

Public Relations Strategies for Managing Religious, Ethnic and Social Conflicts For the Promotion of Foreign Direct Investment (FDI) and Development In Nigeria

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Abstract

The rate of ethnic, religions, communal, social and political conflicts in Nigeria is unarguably very inimical not only to the unity of the Nigeria nation, but also to its socio-economic and political development. Foreigners are de-investing and running away to other countries, while foreign direct investment is running low. Today, there are fears whether the country's unity and its fledgling democracy will survive, talkless of its avowed dream march into one of the developed nations of the world. This paper which is desk-research-based therefore delves into a critical appraisal of religious, ethnic and social conflicts in Nigeria, their effect on foreign direct investment (FDI) inflow into the country and outflow from the country, and how the tide could be stemmed through effective public relations conflict resolution and crisis management strategies. The study objectives included: to determine the financial and economic implications of religious and ethnic crisis on foreign direct investment to Nigeria between 1980 – 2012 and to highlight the integrated public relations panacea for the problem. In the research methodology, secondary data were entirely used for the analysis. Results obtained indicate that foreign direct investment (FDI) inflows into Nigeria over the period under review have been adversely and significantly impacted by the problems. It is therefore recommended that integrated public relations strategies should be employed to dissuade the citizens from involving in religious, ethnic and social conflicts in order to reverse the negative economic trends.

Keywords: Foreign Direct Investment (FDI), Conflict, Economic Development

1. Introduction

Over the years, ethnic, religions, communal, social and political conflicts have been threatening the fragile unity of the Nigerian nation. This problem has been exacerbated by the win-at-all-costs attitude of some Nigerian politicians. To worsen the matters, terrorism dimensions to violence have now entered the Nigerian social history and political diary, with bombings and news of bombings being heard everyday (Amadi, 2011; Njoku, 2011; Osai, 2011). All these social problems pose great hindrances to the country's attraction of foreign direct invest (FDI). Is it not when brothers agree that they can partner? Again, is it not when brothers partner among themselves that outsiders (foreign investors) would want to partner with them. Even rats run away from a house on fire.

Diverse reasons have been adduced by many social commentators to explain this social anomaly in Nigeria society. "Boko Haram" a group campaigning for the imposition of Sharia law on some states of the Nigerian federation, blames western education, unemployment and political injustices as being behind their actions. Since after the 2011 general election, arson, wanton destruction of lives and property have been unleashed sporadically on the police, public, churches, innocent people and even the international community which the United Nation's building bombing in Abuja typifies.

On the Niger Delta crisis, Okonta and Douglas (2001:2) observed that it started due to tensions between the foreign oil corporations and some Niger-Delta minority ethnic groups who felt they were being unjustly exploited, because despite the vast wealth from petroleum, the benefits have been slow to trickle down to the majority of the population, whose agricultural lands and aquatic culture have been largely destroyed by oil spillages and environmental pollutions. However, Emeagwali (2000:16) says the roots of the present crisis stems in a lack of understanding of the Nigerian constitution and the peoples' poor appreciation of nationhood enshrined in the constitution. Hence, ethnic cleavages take precedence over the spirit of nationhood.

Meanwhile, Angaye (2003:1) buttresses this point that it is the divisive interplay of politics, ethnicity and religion in Nigeria that has led to the recent spates of micro-nationalism, and militancy of the various ethnic movements like the Movement for the Emancipation of Niger Delta (MEND), the movement for the Survival of Ogoni People (MOSOP), the Movement for the Actualization of the Sovereign State of Biafra (MASSOB), the Odua People's Congress (OPC), the Boko-Haram and many more), all seeking self-determination, local autonomy, separate identity, resource control and true federalism. All these are given vent through accusations and allegations of neglect, oppression, domination, exploitation, victimization, discrimination, marginalization and rotation of major political offices.

