

The high population of nigeria contributed to high rate of unemployment, which WO...

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## Essay Questions

### Question 1

Nigeria went wrong from the beginning when the British colony took over them and monopolize in the production even from the palm trees. The large tracts of land were set aside for plantations of palm oil trees leading to land shortage and misappropriation. The palm oil was mainly meant for machines and trains.

Shell also discovered oil and started drilling in 1956, which led to a lot of pollution in relation to air, water as well as the destruction of soil. This led to destruction of suitable lands for agriculture, which could have been used to ensure food security in the whole country. The oil has affected the environment greatly especially the sites located next the mining sites which becomes non-reclaimable in most of the times leading to destruction of the land useful for other productive purposes.

Nigeria concentrated more in oil production and mining while giving less focus on crop production what lead to food shortages and insecurity in Nigeria. Nigeria has experienced economic difficulties due to changes in oil prices globally, which greatly affects the prices of other goods and services leading to inflation as well as hard economic terms.

### Question 2

The famously recognized philosophical saying resource curse refers to a paradox situation that currently exists in much resource endowed countries. The paradox state of affairs that is currently witnessed is that regions endowed with plenty of natural resources specifically non-renewable natural

resources such as fuels and minerals tends to have reduced economic growth and retarded development outcomes compared to nations endowed with fewer natural resources.

The above absurd situation is attributes to various reasons such as reduced competitive edge in other major sectors of the economy mainly mining and agriculture. This is mainly attributed to the increase in real exchange capacity as revenues from natural resources flood the economy. Other reasons attributed to the resource curse are mismanagement of revenues accrued from natural resources, weak, unstable, ineffectual, and corrupt government institution that leads to paralyzed economic development. In addition, volatility of natural resource global markets leads to unpredicted returns that contribute to unending conflicts in many natural resource endowed countries.

Numerous efforts are daily implemented to develop solutions to the natural resource curse. To some extent, many have worked well but some have failed considerably. This entails establishment of international agreements and treaties that would control natural commodity markets. Individual nations' stabilization funds that aims at stabilizing the global market prices and caution the country from low prices. Strong institutional framework and good governing principles will help in relevance in utilization of funds accrued from the sale of natural resources.

### **Question 3**

Many of the entrepreneurs in South Korea supplied their goods and services to the American forces and this helped to boost the economy of their

country. South Korea engaged in economic planning which enabled them to meet their economic goals therefore economic growth and development. The Koreans have an attitude of going forward and complete the tasks, which motivate them to achieve higher targets and objective in the economic development.

The Korean population made vast use of formal education to establish a high skilled labor force. With fewer natural resources, the country embarked on massive industrialization with its highly skilled labor force. This translated to a world industrial economy capable of not only meeting its national needs but also the global industrial needs at large.

## **Works Cited**

Korhonen, Iikka. Does democracy cure a resource curse?. Helsinki: BOFIT, 2004. Print.