STRUCTURAL ADJUSTMENT PROGRAMME AND REVAMPING OF NIGERIA'S ECONOMY TOWARDS SELF-RELIANCE AND GROWTH

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Abstract

Across nation-states of the world, the elevation of national economic interest in foreign policy is assuming increasing prioritization. Nigeria's first military president aligned to this general principle and objective to redefined areas of priority by introducing structural adjustment programmes in order to promote domestic economy growth and development. This study analyses potentials of the structural adjustment programme (SAP) in restructuring the Nigerian economy towards self-reliance and growth. Dependency theory forms the theoretical framework for the study. Data emerged through documentary research which majorly relied on secondary sources. The study findings established that the policy potentials of SAP resided in promoting a more and efficient economy, which ultimately was to improve living standards and reduce relative poverty. In this way SAP sought to adjust Nigeria's economic structure, improve international competitiveness and restore Nigeria's balance of payments. The study concludes that the economic intereference of Bretton Woods' institutions in Nigeria has no large interest on Nigeria economy but conflict of interest based on the conditional aids these institutions offer. The study recommends that the Nigerian State should always prioritise its national interest above any other interests while canvassing and negotiating for aids or loans.

Keywords: Nation-state, foreign exchange, dependency theory, policy, loan

Introduction

Development existence shifted to a large extent especially in 80s from financing investment to policy reforms. This reorientation moves from growing awareness that developing countries were held back by poor policies and lack of financial investment. Over decays policy were based on conditional lending that take different case studies approach. The Structural Adjustment Programme (SAP) was an economic reform initiated by the Britton Woods Institutions; World Bank and the International Monetary Fund (IMF) which negatively led to the collapse of African economies including Nigeria. The objectives of SAP were intended to restructure and diversify the productive base of the economy and curtail dependence on oil, achieve fiscal and balance payment viability and improve efficiency through private-led development. The strategies for the realization of SAP by government were through adoption of realistic exchange rate policy, devaluation, rationalization of tariff regime to aid diversification, trade and payment liberalization, commercialization and privatization of public sector enterprises among others. The collapse of most African economies in the 1980s had been variously linked to the excessive state intervention in the market, coupled with fall in global oil prices. With bogus, inefficient public sector, many African countries including Nigeria due to global oil glut of the 1980 lacked the financial resources or capacity to generate adequate foreign exchange earnings to provide basic services. As a result of these, many African countries applied for foreign loans to finance its budgets. However, the loans were to be given upon the fulfilment of certain basic conditionality which was packaged and christened Structural Adjustment Programme. The introduction of the neo-liberal economic reform- Structural Adjustment Programme (SAP) in Africa and Nigeria in particular generated heated debates among scholars and policy makers. Apart from the nationwide debate which the then Military President of Nigeria Ibrahim B. Babangida organized to sample the opinion of Nigerians on the adoption or rejection of SAP, the effects of the potpourri of the IMF/WB conditionality which were attached to this reform had cataclysmic impact on the socio-economic and political development of Nigeria. Olukoshi (2015) observes, the Structural Adjustment Programme (SAP) was largely an adaptation of the International Monetary Fund (IMF) and World Bank economic reform introduced in Nigeria in July 1986 by the IBB regime to help the regime access the foreign loans from western capitalist financial institutions. In the same perspective, Obadan (2016), avers that: SAP was an International Monetary Fund, IMF-World Bank supported policy package aimed at restructuring and diversifying of the productive base on the economy in order to curtail dependence on the oil sector, and enhance non-export base and bring the economy bulk to non-inflationary growth….the major strategies for achieving the objectives of SAP emphasized market-oriented development strategy with focus on private sector led development, small government, efficient resource allocation and determined prices including interest and exchange rates. The specific measures implemented included exchange rate or Naira devaluation, liberalization of the economy, and export trade, abolition of agricultural commodity marketing boards, cut-back in extra-budgetary spending and adoption of tight fiscal policy, reduction in subsidies privatization and commercialization of public enterprises.