Kukah (2007:5) blames greed, unbridled quest for power and a culture of materialism for the crisis. This is despite the wise counsel by some of our founding fathers like Awolowo (1961:5) that in the process of bringing out the best that is in man and of enabling him to live a healthy and happy life, the agencies of politics and religion must work in close and harmonious cooperation.

All these have been a cause of worry to well-meaning Nigerians and the international community or friends of the country. Many solutions have been put into place by the government of Nigeria with supports from the United Nations and other international NGOs aimed at keeping lasting peace in Nigeria's social and political life, all to no avail, (Abati, 2008:45). However, public relations and other marketing communications experts are of the view that confronting this problem frontally through an integrated or combined force of social-marketing, societal marketing, social media and conflicts/crisis management tools would do the magic, (Abratt et al, 1989; Andreasen, 1996:47; Barone, et al, 2000; Bennett et al, 2000:255).

2. Statement of the Problem

The frequency and momentum of bombings, killings, kidnappings and destruction of property by aggrieved groups in Nigeria are scaring away foreigners already in the country and discouraging their brothers from coming into the country to invest. Hence, valuable jobs are being lost by the citizens. For instance, in the wake of the bombing of the United Nation's building in Abuja by Boko Haram in 2010, the staff of the organization relocated to another country, despite assurances to Nigerians that they would not do so. In the manufacturing sub-sector reports have it that foreigners are shutting down their factories and relocating to Ghana, South Africa and other African countries.

The country's security system has been over-stretched by the problem. How have these problems affected foreign direct investment inflow and outflow in the country? This study tried to find answer(s) to that.

3. Study Objectives

- To determine the effect of religious, ethnic and social crisis on foreign direct investment inflow into Nigeria between 1970-2010.
- To ascertain the effect of religious, ethnic and social crisis on foreign direct investment outflow from Nigeria between 1970-2010.

4. Research Questions

- (i) Have religious, ethnic and social crisis had significant negative impact on foreign direct investment inflow into Nigeria between 1970 - 2010?
- (ii) What is the effect of religious, ethnic and social crisis on foreign direct investment outflow from Nigeria between 1970 – 2010?

5. Methodology

For our methodology, secondary data were entirely used for the analysis. The data sourced, were collated and analysed in percentage frequencies, tables and statistical graphs for ease of understanding.

6. Literature Review

6.1 Public Relations

Public relation is the actions of a corporation, store, government, individual, etc., in promoting goodwill between itself and the target publics, the community, employees, customers, etc, (Zhao, 2003; Grunig and Hunt, 1984). The first World Assembly of Public Relations Associations, held in Mexico City, in August 1978, defined it as the art and social

science of analyzing trends, predicting their consequences, counseling organizational leaders, and implementing planned programs of action, which will serve both the organization and the public interest (Wikipedia.org, 2009; Nwosu, 1996). Common activities of public relations include speaking at conferences, working with the media, crisis communications, social media engagement and employee communication, ((Rubel, 2007:7; Kamau, 2009: 67; Maloney,2003:19). Almost any organization or country that has a stake in how it is portrayed in the public arena employs some level of public relations, (Cutlip, 1994:113).

6.2 Foreign Direct Investment

The International Monetary Fund (IMF, 2011) defines foreign direct investment as the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments.

Foreign direct investment inflow therefore is the rate at which foreigners' funds come into a country for investment, while foreign investment outflow in our context is the rate at which foreigners' funds/investment leave the country (Nigeria).

6.3 Societal Marketing

According to Erickson (2009:3), societal marketing allows for more sustainable success rather than short-term accomplishment. Essentially, the goal is to provide a marketing strategy that betters both consumers and societal well-being. It is also more socially responsible because it attempts to provide marketing concepts that are more in tune with societal needs and establishes more ethical content in practice, (Dholakia et al, 1985:112; Reidenbach and Oliva, 2003:65).

