SS3 ECONOMICS SUMMARY NOTES

WEEK 1

PEROD 1:

ECONOMIC GROWTH AND DEVELOPMENT

DEFINITION:

Economic growth may be defined as the process by which the productive capacity of an economy increases over time leading to a rise in the level of national income. This shows in the form of an increase in national income level, expansion in labour force, increase in capital stock of the country and a higher volume of trade and consumption.

Economic development maybe defined as the process whereby there is an increase in the level of national income, the standard of living and general well-being of the people in the economy over a period of time.

DISTINCTION BETWEEN ECONOMIC GROWTH AND ECONOMIC DEVELOPMENT

ECONOMIC GROWTH	ECONOMIC DEVELOPMENT
1. Emphasis is on the increase in output and less on economic welfare.	Emphasis is on the general welfare resulting from equitable distribution of increased output.
2. It is concerned with growth of income.	It is concerned with all aspects of economic activities laying emphasis on even distribution of facilities.
3. It can take place under the	It implies a reduction in the level of

condition of mass unemployment.	unemployment.

ASSIGNMENT

Explain the following theories of economic development:

I. Sociology theory
II. Colonial theory
III. Climatic development theory

PERIOD 2

TOPIC: UNDERDEVELOPMENT

This refers to a state of economic, social and technological backwardness or stagnation in a country or region. An underdeveloped nation is one which lacks the human and material resources used in improving the quality of human lives leading to low standard of living. Examples of underdeveloped nations are Angola, Benin Republic, Chad, South Sudan, Nepal etc.

FEATURES OF UNDERVELOPED ECONOMIES

1. **Dependence on agriculture**: majority of underdeveloped nations depend mainly on agriculture as a source of income.
2. **High dependency on foreign nations:** Most developing nations depend greatly on foreign countries for their survival i.e. grants etc.
3. **Low savings and investments:** Labour receives low income and this leads to low savings and investments.

4. **Low standard of living:** The quality of life, availability of necessities and standard of living in these countries is generally low.
5. **Absence of medical facilities:** Medical facilities are very much inadequate or not enough to meet the needs in underdeveloped countries.
6. **Low rate of economic growth**: The rate of growth of the economy is generally low.
7. **Inadequate infrastructural facilities:** Infrastructural facilities like roads, water and electricity are grossly inadequate.

ASSIGNMENT: List and explain five other features of an underdeveloped economy.

PERIOD 3

PROBLEMS OF ECONOMIC DEVELOPMENT IN WEST AFRICA

These are factors or obstacles which affects or hinders the economic development in West African nations. Some of the problems include:

1. Low level of savings: this is very low in developing countries and retards the level of economic development.
2. Low level of investments: low level of savings leads to low level of investments and this affects economic development.
3. Lack of adequate capital: low capital base affects economic development. It slows it down as people who want to invest might not have enough capital.
4. Lack of skilled manpower: In developing countries, skilled manpower is usually low, thus affecting economic development.

5. Low level of technology: Majority of developing nations have low technical knowledge and know-how. This affects economic development.
6. Lack of infrastructural facilities: lack of or inadequate infrastructural facilities like roads, water and electricity leads to low economic development.
7. Dependence on imports: high level of imports discourages economic development as majority of developing countries do depend mainly on exports of agricultural and mineral products.

CONDITIONS NECESSARY FOR RAPID ECONOMIC DEVELOPMENT

1. Encouragement of savings.
2. Encouragement of investments.
3. Provision of capital.
4. Training of manpower
5. Provision of infrastructural facilities.
6. Technological development
7. Export promotion.

WEEK 2:

PERIOD: 1

TOPIC: INTERNATIONAL ECONOMIC ORGANIZATIONS

This is the coming together of different countries with a common economic interest and goals, with a view of promoting economic co-operation and development among member-states. Examples are ECOWAS, IMF, and IBRD etc.

ECOWAS: This stands for The Economic Community of West African States.