The implementation of structural Adjustment program (SAP) policy options by the Government of Nigeria under former President Ibrahim B. Babangida in 1986 created further problems for the economy and in fact, worsened the social and political development woes of the country in which it was supposed to address. These problems, Olukoshi (2015) poignantly identified, include: low capacity utilization in manufacturing industries due to insufficient foreign exchange to purchase raw materials and spare parts, the exorbitant rate of foreign Currency to Naira which led to increase in cost of imports, this since the steel industry depends on the importation of most of its critical raw materials, the situation tremendously increased the funding requirements of the industry which the then Nigerian Government was not capable of bearing due to its already burgeoning external debt burden. Similarly, attempt was made to investigate the following research questions; what economic dynamics necessitated the entrenchment of the Structural Adjustment Programme (SAP), in Nigeria? What were the potential of Structural Adjustment Programme (SAP)? How SAP potentials was implemented and what strategies were adopted by government in the implementation of SAP? Also important is, what was the impact of SAP on Nigeria's economic development? In order to address these questions. Macro-economic measures and strategies to reform a non-performing economy were analysed. Economists believe, correctly too, that an economy is organically linked in a functional whole with different parts working for the growth and development of a system. Thus, structurally, a nation's economy cut-across diverse sectors such as industrial, financial, trade, transport, manufacturing, education, agriculture, among others. Adjustment is the process of altering or change of a process or system through the introduction of new set of conditions in order to make such a system work better. Adjustment is a small change made to something in order to correct or improve it. Programme in this context mean reforms, laws or palliatives.

Dependency theory of Neo-liberalism economy is the most suitable theory for this study and it emphasizes the efficiency of private enterprise, liberalized trade and relatively open markets to promote globalization. Neoliberalism advocates the supremacy of the private sector in determining the political and economic priorities of the world and seeks the transfer control of the economy from public to the private sector. Anthony further observes that the main components of neo-liberalism which also constituted the critical core parts of SAP include; fiscal policy reform, redirection of public spending, removal of subsidies on basic social services, tax and interest rates reforms, floating of exchange rates, trade and financial liberalization, privatization and deregulation. Adoga (2016), summarized the key elements of dependency neo-liberal reforms as implemented by Bretton Woods' institutions, that is, the IMF and World Bank, thus: In the structural reform, it entails "reducing direct control by government organs and placing the operations of public sector enterprises on a sounder commercial basis, redefining cost/pricing relations to eliminate distortions…encouraging foreign investment"; … The fiscal policy component entails "reducing the ratio of fiscal deficit to GDP, cutting subsidies…and changing the basis of valuation of custom duties from the official to the commercial exchange rate";.. In monetary and credit policies, it entails "reducing the rate of credit creation and raising interest rates…devaluation-cum-unification of the exchange rate supported by managed floating. Dependency generally also includes the belief that freely adopted market mechanisms is the best optimal way of organizing all exchanges of goods and services. Free markets and free trade will, it is believed, set free the creative potential and the entrepreneurial spirit which is built into the spontaneous order of any human society, and thereby lead to more individual liberty and well-being, and a more efficient allocation of resources.

The Structural Adjustment Programme (SAP) in Nigeria was orchestrated by the global oil glut of 1980 which saw the foreign exchange earnings of most oil dependent economy fall drastically, Nigeria inclusive. It was under President Shehu Shagari that the global oil price fell and this affected negatively public expenditure. Thus, by 1981 the country economy crumbled. President Shagari consequently asked the National Assembly for special power to tackle the crisis. The legislature gave him an Economic Stabilization Act of 1982. The Act among other things, gave the President the power to: "ration foreign exchange earnings, restrict import licenses, increase import duties and initiate import deposit Programme" the crisis reached a boiling point in 1983 when oil prices plunged further to 45 per cent from the 1980 levels. As a result of the centrality of oil in Nigeria, other economic indices equally fell. For instance, GDP growth was 6.7 per cent, non-oil and petroleum sectors growth was -9.3 and -2.5 per cent respectively. External current account deficit badly affected the country's access to foreign capital while budget deficit to GDP ratio stood at 13 per cent. The economic failures worsened under Shehu Shagari thereby necessitating the military overthrow of his government by General Muhammad Buhari on 31st December, 1983. By this time, Shagari had squandered N90 billion in four years made up of N43.6 billion oil earnings, N20 billion external borrowings, N10 billion local loans, N15 billion internally generated revenues and N3.5 billion he inherited from Olusegun Obasanjo in 1979. General Buhari abandoned the economic policies of Shagari because of the stringent loan conditionality. He closed the borders, restricted imports and tightened immigration laws. However, radical economic reforms occurred in Nigeria in 1986 when Ibrahim Babangida, who overthrew Buhari on August 27 1985, abandoned development planning and opted for greater neo-liberal market approach and private sector driven development strategy, known as the Structural Adjustment Programme (SAP), Structural Adjustment Programme SAP was introduced in July 1986. It was an International Monetary Fund (IMF) and World Bank supported short term reform package and was expected to last till June 1988 but it effectively stretched to 1993 and was finally abandoned in 1994. It was the most revolutionary approach to Nigeria's long-standing economic problems. SAP programme aimed principally at restructuring and diversifying of the productive base of the economy in order to reduce dependence on the oil sector and enhance non-oil export. Olukoshi (2015), clearly identified the potential objectives of SAP to include the following i. To restructure and diversify the productive base of the economy by curtailing Nigeria's over-reliance or dependence on the oil sector.