6.4 Social Marketing

On the other hand, social marketing is the planning and implementation of programs designed to bring about social change using concepts from commercial marketing, (Moore, 1993:145; Grunert, 1992; Kotler and Zaltmann, 2001). It is the systematic application of marketing, along with other concepts and techniques, to achieve specific behavioral goals for a social good. Social marketing can be applied to promote good courses in society or to make a society avoid anti-social actions and thus to promote society's well being as a whole. For example, this may include asking people not to engage in violence as a way of seeking redress, not to smoke in public areas, to use seat belts, to obey traffic rules and others (Mercer, 1992:47; Kangun, 1994:63).

6.5 Social Media

These are media for social interaction, using highly accessible and scalable communication techniques. Social media is the use of web-based and mobile technologies to turn communication into interactive dialogue. Kaplan and Haenlein (2010) also define social media as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, which allows the creation and exchange of user-generated content.

6.6 Conflict

Conflict arises whenever people disagree over issues, interests, values, motivations, perceptions, feelings or desires. In personal relationships, a lack of understanding about differing needs can result in distance, arguments and break-ups.

We respond to conflicts based on our perceptions of the situation, not necessarily to an objective review of the facts. Our perceptions are influenced by our life experiences, culture, values, and beliefs.

6.7 Conflict Management

This refers to the long-term management of intractable conflicts in society, organization, institution, community or family. The form of conflict management option or strategy to be adopted is determined by the social structure or social geometry of the country and the cases involved. But the functional-conflict school of thought believes that when conflict is handled in a respectful and positive way, it provides an opportunity for growth. Dysfunctional conflicts, like the ones in Nigeria today, are destructive and cause loss of lives, property, man-hours, investment opportunities, hunger and starvation, open violence, wars and other forms of social disruptions (Nkamnebe, 2007; Nwosu, 1996).

6.8 Causes of Social Conflicts/Crises in Nigeria

Angaye (2003:1) reports that compounding the problem of underdevelopment in poor countries like Nigeria is micro nationalism, ethnic, religious and communal conflicts which pose great threat to peace, security and progress. In every nation there is no complete agreement on how to share wealth, power and status among individuals and groups, and how to effect necessary changes and reforms. Since different groups and individuals have diverse interests, the aims of some groups will conflict with those of others. Effective conflict management is therefore needed for peaceful co-existence of the people.

The divisive interplay of politics, ethnicism and religion in Nigeria has led to rising nationalism and militancy of various ethnic movements, seeking self-determination, local autonomy, separate identity and true federalism. The existence of artificial and arbitrary boundaries that split ethnic groups among different local government areas (LGAs) and states has resulted in boundary disputes and demands for re-unification or separation, (Angaye, 2003:1).

Accusations and allegations of neglect, oppression, domination, exploitation, victimization, discrimination, marginalisation, nepotism and bigotry are common, Angaye (2003:2) observed. Today, struggles for the control of power at the centre have become a major cause of social crisis up to a terrorism dimension in the country. All these discourage foreign investors from coming into Nigeria, while others already in are running away.

7. DATA PRESENTATION AND ANALYSIS

Test of Objective 1: To determine the effect of religious, ethnic and social crisis on foreign direct investment net inflow into Nigeria between 1970-2010. (see table 1, figure 1, table 2 and figure 2)

Test of Objective 2: To ascertain the effect of religious, ethnic and social crisis on foreign direct investment outflow from Nigeria between 1979 - 2010. (see table 3, figure 3, table 4 and figure 4)

8. Summary of Result

From our analysis of the data procured in this study, the following results are obtained.

- (i) The incessant religious, ethnic and social crises in Nigeria have adversely affected foreign direct investment inflow into Nigeria between in past 5 years.
- (ii) Religious, ethnic and social crises in Nigeria have also led to increased capital flight and foreign direct investment outflow from Nigeria in the past 5 years comparative to previous years.

Some businesses run by foreigners are closing and relocating to other African countries, leading to loss of jobs by Nigerians.