FORMATION: The ECOWAS was formed and founded on 28th May, 1975 in Lagos, Nigeria. It comprised all the independent nations of West Africa. The English speaking countries (Anglophone) are Nigeria, Ghana, The Gambia, Sierra-Leone and Liberia while the French-speaking countries (Francophone) are Senegal, Guinea, Togo, Mali, Benin Republic, Burkina Faso, Cote de l'voire, Mauritania and Niger Republic. The Portuguese speaking countries (Busophone) are Cape Verde and Guinea Bissau.

The administrative headquarters of the community is Abuja and the fund headquarters is Lome founded under the leadership of Gen. Yakubu Gowan of Nigeria and President Eyedema of Togo.

AIMS AND OBJECTIVES OF ECOWAS

1. To promote co-operation and development in all fields of economic activity among member- states.
2. The establishment of a common market with the aim of liberalising trade within the regions.
3. To ensure economic stability with the aim of liberalising trade within the community.
4. To abolish trade barriers among the member-nations.
5. To foster closer relations by encouraging free movement of citizens, goods and services.
6. To increase production of goods.
7. To encourage the progress and development of African continent.

ORGANS OF ECOWAS

1. The authority of heads of state and government: This is the highest authority of the organisation.
2. The council of ministers: This is made up of ministers or representatives from each member state.
3. The executive secretariat: This is the administrative organ of ECOWAS located in Abuja headed by the Secretary General.
4. The fund for co-operation, compensation and development: The headquarters is in Lome, headed by the managing director appointed by the council of ministers. The function is for compensation, foreign investment, development projects and mobilisation.
5. The community tribunal: This settles disputes among member-states making up the organisation on matters affecting interpretation of the treaties that established ECOWAS.
6. The technical and specialised commission:
   a. The industry, agriculture, natural resources.
   b. The trade, customs, immigration.
   c. Transport, telecommunication and energy commission.
   d. Social and cultural commission.

ACHIEVEMENTS

1. The removal of custom duties.
2. Elimination of obstacles to allow movement of persons, services and capital.
3. Elimination of administrative restrictions on trade.
4. Establishment of funds for co-operation, compensation and development.

5. Mediation in dispute states.
6. Formation of ECOMOG formed as a peacekeeping force.
7. Unity among member countries irrespective of differences.

ASSIGNMENT

Mention seven problems or weaknesses of ECOWAS.

PERIOD: 2

UNCTAD: This stands for United Nations Conference on Trade and Development.

FORMATION: The UNCTAD was established in 1964 with its headquarters in Geneva Switzerland. It was created as an organ of the United Nations by a resolution passed by the United Nations Organization.

OBJECTIVES AND FUNCTIONS OF UNCTAD

1. To assist in solving the international trade problems of the underdeveloped countries.
2. It also help to solve the increasing balance of payment difficulties of developing countries.
3. To also aid the increase in the pace of economic development of underdeveloped nations in order to reduce the gap between them and the rich countries in the world.

IBRD: This stands for International Bank for Reconstruction and Development.

FORMATION: The IBRD popularly known as World Bank was established in 1944. Its headquarters is in Washington, United States of America. It started with 45 members at the beginning and as at 2020; membership has risen to 189 nations.

OBJECTIVES AND FUNCTIONS OF IBRD

1. Granting long term loans for infrastructural development.
2. Giving expert advice on developing problems.
3. Provision of experts to solve development problems.
4. Undertaking feasibility studies relating to economic development.
5. Provision of training experts etc.

ASSIGNMENT: Mention the formation of EEC and outline five of its objectives and functions.

PERIOD: 3

IMF: This stands for International Monetary Fund.

FORMATION: It was set up after the Second World War in order to encourage the development of foreign trade. It began operation in 1947 with headquarters in the United States of America.

The IMF was established as a result of proposals adopted at an international conference held at Bretton Woods in 1945. At present, it has about 188 member-countries; South Sudan is currently the youngest country to join IMF in April, 2012.

OBJECTIVES AND FUNCTIONS OF IMF

1. To establish and stabilise exchange rate among member-nations.
2. To make funds available to members to finance balance of payments deficit.
3. To encourage the development of international trade.
4. To promote co-operation among member-countries on financial matters.
5. To facilitate settlement of debts in foreign transactions.