Through this means, SAP was expected to stimulate the development of non-oil sectors such as agriculture, mining, manufacturing; ii. To promote export of non-oil commodities and boost foreign exchange earnings; iii. Curtail inflationary growth in the economy by removing all barriers to effective and efficient trade; iv. Attract Foreign Direct Investment to Nigeria through the adoption and implementation of deregulation and privatization policies; v. Create employment opportunities for Nigeria; vi. Reduce public expenditure and entrench fiscal prudential in management of the economy. In order to realize these lofty potentials, certain strategies were to be adopted by the Nigerian Government. Officials of the Bretton Woods institutions (that is the International Monetary Fund, IMF and World Bank) were to monitor the process of implementation of SAP. It should be stressed that this was part of the stringent conditions attached to the IMF/WB loans which accompanied SAP. In a nutshell, some of the strategies for the Implementation of SAP include;

i. Rule of the Market
ii. Cutting public expenditure for social services
iii. Deregulation, commercialization/privatization
iv. Elimination of public goods/community goods
v. Removal of subsidies and abolition of agricultural marketing boards
vi. Devaluation of currency (Naira)
vii. Staff rationalization in government ministries, parastatals and agencies among others.

Structural Adjustment Programme(SAP) was no doubt the most historical revolutionary approach to Nigeria's long standing economic issues, and also constituted the most controversial package of economic policies ever instituted in Nigeria." Thus, extant literature on the potential of SAP in Nigeria and Africa is nuanced. Some scholars especially World Bank study groups and academics from mainstream western scholarship have hailed SAP as the best economic reform ever designed to leapfrog development in Nigeria but failed because of bad leadership, bribery and corruption. They argue that the gains of SAP were visible in the "reversal of negative economic growth trend of the early 1980s, substantial increase in price of agricultural exports (in Naira terms), improvement in external payments arrangements and international credit worthiness." This strand of thought have been criticized by African scholars and justified by the economic failures that had characterized African countries since the adoption of SAP. In this perspective, Afrocentric scholars such as Mike (2015), Idachaba (2016), Olatunbosu (2015), criticized SAP as the bane of Nigeria's economic woes particularly since the 1980s. The introduction of SAP did not transform the economy of Nigeria or stimulate industrialization. Numerous economic problems remained intractable. For instance; There was apparent lack of commitment to adjustment and national development by previous government and certain economic agents who have command over resources…. During the course of implementation of SAP, many distortions surfaced while others defied solutions. Of particular significance were the problems of continuing depreciation of the Naira in foreign exchange market, high and volatile interest rates, slow growth and near paralysis of the real sector, sky-rocketing inflation, unsustainable fiscal deficit profile, heavy external debt overhang, increasing unemployment, emergence of social movements and militia groups among others. The removal of subsidies which was necessitated by the introduction of SAP in 1986 affected Agricultural production in Nigeria. Government banned importation of rice, maize, wheat and vegetable oils. It also phased out food subsidy. The measures led to price increases for local produce due to devaluation of Naira. Output also increased, especially in rice and poultry and fishery production became less profitable because of high cost of imported inputs such as agro-chemicals.