9. Discussion

From the foregoing, it could be seen that the recent bombings by Boko Haram, kidnappings in the Niger-Dela and South-East and wanton destruction of lives and property in Nigeria are ill-winds that blow no good to anybody. The country's economy is being destroyed, factories are closing down, worsening the unemployment situation in the country.

Apart from these, the country's international image is being dampened leading to shabby treatment of its citizens abroad. In good societies, conflicts serve as opportunities for growth. African countries could copy from that in order to move the continent forward like other continents of the world.

10. Conclusion

The existence of social peace is a sine qua non for socio-economic development in any society. The lofty dream of Nigeria joining the league of 20 most developed nations in the coming ten years will be difficult to realize under a climate of social insecurity. This paper tried here to X-ray this problem, its manifestations and ramifications, the impact on direct foreign investment and the public relations and conflict resolution options for the redress.

11. Recommended Public Relations and Conflict Resolution Strategies

Our recommended public relations and conflict-resolution strategies for arresting dysfunctional religious, ethnic and social conflicts in Nigeria are as follows:

1. Periodic public relations research must be initiated by the government to track issues that are likely to balloon into conflicts and nip such in their buds.
2. Integrated stake-holders meetings should be held from time to time at both national, states, local governments and community levels to sieve the feelings and opinions of the populace. These harvests of opinions will then be factored by policy makers into their social and security plans for the nation.
3. Integrated Multi-Media Marketing Communications approach should be employed by the government in enlightening Nigerians on the dangers of violence and the need to shun such ignoble acts. The integration of social marketing, societal marketing, social media and crisis management strategies will help to effectively market peace in Nigeria, and thereby promote foreign investments.
4. The incorporation of public relations and marketing communications practitioners into our national conflict-management committees for better results. They have the training to discern issues in the natural environment that could be pregnant with crisis and advise governments on how to proactively nip such in their buds.
5. Addressing the problem of inequalities in the distribution of wealth, power and status in the country, as a major source of conflicts in the land today. The nagging unemployment problem in the land must be tackled head-on by the government.
6. The entrenchment of good, transparent and service-oriented governments at all tiers of governance in Nigeria (federal, states and local governments) so as to win and sustain the confidence of the public, forge national integration and promote economic progress.
7. The carrying along of religious bodies and traditional and socio-cultural institutions in the transformation agenda in order to stem the tide of political, ethnic and communal conflicts, and usher in the much needed peace.
8. There should be zero-tolerance to corruption at all levels of our social spheres. There should also be quick dispensation of justice in the country, especially over corruption matters in order to win back the confidence of the public.
9. Public relations campaign should be used to discourage electoral and the employment of innocent youths for thuggery, violence, political assassinations and ballot box snatching during elections.

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Table 1: Foreign direct investment, net inflows (BoP, current US\$)

Year	Value
1970	\$205,000,000.00
1971	\$286,000,000.00
1972	\$305,000,000.00
1973	\$373,000,000.00
1974	\$257,000,000.00
1975	\$470,120,000.00
1976	\$339,000,000.00
1977	\$440,514,200.00
1978	\$210,933,300.00
1979	\$309,598,900.00
1980	(\$738,870,000.00)
1981	\$542,327,300.00
1982	\$430,611,300.00
1983	\$364,434,600.00
1984	\$189,164,800.00
1985	\$485,581,300.00
1986	\$193,214,900.00
1987	\$610,552,100.00
1988	\$378,667,100.00
1989	\$1,884,250,000.00
1990	\$587,882,900.00
1991	\$712,373,400.00
1992	\$896,641,300.00
1993	\$1,345,369,000.00
1994	\$1,959,220,000.00
1995	\$1,079,272,000.00
1996	\$1,593,459,000.00
1997	\$1,539,446,000.00
1998	\$1,051,326,000.00
1999	\$1,004,917,000.00
2000	\$1,140,138,000.00
2001	\$1,190,632,000.00
2002	\$1,874,042,000.00
2003	\$2,005,390,000.00
2004	\$1,874,033,000.00
2005	\$4,982,534,000.00
2006	\$4,854,417,000.00
2007	\$6,034,971,000.00
2008	\$8,196,606,000.00
2009	\$8,554,841,000.00
2010	\$6,048,560,000.00

Source: International Monetary Fund, Balance of Payments database, supplemented by data from the United Nations Conference on Trade and Development. <http://www.indexmundi.com/facts/nigeria/foreign-direct-investment>.

