

3. There is need for the Council to liberalise its rules and procedures and move away from the stance of controlling to that of promoting export.
4. Included in this package is Export Credit Guarantee and Insurance Scheme (also an important incentive in Export Decree 1986) whose modalities of operations are still to be worked out.
5. With few months to the end of the SAP period, any relevant suggestions may have little impact on the current programme.
6. A ton of graded Cocoa bean which sold for about N1,500.00 before FEM now sells for between N7,000.00 and N8,000.00. The price of Cotton has also increased by 41%.
7. This bitter effect of the SAP cannot be coated with sweet by government officials. Even the President could not run away from it in his 1988 Budget Speech.
8. The results of the CBN-country-wide survey showed that capacity utilization declined in motor vehicle assemble, carpet/rug and electronic manufacture industries. (From 16.2; 45.0; 24.5% to 7.0; 15.0 and 18.5% respectively).
9. For example five breweries are reportedly in the process of building a joint sorghum malting plant while some industries are going in to large scale farm projects.
10. The Cocoa Processors Association of Nigeria is seriously facing shortages of Cocoa beans for their industries.
11. Out of US \$432.2m realized as foreign exchange from non oil sector (October 1986 to June 1987), only 1.4% was from manufactured goods.
12. The allocation of foreign exchange to finished goods has actually increased since the beginning of SAP. It was 20% for 1985, but stood at 31% for the first five months of 1987.
13. This is also confirmed by the result of the country-wide survey by CBN which showed that paper manufacturing, beer brewing, textiles, vegetable oil, paint and cement industries recorded significant increases in capacity utilization. (from 41.8; 39.5, 46.4, 26.9; 45.3 and 70.7 per cent to 51.7, 41.5, 60.4, 42.5; 59.8 and 84.2 per cent respectively).
14. The government taking this negative effect into consideration recently reduced the ceiling of bank lending rates from 15% to 12.5%.
15. It is hoped the new tariff structure (e.g. land charges on imported goods) as proposed in the President's 1988 Budget Speech will go a long way to correct this.
16. While some of the foreign exporters would never bring back earned foreign exchange back to the country. For example of US \$377.4m proceeds due up to 30th June 1987 only US \$207.2m had been repatriated by that time.
17. Government may also look at the possibility of formalising the boarder trade with out neighbours in order to reduce smuggling.

## THE SOCIO-POLITICAL IMPLICATIONS OF THE STRUCTURAL ADJUSTMENT PROGRAMME (SAP)\*

By  
Babafemi A. Badejo

Today, practically all African countries have had to undertake wide-ranging political reforms and to adopt stringent measures as part of structural adjustment and stabilization programmes, in most cases under the guidance of the International Monetary Fund. Will it be possible to carry out those programmes successfully and emerge from the crisis free and unsubjugated when we are witnessing the persistent deterioration of economic activity, which brings with it an alarming deterioration of the social situation in the various countries? The African crisis has now become a real human tragedy and this can be seen from the upheavals, the hunger, riots and the explosive socio-political situations observed in some brotherly countries.<sup>1</sup>

Colonel Denis Sassou-Nguesso  
President of the People's  
Republic of Congo

### Introduction:

It is not unusual for analysts and statesmen in Nigeria to present the Structural Adjustment Programme (SAP) as an economic policy that is devoid of political interests. In this respect, SAP is seen as being in the domain of economics *qua* economics. Such analysts and statesmen make careful attempts to set out the policy and the instruments meant to achieve the goals. Somewhere along the line, a rhetorical statement associated with the Babangida Administration is dropped by statesmen. This involves a call for sacrifice in order to ensure economic reconstruction, social justice and self-reliance.

Our intent in this paper is to go beyond such an approach towards an assessment of SAP. Ours is to undertake a political economy orientation in order to lay bare the interests behind SAP. Who stands to benefit and who bears the brunt of SAP? In answering these questions, we hope to aid an understanding of the nature of the Nigerian state and the social forces within and without Nigeria that constrain an autonomic behaviour by the Babangida Administration.

\* This paper was completed before the governmental interference in the Nigerian Labour Congress and the spate of anti-SAP riots in May/June, 1989.