noted that the Nigerian National Bureau of Statistics is set this year to recalculate the sources of the country's economic growth in a way which could increase the official size of Nigeria's economy by 40% or more. If this happens, Nigeria will supersede South Africa as Africa's largest economy.

Yet there remain grounds for wondering whether Mr O'Neill's view is overly rose-tinted. In sharp contrast to him, some recent observers have been talking instead of possible 'revolution' or the 'disintegration' of Nigeria. Perhaps, like pre-1914 Russia, it is precariously teetering between all three options.

In the north of the country, an Islamist terrorist insurgency continues to rage. At the head of the insurgency is *Boko Haram*, which calls for the introduction of Sharia law and an Islamic state across the whole of Nigeria. Human rights groups have reported serious [abuses](#) by Boko Haram but also by the notorious Nigerian army unit known as the Joint Task Force. The government currently appears committed to a security-based solution to the problem.

There is discontent in the north about the region's political and economic marginalisation, although, according to the 2012 Poverty Survey of the Nigerian National Statistical Bureau, levels of poverty have been [rising](#) across the whole country in recent years. The north has fared much worse in terms of federal budget allocations over the last 20 years. According to official figures, the leading oil-producing state, Rivers State, received Naira 1,053 billion between 1999 and 2008. By contrast, Yobe and Borno States in the north received Naira 174 billion and Naira 201 billion over the same period.

At the same time, there is a feeling amongst some in the north that President Goodluck Jonathan – a southerner who originally inherited office in 2010 after his predecessor, the northerner Umaru Yar'Adua, died – should not seek a second term and instead make way for a northerner to be the next president. There are strong indications that he is set to ignore such calls. Former president Olusegun Obasanjo has reportedly recently urged him not to in a [leaked letter](#), in which he also warned that the country was in danger of breaking up.

Jonathan is far from unassailable in his own political backyard. There are a growing number of critics of Jonathan within the ruling People's Democratic Party (PDP), many of whom see

him as a weak leader. In recent months, he has faced a revolt by some PDP state governors. While some have said they are establishing a 'new PDP', five of them [joined the opposition](#) All Progressive's Congress (APC) in November, providing at least a short-term boost for the party, which is the result of a 2013 merger between the north-based Congress for Progressive Change and the southwest-based Action Congress Nigeria. The APC could pose a real threat to the PDP in the next elections in 2015.

Jonathan won the 2011 elections promising a 'transformation agenda'. However, many have expressed disappointment with his performance. Reforms have been slow to come, although the level of fuel subsidy has fallen by half and some leading ministers are trying to reduce the budget deficit and switch expenditure towards capital projects. Anti-corruption efforts remain largely ineffective. 2014, a pre-election year, is unlikely to see a dramatic improvement in federal or state government performance.

The country remains heavily dependent on oil revenue. Yet the domestic [oil industry](#) is in a parlous state and there are very high levels of theft (called 'bunkering') – so much so that Nigeria, a major oil producer, needs to import large quantities of oil. In 2012 a committee estimated losses of \$US 100bn over the previous decade. A long-promised Petroleum Industry Bill remains stalled in the National Assembly.

While an amnesty introduced by Jonathan's predecessor has reduced levels of violence in the Niger Delta since 2009, some former insurgents have moved into oil theft and kidnapping. Pirates based in Nigeria are active along the West African coastline, which has overtaken the coast of Somalia as the world's worst piracy zone.

Nigeria's overall performance in terms of human and social development is weak, given its economic size and population. Nigeria is the third largest recipient of UK aid at £278m in 2013/14. DFID [points out](#) that, out of an estimated 158 million people, 100 million live on less than \$1.25 per day. It also [notes](#) that Nigeria was "ranked 153rd out of 187 countries in the 2012 *Human Development Index*. It is off track for meeting MDGs on education, health, and severely off track for water and sanitation."

Nigeria is sub-Saharan Africa's most populous country and, as we have seen, soon perhaps to become its biggest economy. What happens there matters not just to Nigerians, but to the region and the wider world. Jim O'Neill may in time be vindicated. Nevertheless, Nigeria does have a mountain still to climb.

Useful sources:

DFID's [Operational Plan 2011-15](#) for Nigeria (last updated June 2013)

"[Nigeria's criminal crude: international options to combat the export of stolen oil](#)", Chatham House, London, September 2013

"[Nigeria: Boko Haram Abducts Women, Recruits Children](#)", Human Rights Watch, 29 November 2013

"Economic giants change places", *Africa Confidential*, 15 November 2013 [available on request from the Library]

Jim O'Neill, "[The Mint countries: Next economic giants?](#)", *BBC News Online*, 6 January 2014

"[Bye-bye Bric, hello Mint — are Mexico, Indonesia, Nigeria and Turkey really the new boom economies?](#)", *Spectator*, 11 January 2013