However, subsidy withdrawal reduced profitability to farmers. This led to loss of farm holdings. More importantly, the devaluation of Naira affected the manufacturing sector which imported most of their machines. As Jibrin (2016) truly, contends, "the positive effects of SAP are yet to be seen". Since the upsurge in the Privatization of public enterprises in Nigeria, its socio-economic costs on the people had been calamitous. By the late 1970s, Nigeria had over 15000 public enterprises which generated over 65 per cent employment. As a policy measure, SAP adoption meant the rationalization of these Public enterprises through privatization. Between 1988 and 1999 for instance, over 55 Public enterprises were privatized. This scenario led to massive sack of workers. The adoption of the Structural Adjustment Programme in Nigeria worsened unemployment challenges in the country. Through the staff rationalization of government ministries, parastatals and agencies, many civil servants lost their jobs. The accompanying retrenchment caused social dislocations as many families lost their jobs and had no alternative means of livelihood. More lamentably, local manufacturing companies which were averagely doing very well in business prior to the deregulation and subsequent devaluation of the currency (Naira) also had to drastically reduce its workforce thereby heightening unemployment crisis. For instance, available statistics show that the Workforce of United Africa Company, UAC, one of Nigeria's biggest conglomerates compressed from 23,850 workers in 1985 to 9,000 workers in 1988.25 As a corollary to the economic turmoil orchestrated by SAP, there was reduction in capacity utilization which remained abysmally low between 30 and 37 per cent and income per capita collapsed from 778 US dollars to 108US dollars in 1989.26 This unsavory scenario also led to a fall in standard of living, galloping inflation and underdevelopment in the country. In addition, the Structural Adjustment Programme (SAP) led to proliferation of ethnic militia movements in Nigeria which emerged as a result of the atavistic nature of the state and its comprador bourgeoisie. Some of these social movement groups became rallying points for disempowered and marginalized proletariats to aggregate their power to challenge the state. This gave fecundity to the emergence of political epitaphs like neo-patrimonia, pre-bendal, rentier state classification in

Africa. Egwu (2013), reiterating the effects of SAP in Africa clearly outlined the imposition of dependency neo-liberal macroeconomic reform policies which began with the Structural Adjustment Programme in the mid-1980s further reduced the capacity of the African state to deal with the challenges of development and welfare. The consequences were the mounting unemployment problem, inflation, and widespread poverty on the continent. The social dimensions of Adjustment are well known and harmful especially in engineering social and political unrests (emphasis is mine). The decomposition of the state in Africa as a result of the adoption and implementation of SAP created immense socio-political conflicts in Africa and Nigeria in particular. The pursuits and implementation of deregulation and privatization for instance, gradually, led to loss of state capacity of providing basic social services to the people. Egwu (2014), in this perspective identified four fundamental effects of SAP on the African state as: first, it eroded the cultural, economic and political glues that sought to integrate the different elements of nation state. second, it deepened the process of uneven development along ethnic and regional lines, leading to tension and feeling of exclusion at all levels of governance, third, the social polarization that accompanied the process undermined the viability of the middle class that would have provided a stabilizing force for the state, fourth, it led to the flowering of ethnic and religious extremism because the loss of social security represented by the state constituted religious and ethnic solidarities to alternative sites of organizing social life. The state sudden loss of capacity to provide basic public goods heightened people’s apprehension against the military junta of Babaginda and the entire SAP package. More worrisomely, inflation increased astronomically immediately after the implementation of SAP in July 1986 from 5.4% to a staggering 40.9% in 1989. The effect of this high inflationary trend were enormous; first, it after the structure of Nigeria’s balance of payment which was generated by devaluation of Naira-the nation’s currency. Furthermore, the removal of social subsidies particularly in schools and agriculture had cataclysmic effects on students and farmers while the abolition of commodity boards which hitherto regulated the prices of goods and services especially agro-allied produce led to price collapse as local farmers could not compete with foreign made produce. In fact, with liberalization occasioned by SAP, Nigeria economy was opened and determined by the forces of demand and supply.