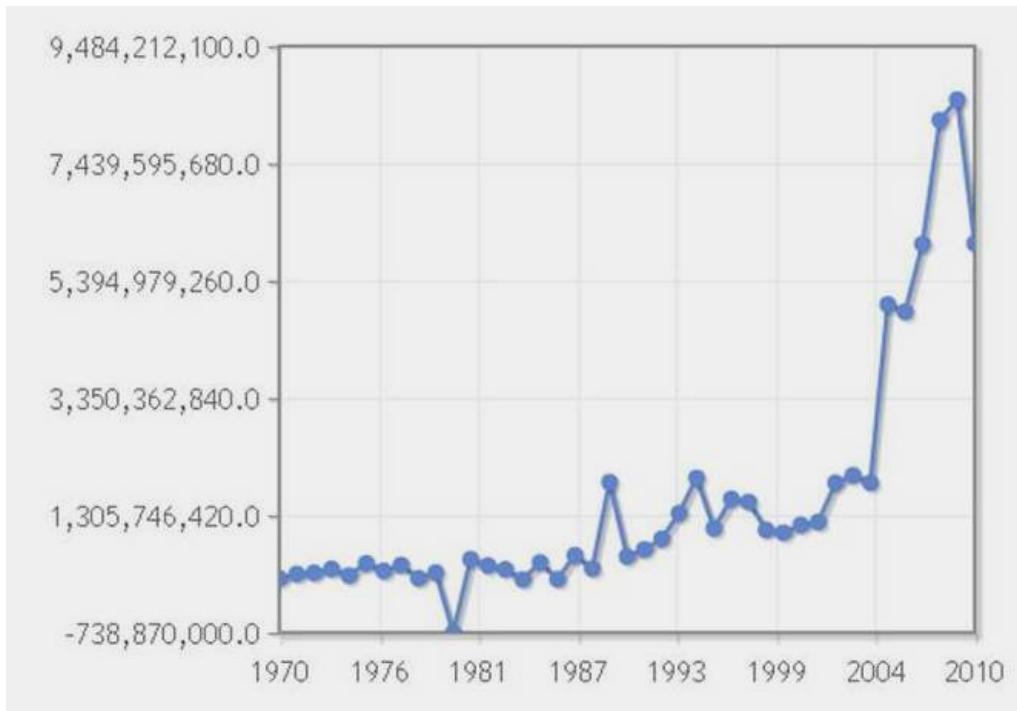


Fig. 1: Foreign direct investment, net inflows (BoP, current US\$). Source: International Monetary Fund, Balance of Payments database, supplemented by data from the United Nations Conference on Trade and Development. <http://www.indexmundi.com/facts/nigeria/foreign-direct-investment>.

Interpretation

According to the IMF and World Bank the latest value for Foreign direct investment, net inflows (BoP, current US\$) in Nigeria was \$6,048,560,000.00 as of 2010. Over the past 40 years, the value for this indicator has fluctuated between \$8,554,841,000.00 in 2009 and (\$738,870,000.00) in 1980. From figure 1 and table 1, it could be seen that foreign investment inflow began to fall from 2009 till date, exactly the period when the Boko Haram crisis heightened in the country.