ADB: This stands for African Development Bank.

FORMATION: It was established in 1964 with its headquarters in Abidjan, Cote d'Ivoire. It is a bank owned by African countries which belongs to Organization of African Unity (OAU) now African Union (AU). It started full operations in 1966, with initial membership of 23 African countries and as at 2020 membership had risen to 80

OBJECTIVES AND FUNCTIONS OF ADB

1. Provision of loans to aid social and economic development of member-nations.
2. Provision of technical assistance for development projects and programmes embarked upon by member-nations.
3. To foster economic integration among member-states.
4. Provision of funds for the agricultural development of member-nations.

ASSIGNMENT

Mention the formation of E.C.A (Economic Commission for Africa) and outline five of its objectives and functions.

WEEK 3

PERIOD: 1

ECONOMIC REFORM PROGRAMMES

DEFINITION: This may be defined as government conscious formation of economic policies and programmes aimed at strengthening the performance of the various sectors of the economy. Examples of some are the consolidation of financial institutions, privatization and commercialization, indigenization, nationalization and deregulation.

CONSOLIDATION OF FINANCIAL INSTITUTIONS

This is one of the economic reform programme initiated by the CBN. It was outlined at ensuring that the financial base supports the real sector of the economy.

The Central Bank of Nigeria, through its governor Prof. Charles Soludo on the 6th July, 2004 initiated bank consolidation through merger and acquisition and the N25billion recapitalization exercise in his 13 point reform agenda in the banking industry. He stated that by 31st Dec. 2005 all banks must have a minimum capital base of N25bil. Failure to meet up would lead to liquidation by Jan. 2006.

OBJECTIVES OF BANK CONSOLIDATION

1. To inject fresh capital into the industry to strengthen the banks recapitalization in order to support the real sector of the economy.

2. To achieve the consolidation of the banking institutions through merger and acquisition.
3. To create better platform for more effective regulation and policy realisation.
4. To make Nigerian banks to become more internationally competitive especially in West Africa.
5. To establish an Assets Management Company as an important element of distress resolution.

CAPITAL PROBLEMS OF BANKS AS AT 2004

1. Persistent illiquidity.
2. Weak corporate governance.
3. Poor assets quality.
4. Insider abuses.
5. Weak capital base.
6. Unprofitable operation etc.

ASSIGNMENT

Mention five problems created by the consolidation of the banking sector.

PERIOD: 2

PRIVATIZATION AND COMMERCIALIZATION

Privatization is a policy designed to enable individuals and private or corporate organization to take over the ownership and control of government business.

Commercialization is a policy geared towards making state-owned enterprises to become more efficient and profit-oriented.

REASONS FOR PRIVATIZATION AND COMMERCIALIZATION

1. Privatization and commercialization help to develop a good and efficient management of the enterprise.
2. They assist individuals to participate in economic activities through ownership of enterprises.
3. They assist the government to generate more revenue.
4. It helps to provide autonomy for the enterprise.
5. They assist to remove or divest from unproductive enterprises in the economy.
6. It helps to attract foreigners to invest in the economy because of attractive profits expected.
7. It helps to reduce wastage and corruption in the system.

ADVANTAGES OF PRIVATIZATION AND COMMERCIALIZATION

1. They help in reducing public expenditure on enterprises that are not viable.
2. They help to promote efficiency in production.
3. They help to boost the generation of revenue for the government.

DISADVANTAGES OF PRIVATIZATION AND COMMERCIALIZATION

1. The policies lead to poor standard of living of the people due to a shift of interest from pure service delivery to profit maximization.
2. They are associated with high cost of products of goods due to profit maximization.

3. There is reduction of employment as most workers are usually laid off when industries are privatized or commercialized.

ASSIGNMENT

Mention two other advantages and disadvantages of privatization and commercialization.

PERIOD: 3

INDIGENIZATION

This is the transfer of ownership and control of business enterprises from foreigners to the indigenes. The major aim is to reduce foreign domination of the economy and ensure indigenous participation.