From the political economy perspective, SAP institutionalized identity politics with its negative consequences on the nation’s development. The collapse of the economy made the state the only rallying point for resource generation, accumulation and distribution. The state was no longer a productive arena but that for resource distribution among a select few comprising of the ruling elite, military echelon and the capitalist bourgeoisie. Jega (2014), argues that as manufacturing and productive activities collapsed, Nigerian capitalist class gravitated around the state for patronage to source of accumulation through contracts, consultancies and other non-productive services, a situation which has greatly strengthened their compradorial attributes. Politicians saw politics as a do or die affair, jettisoning the rule while the personalization of governance became the order of the day, the frugal spending of the military coupled with high inflationary trend made external borrowing inevitable. Through SAP, Nigeria external debt profile rose to an all-time high. The Egbus Boy, Area Boys in Lagos, Yandaba in Kano and other Northern states of Nigeria dislocated and disarticulated the pattern of development that characterized pre-SAP Nigeria (Tony, 2017). As Ya'u trenchantly discussed, the economic crisis occasioned by the structural Adjustment Programme engendered a growing impoverishment of greater sections of the Nigerian society particularly the youth. This impoverishment forced many social (youth) disadvantaged groups to seek some means of coping with the situation. Following increase job losses in the midst of deregulated education system, there was high cases of youth school drop-out. There was decrease in number of transition from primary to secondary schools and secondary to university. Removal of social subsidies led to a meteoric rise in school fees which made many people to drop out of schools. SAP thus, created an identity crisis in which violent youth gangs emerged and threatened societal peace and security (yakub, 2015). The case of Yandaba in Kano city helps to drive home this argument Yandaba, were gangs of unemployed youth who reject the poor conditions to which their social background has relegated them and by taking refuge in secluded places, (daba) spent much of their time in petty hunting, experimentation of drugs and in some cases clearing public spaces. However, with the emergence of SAP, Yandaba was transformed. SAP initiated certain changes which led to the construction of a new violent identity in Yandaba. The sharp turn to violence by Yandaba was one of the ways in which SAP engineered social insecurity in Kano city, Nigeria (Sani,2012). The turn of violence was due to acute economic hardship and suffering of its members who needed to survive by all means. Mass retrenchment which characterized SAP made many families unable to fend for all their children. Consequently, criminal youth dominated gangs like Yandaba became a ready avenue to absorb the latent energy of these youths. Apart from Yandaba in the North, Egbesu boys and Area Boys in Lagos and other cities in South Western Nigeria sprang up and became more violent-driven. In Lagos, Area Boys engaged in violent criminal activities such as broad day light stealing, armed robbery and intimidation of civilians. The rise in the phenomenon of militia movement in Nigeria gained fecundity as from the 1980s through the 1990s because of the harsh economic situation orchestrated by the adoption of neo-liberal economic policies of SAP. From industrial perspective, SAP adoption and implementation in Nigeria generated intense industrial disputes particularly among the various Labour Unions in Nigeria (Sam,2013). "Organized labour generally reacted against SAP and all it stood for by using its grievance weapons and other available subtle strategies, ...such as demonstrations, public enlightenment rallies and strike actions" Thus, members of both trade and labour unions such as the Nigeria Labour Congress (NLC), Academic Staff Union of Universities (ASUU), National Association of Nigeria Students (NANS), and Trade Union Congress (TUC) among others doggedly resisted SAP policies in Nigeria. The reasons for their resistance were due to harsh economic policies coupled with high job loss arising from retrenchment of workers in government and private sectors, high cost of goods and the muzzling of freedom by the military government. Students unrests coupled with ASUU strike in most parts of the country disrupted academic activities in many universities in Nigeria. For instance, in 1982, there were a total of 341 trade disputes out of which 253 resulted in strike. Between 1986 and 1993, the number of strikes tripled even as the military government intensified its survivalist strategies by banning labour unions and arresting unionists. The table below shows the number and dynamic of labour disputes and strikes taking into cognizance the number of workers involved and days lost.

Structural Adjustment Programme in Nigeria

Structural Adjustment Programme(SAP) was no doubt the most revolutionary approach to Nigeria's long standing economic issues, and also constituted the most controversial package of economic policies ever instituted in Nigeria." Thus, extant literature on the potential of SAP in Nigeria and Africa is nuanced. Some scholars especially World Bank study groups and academics from mainstream western scholarship have hailed SAP as the best economic reform ever designed to leapfrog development in Nigeria but failed because of bad leadership, bribery and corruption. They argue that the gains of SAP were visible in the "reversal of negative economic growth trend of the early 1980s, substantial increase in price of agricultural exports (in Naira terms), improvement in external payments arrangements and international credit worthiness." This strand of thought have been criticized by African scholars and justified by the economic failures that had characterized

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Theoretical framework: Dependency theory

Dependency theory was developed in the late 1950s under the guidance of the Director of the United Nations Economic Commission for Latin America, Raul Presbisch. Prebisch and his colleagues were troubled by the fact that economic growth in the poorer countries are attention demanded.