Table 2: Foreign Direct Investment, Net Inflows (% of GDP) in Nigeria

Year	Value
1970	1.63
1971	3.11
1972	2.48
1973	2.46
1974	1.03
1975	1.69
1976	0.93
1977	1.22
1978	0.58
1979	0.66
1980	-1.15
1981	0.91
1982	0.87
1983	1.04
1984	0.67
1985	1.71
1986	0.96
1987	2.60
1988	1.66
1989	7.90
1990	2.06
1991	2.61
1992	2.74
1993	6.30
1994	8.28
1995	3.84
1996	4.51
1997	4.25
1998	3.27
1999	2.89
2000	2.48
2001	2.48
2002	3.17
2003	2.96
2004	2.13
2005	4.44
2006	3.34
2007	3.64
2008	3.96
2009	5.08
2010	2.99

Source: International Monetary Fund, Balance of Payments database, supplemented by data from the United Nations Conference on Trade and Development and official national sources.
<http://www.indexmundi.com/facts/nigeria/foreign-direct-investment>.

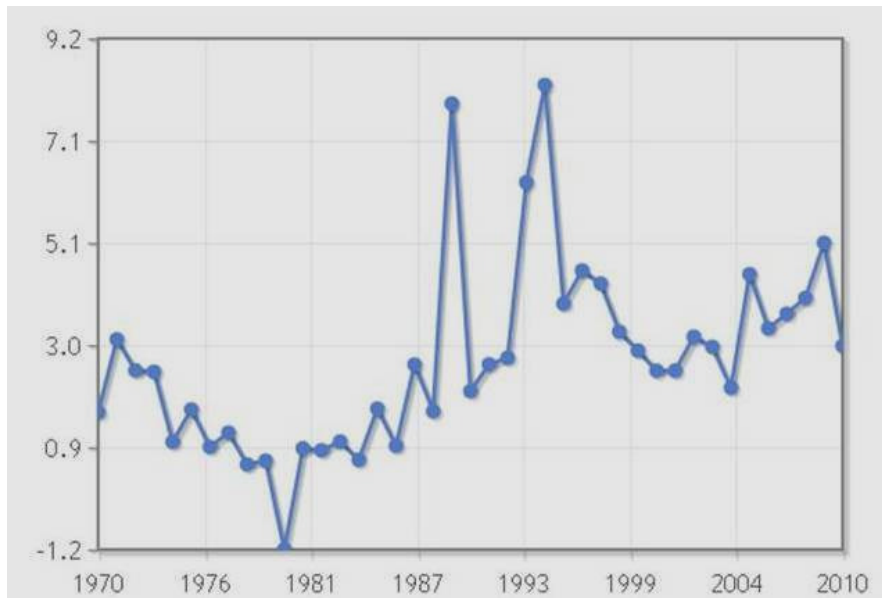


Fig. 2: Foreign direct investment, net inflows (% of GDP) in Nigeria.

Source: International Monetary Fund, Balance of Payments database, supplemented by data from the United Nations Conference on Trade and Development and official national sources. <http://www.indexmundi.com/facts/nigeria/foreign-direct-investment>

Interpretation

On the other hand, foreign direct investment, net inflows (% of GDP) in Nigeria was 2.99 as of 2010. Its highest value over the past 40 years was 8.28 in 1994, while its lowest value was -1.15 in 1980. A cursory look at figure 2 and table 2, shows that even in the military years period of between 1993 to 1998, foreign direct investment, net inflows (% of GDP) in Nigeria was higher than what obtains from 2009 down. This shows that religious, ethnic and social insecurity are having a significant negative effect on foreign investment into the country.

Table 3: Foreign direct investment, net outflows (% of GDP)

Year	Value
1979	0.01
2005	0.01
2006	0.22
2007	0.52
2008	0.51
2009	0.90
2010	0.45

Source: International Monetary Fund, Balance of Payments database, supplemented by data from the United Nations Conference on Trade and Development and official national sources. <http://www.indexmundi.com/facts/nigeria/foreign-direct-investment>.

