15. Bade Onimode, "Technology and Political Economy", in Phillips and Ndekwu, *op. cit.*

16. See *The Guardian*, December 29th and 30th, 1987.

17. See *Sunday Punch*, December 20th, 1987.

18. See *The Guardian*, December 16th, 1987.

STRUCTURAL ADJUSTMENT PROGRAMME IN COMPARATIVE PERSPECTIVES: LESSONS FROM OTHER COUNTRIES

By

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1. Introduction:

In the 50s and up to the later parts of the 60s most Third World Countries were Industrially under-developed. They were mainly dependent on the exports of primary products for their earnings of foreign exchange. These foreign exchange earnings were necessary for payments required of them for being markets for the finished products of the cosmopolitan countries. From the 60s and up to the late 70s, quite a number of development started to gather momentum; at the same time the advent of oil led to the polarisation of LDCs' into two zones, the oil and non-oil producer developing countries.

In the 1980s however these group of countries were sequentially faced by a new phenomenon, the need to restructure and re-adjust their basic economic values and procedures that were taken for granted in the past decades. The phenomenon came earlier for most non-oil producing countries than for the oil producing countries. Nigeria belongs to the latter category.

The need for structural adjustment arises when a country develops a perpetual imbalance between her domestic demand for and supply of goods and services. The stock and flow of existing resources have failed to rectify the gap. Usually this situation will give rise to a steady rise in external deficit and a mounting inflationary pressure which may also slow down the rate of economic advancement. According to Khan (1987) these imbalances may be caused by external factors such as worsening terms of trade and a rise in foreign interest rates. It may also be caused by domestic policies that expand demand too rapidly and reduce the growth of productive capacity.

Infact, the sources of the problems of developing countries in the 80s can be traced to three types of external shocks: fall in the prices of their major exports; the drastic rise in the real interest rates of the economically advanced countries (EACs) thus significantly increasing the burden of external debt of these countries; and finally international capital flows from commercial sources have all but stopped. Thus the consequences on these countries were:

(a) lower commodity prices, and higher interest rates and increased cost of borrowing;

(b) reduced disposable incomes in the private and public sector.

Under these conditions, adjustment was therefore called for. Adjustment can be defined as the act of adapting consumption patterns, the