Indeed, their studies suggested that economic activities in the richer countries often led to serious economic problems in the poorer countries with Nigeria not an exceptional. Such possibility was not predicted by neoclassical theory, which had assumed that economic growth was beneficial to all (Optima,2016) even, if the benefits were not always equally shared. To Raul (2014), poor countries exported primary commodities to the richer countries who now manufactured products out of this commodities and sold them back to poor countries. The value added which is the usable product always cost more than the primary products used to creates those products. Thereby making poor countries never gain as expected from their export as against import. He further said they should embark on programmes of import substitution so as not to purchase product from richer countries. The poorer countries, in spites their sell of primary products on the world market, yet their foreign exchange reserves would not commensurate with purchasing manufacturers from abroad. The 3 issues that make this policy difficult: 1. internal market of the poorer countries are not large enough to support the economies of scale used by richer countries to keep their prices low. 2. The political will of the poorer countries is to whether a transformation from being primary products producers to what is desirable or possible. And lastly is whether the poorer countries had control of their primary products, especially in area of selling those products abroad. In this view, Marxists theories viewed the persistent poverty as a consequence of capitalist exploitation. And a new body of thought, called the words system approach which argued that the poverty was direct consequence of the evolution of the international political economy into a fairly rigid division of labour which favoured the rich and penalized the poor. According to Aremu (2005), dependency theory maintains that, the poorness of developing countries is due to ; imperial neglect, overdependence upon primary products as exports to developed upon primary products as exports to developed countries; foreign firm control of key economic sectors with crowding-out effect of domestic firms. implantation of inappropriate technology in developing countries; introduction of international division of labour to the disadvantage of developing countries, prevention of independent development strategies fashioned around domestic labour force through discriminatory remuneration and reliance on foreign capital in form of aid that usually aggravated corruption. To the above viewed make the study to adopt dependency theory as an opener to this type of policy.

Research Methodology

The study used Documentary research of ex-post facto research design and this is because the study tried to find out the gains and challenges of structural adjustment programmes. The study thereby collected data via secondary sources such as bulleting's, internet, record books on SMEs output among other documented materials. The study adopted correlation to evaluate degree of the relationship between the two variable (gain and challenges) of SAP in Nigeria, as well as the correlation model.

Thus; $r=n\sum xy-\sum x\sum y$

Where:

R=correlation coefficient

X=proxies for independent variable

Y=proxies for dependent variable

N=number of observation of the research

Potential of SAP in Restructuring the Nigeria Economy

Following the redefinition of Nigeria economy by IBB, came after rejection of International Monetary Fund (IMF) loan and the introduction of the structural adjustment programme (SAP) and The Second-Tier Foreign Exchange Market (SFEM) which the president also stated in the same way as the main elements of our strategies is to correct the structural distortions in the domestic economy, discourages the high import dependence, increase scarce foreign exchange amongst competing national uses and progressively strengthen the international competitiveness of our no-oil products. To implement SAP and SFEM, two decrees were promulgated and detailed guidelines were provided to accompany and exploits working system. This is to de-emphasize the role of imports and of foreign exchange in the economic life of Nigerians and emphasize on self-reliance, develop pride and professionalism in Nigerian products. The decree is to facilitate re-structuring of the economy, while the SFEM was to replace the import license system which has contributed in no small measure to the destruction of Nigeria Economy. The SFEM was also to ensure good measure by the ability to pay and get what they need by the foreign exchange. But reverse was the case were import license were made to fund SFEM which is more than what the country can afford from its exports earnings. This is tantamount to repeat its undisciplined behaviour of importing more than the country's income. Thus, to borrow money to fund SFEM was like going back to the old system of spending more than the country's income, which implies more debt. And as such defeat the objectives of SAP and SFEM. To that mortgage Nigeria and Nigerians, their wealth in the future as well as their current and future incomes perpetually. Instead, Nigerians agreed to be self-reliant, live on our own soil, eat and drink the Nigerian foods they produced, clothes ourselves with the clothes we produce. Which our export will ration the available foreign exchange from it amongst competing national uses, as President Babangida stated. Although if the two decrees were well implemented as designed and articulated, Nigeria would have escaped the Debt Trap. To this, the following gains were recognized;

a. The elevation of national/economic interest in foreign policy priorities.
b. The articulation and advancement of diplomacy and strategies that will promotes the implementation of domestic economic objectives.
c. Increased coordination with the relevant ministries as well as active collaboration with the organized private sectors in the realization of the goals of economic diplomacy.
d. The reorganization of the foreign services to facilitate the achievement of national economic objectives.
e. The recognition of the responsibilities of the ministry of external affairs for joint economic commissions between Nigeria and other countries.