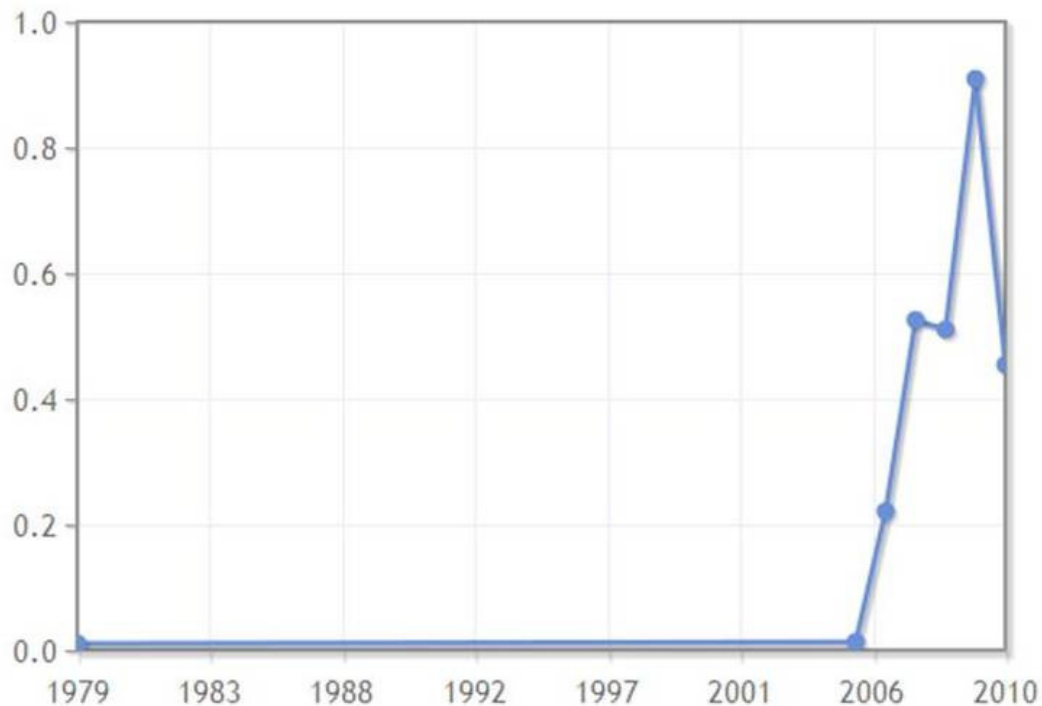


Fig. 3: Foreign direct investment, net outflows (% of GDP).

Source: International Monetary Fund, International Financial Statistics and Balance of Payments databases, World Bank, Global Development Finance, and World Bank and OECD GDP estimates.

Interpretation

Foreign direct investment, net outflows (% of GDP) in Nigeria was 0.45 as of 2010. Its highest value over the past 31 years was 0.90 in 2009, while its lowest value was 0.01 in 1979, (IMF, 2011). Table 3 above and figure 3 show that between 2007 to 2010, foreign direct investment outflow in relation to the GDP from Nigeria is quite higher than what obtained between 1979 to 2006, an indicator that religious, ethnic and social crisis are causing more foreign direct investment outflow from Nigeria now than in the 1970s, 1980s, 1990 and early 2000s.

Table 4: Foreign direct investment, net outflow (BoP, current US\$)

Year	Value
1977	\$440,514,200.00
1978	\$210,933,300.00
1979	\$304,632,000.00
1980	(\$738,870,000.00)
1981	\$542,327,300.00
1982	\$430,611,300.00
1983	\$364,434,600.00
1984	\$189,164,800.00
1985	\$485,581,300.00
1986	\$193,214,900.00
1987	\$610,552,100.00
1988	\$378,667,100.00
1989	\$1,884,250,000.00
1990	\$587,882,900.00
1991	\$712,373,400.00
1992	\$896,641,300.00
1993	\$1,345,369,000.00
1994	\$1,959,220,000.00
1995	\$1,079,272,000.00
1996	\$1,593,459,000.00
1997	\$1,539,446,000.00
1998	\$1,051,326,000.00
1999	\$1,004,917,000.00
2000	\$1,140,138,000.00
2001	\$1,190,632,000.00
2002	\$1,874,042,000.00
2003	\$2,005,390,000.00
2004	\$1,874,033,000.00
2005	\$4,967,899,000.00
2006	\$4,534,794,000.00
2007	\$5,167,441,000.00
2008	\$7,145,016,000.00
2009	\$7,029,701,000.00
2010	\$5,133,303,000.00