In 1972, the Federal Government of Nigeria promulgated the Nigerian Enterprises Promotion Decree (NEPD)

REASONS FOR THE PROMULGATION OF THE NEPD

1. To ensure that the means of production and distribution are controlled by Nigerians and not foreigners.
2. To be able to control business enterprises in the country.
3. To ensure that the country is self-reliant.
4. For industrial development of the country.

ADVANTAGES OF INDIGENIZATION

1. It ensures indigenous participation.
2. It leads to development of local skills and technology.
3. It reduces foreign control of the economy.

DISADVANTAGES

1. Discouragement of foreign investment.
2. It can lead to disharmony between countries.
3. Rich people can hijack the economy.

NATIONALIZATION

This is a deliberate policy by which government takes over the control and ownership of private enterprises due to economic, political, social or strategic reasons.

REASONS FOR NATIONALIZATION

1. For strategic reasons like security, defence and politics.
2. To prevent exploitation of the citizens.
3. To avoid foreign dominance of the economy.
4. For political reasons or differences which can be taken as retaliatory measures.
5. To prevent wasteful competition among companies.

ADVANTAGES OF NATIONALIZATION

1. It helps check exploitation.
2. It ensures steady supply of essential services.
3. It helps to prevent and eliminate wasteful competition.
4. It encourages more efficient use of economic resources.

DISADVANTAGES

1. Private initiatives can be destroyed when government takes over all or some industries.

2. Lack of competition can encourage low productivity and inefficiency.
3. Government may use its monopolistic powers to exploit the consumers. E.g. PHCN.
4. Corruption and mismanagement leading to inefficiency.

ASSIGNMENT: Define deregulation and mention three of its advantages and three disadvantages.

WEEK 4

PERIOD 1

EFCC: The Economic and Financial Crime Commission is a Nigerian law enforcement agency that investigates financial crimes such as advance fee fraud (419 frauds) and money laundering.

FORMATION: The EFCC was established in 2003 partially in response to pressure from the Financial Action Task force on monetary laundering (FATF), which named Nigeria as one of 23 countries non-cooperative in the international community's efforts to fight money laundering. The agency has its head office in Abuja.

ROLES OF EFCC

1. Sanitization of banks as it is perceived that banks and financial institutions are the platform for laundering and an avenue for ill-gotten wealth.
2. Aggressive investigation and prosecution of cases of tax evasion as it is regarded as an economic crime.
3. To fight cybercrime and the scourge of Advance Fee Fraud using smart technology.

4. Actively implement the 40 plus 9 recommendations of the Financial Action Task Force.
5. Initiate legislative intervention in key areas that will aid the anticorruption fight.

ASSIGNMENT: What is tax evasion?

PERIOD 2:

ICPC: This stands for Independent Corrupt Practice Commission.

MEMBERSHIP: As provided for in Section 3(3) of the Act 2020, the commission consists of a chairman and twelve (12) members, two of who represents each of the six geopolitical zones of the country.

The membership is drawn from the following categories of Nigerians as spelt out by the Act:

1. A retired police officer not below the rank of Commissioner of Police.
2. A legal practitioner with at least 10 years post-call experience.
3. A retired judge with a superior court of record.
4. A retired civil servant not below the rank of director.
5. A woman.
6. A youth not less than 21 or more than 30 years of age as at the time of his/her appointment.
7. A chartered accountant.

ROLES OF ICPC

Section 6(a-f) of the ICPC Act 2000 sets out the duties of the commission as follows:

1. To receive and investigate complaints from members of the public on allegations of corrupt practices and in appropriate cases, prosecute the offenders.
2. To examine the practices, systems and procedures of public bodies and where such systems aid corruption, to direct and supervise their review.
3. To instruct advice and assist any officer, agency or parastatal on ways by which fraud or corruption may be eliminated or minimized by them.
4. To advise heads of public bodies of any changes in practice, systems or procedures compatible with the effective discharge of the duties of public bodies to reduce the likelihood or incidence of bribery, corruption and related offences.
5. To educate the public on and against bribery, corruption and related offences.