   While preserving continuity is the fundamental thrust of Nigeria's foreign policy, the Babangida regime introduced the above changes, which represents a new orientation in the content of and conduct of Nigeria's external relations aimed at promoting the economic and social well-being of Nigeria. The orientation probably led to the administration's romance with Briton Woods institutions like the World Bank and the international monetary Fund (IMF), and their so-called conditionality for granting of loan. The SAP policy orientation of Babangida triggered moves in a number of areas like soliciting for aids from advanced countries aimed at exploring areas of economic cooperation. Agreements were reached with various regional, sub-regional and international governmental organizations on security and economic cooperation. Good relations were with Nigeria immediate and remote neighbours while Nigeria maintained uncompromising stance on issues that affected our interest and safety like the dumping of toxic and retroactive wastes in Africa.

   Another area in which SAP policy gain come to play was the introduction of the technical Aid (TAC) scheme. This programmes is to assister Africans. Caribbean and Pacific states with technical manpower to help their struggle for self-reliance and economic development.
f. The rejection of IMF loan which created much hope for Nigerians that saw it as a sign of relief and are fully support of the government in its decision.

g. Fundamental reformulations and re-orientation of the Nigerian economy with emphasis on
Agriculture.
h. Export promotion of Agricultural commodities for its foreign exchange revenues
i. To discourage high importation of products into the country.

However, in spite of the entire well-articulated policy of SAP in Babangida administration our immediate neighbors and the international community soon discovered deliberate insincerity on the part of Babangida when he started his maradonic attitude towards transition to civilian rule and other sensitive national issues. From then all his moves become suspicious especially to the west and the climax came when he annulled the 1993 presidential elections believed to have been won by Alhji M.K.O. Abiola. In the face of protests and opposition from many quarters, Babangida Stepped aside leaving an interim National Government (ING), under Earnest Shonekan Who was before then the chairman and chief Executive of UAC of (Nig.) Plc.

The multiple regressions was employed to determine the gains and challenges of SAP in Nigeria using import and export substitutions.
Products:

Import goods	**Export goods**
6415296	2249354

Source; CBN (1993).

The value indicated above implies that importation of goods is on the higher value than the export goods. Therefore there is no good relationship between gains of import and challenges of exports as relates to SAP policies in Nigeria.

Conclusion and Recommendations

The adoption and implementation of the dependency neo-liberal policies of the Structural Adjustment Programme (SAP) in Nigeria between the 1980s and 1990s truncated and stagnated the pace and pendulum of economic growth and development in the country. The reform was ill-conceived and un-suitable for Nigeria economy, considering its poor volatility and skewed structure and bad form of leadership role. The SAP policies of deregulation and privatization worsened the unemployment crisis which had reached a crisis point by the mid-1980s, Also, the devaluation of currency, removal of social subsidies and abolition of marketing boards immersed the people with severe economic hardship and poverty through relegation of their purchasing power parity and the increase in accessing of basic social services such as schools and hospital facilities. Furthermore, farmers and manufacturers were exposed to the vagaries of international capitalist competition which made them to occupy fringe positions in international trade. From the political economy perspective, SAP in Africa and Nigeria heightened the upsurge in the emergence of international multinational corporations plundering Nigeria resources for the benefits of its shareholders in Europe and America. SAP also impacted on identity politics and violent conflicts negatively in Nigeria, which hampered democratization. Social movements such as ethnic militia groups like the Yandaba in the North, Area Boys in the South West and Niger Delta militants were highly orchestrated by the debilitating consequence of SAP. What is more, the preponderance of labour unrests and human rights abuse in Nigeria occasioned intimidation, arrest and incarceration of different Labour and Trade Union leaders and members such as the Nigeria Labour Congress(NLC), Academic Staff Union of Universities(ASUU), Trade Union Congress(TUC), National Association of Nigerian Students (NANS) who openly challenges government adoption of SAP. It is therefore recommended that leadership position should be based on competency, competent and qualified professional bodies should be major player to assess any dependency policy.

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