Source: International Monetary Fund, Balance of Payments database, supplemented by data from the United Nations Conference on Trade and Development and official national sources.
<http://www.indexmundi.com/facts/nigeria/foreign-direct-investment>.

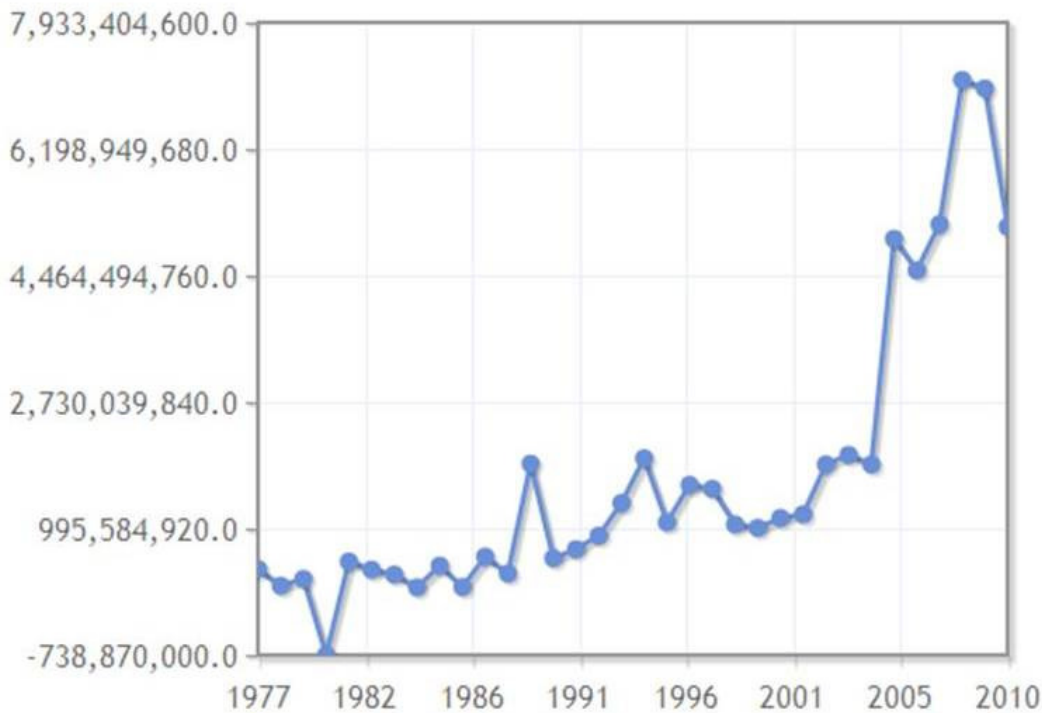


Fig 4: Foreign direct investment, net outflow (BoP, current US\$). International Monetary Fund, International Financial Statistics and Balance of Payments databases, World Bank, Global Development Finance, and World Bank and OECD GDP estimates.

Interpretation

The latest value for Foreign direct investment, net (BoP, current US\$) in Nigeria was \$5,133,303,000.00 as of 2010. Over the past 33 years, the value for this indicator has fluctuated between \$7,145,016,000.00 in 2008 and (\$738,870,000.00) in 1980 (IMF and World Bank, 2011). Table 4 and figure 4 indicate that foreign investment net outflow from Nigeria in relation to her balance of payment (BoP), were lower between 1977 to 2005, than what obtained even in the military era. All these again reflect that religious, ethnic and social crisis are leading to more capital flights and foreign investment outflow from Nigeria.