WEEK 3

TOPIC: NAFDAC/SON

NAFDAC: This stands for National Agency for Food Drug Administration and Control. It is headed by a chairman who presides over a governing council appointed by the president on the recommendation of the Minister of Health. Other council members are:

1. The Permanent Secretary of Ministry of Health.
2. The Director-General of NAFDAC.
3. Standard Organization of Nigeria.

4. The National Institute for Pharmaceutical Research and Development (NIPRD).
5. The Chairman of the Pharmacist Council of Nigeria (PCN).
6. The Chairman of NDLEA.
7. A representative each of the Pharmaceutical Group and the Food and Beverage Group of MAN.
8. Three members of the general public.

ROLES OF NAFDAC

1. Regulate and control the importation, exportation, manufacture, advertisement, distribution, sale and use of drugs, cosmetics, medical devices, bottled water and chemicals.
2. Conduct appropriate tests and ensure compliance with standard specifications designated and approved by the council for the effective control of quality of food, drug, cosmetics etc.
3. Undertake the registration of food, drugs, medical devices, bottled water and chemicals.
4. Control the exportation and issue quality certification of food, drugs etc.
5. Establish and maintain relevant laboratories or other institutions in strategic areas of Nigeria.

SON: This stands for Standard Organization of Nigeria. Their statutory functions include:

1. To investigate the quality of facilities, materials and products in Nigeria and establish a quality assurance system.
2. To ensure the sponsor of appropriate national and international conferences.

3. To undertake research as may be necessary for the performance of its functions.
4. To register and regulate standard marks and specifications.
5. To undertake preparation and distribution of standard samples.
6. To compile an inventory of products requiring standardization.

DIRECTORATES OF SON

1. Standards
2. Quality Assurance
3. Laboratory services
4. Planning Research and Information
5. Management Systems
6. Technical services
7. Finance and Supply
8. Human Resources

   ASSIGNMENT: What are the main functions of Nigerian Standard Council (NSC)?

WEEK 5:

PERIOD 1

TOPIC: ECONOMIC DEVELOPMENT CHALLENGES

These are problems or challenges which the economy experiences that tends to draw back the growth and development of the country. Examples are poverty, debt burden and debt relief, HIV/AIDS eradication, corruption etc.

POVERTY: This means lack of material possessions belonging to a person. The basic and important material goods include shelter, clothing, health facilities, education, jobs. Also, it depicts increase in diseases and sickness.

EFFECTS OF POVERTY

Some of the properties of poverty include:

i. Hunger
ii. Malnutrition
iii. HIV/AIDS
iv. Malaria
v. Lack of sanitation and water
vi. Poor health care
vii. Low education
viii. Unemployment
ix. Poor maternal and child care
x. Low literacy etc.

METHODS OF POVERTY ALLEVIATION AND ERADICATION

1. Economic empowerment such as provision of small loans to start or grow businesses, vocational training and job creation.
2. Education, skills development and also improving literacy rates.
3. Agricultural development by supporting farmers with resources, incentives and subsidies. Also, improving market access for farmers.
4. Infrastructural development by improving access to basic infrastructure like roads, water and sanitation.
5. Policy and governance: implementing policies that benefit the poor, ensuring transparency, accountability and effective governance etc.

PERIOD 2:

HIV/AIDS: This stands for Human Immunodeficiency Virus (HIV) and Acquired Immunodeficiency Syndrome (AIDS).

BRIEF HISTORY: Early cases were recorded in the 1970's but it wasn't certain. By 1981, the Centre for Disease Control (CDC) reported the first case of AIDS in the United States. The virus was identified in 1983 and by 1984, it was named Human Immunodeficiency Virus(HIV). By 1985, the first blood test for HIV was developed. In the 1990's, Antiretroviral Therapy (ART)became available, transforming treatment and improving outcomes. By the 2000's, global efforts to combat HIV/AIDS has intensified with increased funding, awareness and access to treatment.

EFFECTS OF HIV/AIDS ON ECONOMIC DEVELOPMENT

1. Loss of productive workforce, reduced productivity and loss of skilled workers.
2. Increased healthcare costs which requires costly treatment and care, diverting resources from other health priorities.
3. Impact on human capital: it can reduce investment in education and skills management as families may give attention to care of affected members.
4. Increased poverty which can lead to reduced income, increased expenses and poverty to vulnerable households.
5. Demographic impact which affects population growth, dependency ratio and social security.

PERIOD 3

COVID 19: This stands for Corona Virus Disease 19 signifying the year it was identified. It is a respiratory illness caused by the SARS-CoV-2 Virus.

BRIEF HISTORY: In Dec. 2019, reports emerged of pneumonia cases in Wuhan, China with the first reported case in Dec.1. the Chinese authorities reported a cluster of cases of pneumonia of unknown cause to WHO. By Jan. 2020, WHO declared the outbreak a Public Health Emergency of International Concern (PHEIC). COVID 19 was then declared a pandemic. Government worldwide implemented various measures to slow the spread including lockdowns, travel restrictions and masks mandates. By Dec. 2020, the first COVID 19 vaccines were approved for emergency use.

EFFECTS OF COVID-19 ON ECONOMIC DEVELOPMENT

1. The pandemic led to widespread job losses, reduced working hours etc.
2. Reduced economic activities like lockdowns, social distancing measures, supply chain disruptions etc.
3. It places a significant burden on healthcare systems requiring increased spending on medical care.
4. It may have a long-term effect on economic growth, productivity and employment.
5. Increased poverty and inequality.

WEEK 6

ECONOMIC DEVELOPMENT PLAN

These are economic planning instruments aimed towards economic growth and development of Nigeria. Some instruments introduced by the federal government are:

1. The Millennium Development Goals (MDG's).
2. The National Economic Empowerment Development Strategies (NEEDS).
3. The Vision 20:2020.

THE MILLENNIUM DEVELOPMENT GOALS: These are eight international development goals that were officially established following the millennium summit of the United Nations in 2020. At least 23 international organizations have agreed to achieve these goals by the year 2015.

GOAL/OBJECTIVES OF MDG's

1. Eradicating extreme poverty and hunger.
2. Achieving universal primary education.
3. Promoting gender equality and empowering women.
4. Reducing child mortality rate.
5. Improving maternal health.
6. Combating HIV/AIDS, malaria and other diseases.
7. Ensuring environmental sustainability.
8. Developing a global partnership.

NEEDS: This stands for The National Economic Empowerment Development Strategy. It has fashioned a reform agenda with emphasis on strengthening the macroeconomic environment and strengthening the growth agents within the system.

It is a vision of Nigeria with new set of values and principles which facilitate the achievements of national goals.

The specific reform programs in NEEDS include government and institutional reforms which entails:

i. Public sector reforms.
ii. Privatization and liberalization.
iii. Governance.
iv. Transparency and anticorruption.
v. Service delivery by government agencies.

OBJECTIVES OF NEEDS

They are mainly in threefold:

i. Poverty reduction.
ii. Employment generation
iii. Wealth creation

VISION 2020

It is stated in the document 'Vision 20:2020 Economic Transformation Blueprint'(2009) that by the year 2020 Nigeria will have a large, strong, diversified, sustainable and competitive economy that effectively harness the talents and energies of its people and responsibly exploits its natural endowments to guarantee a high standard of living and quality of life of its citizens.

OBJECTIVES OF Vision 2020

The objectives of Vision 20:2020 have social, economic, institutional and environmental dimensions.

i. The social dimension envisions an equal society that can sustain a life of expectancy of at least 70 years.
ii. The economic dimension envisages a vibrant economy whose manufacturing sector can contribute at least 25 per cent to GDP.
iii. The institutional dimension expects a stable democracy.
iv. Environmental dimension envisions effective management of our natural environment.

THE SEVEN POINT AGENDA

This encompasses the following areas:

1. Power and agenda
2. Food security and agriculture.
3. Wealth creation and employment.
4. Mass transportation.
5. Land reform.
6. Security
7. Qualitative and functional education.

ASSIGNMENT: Do you think vision 2020 has been achieved? Give reasons.