**Structural Adjustment Program (SAP) in Nigeria (1986 - 1998)**

Introduction

A Structural Adjustment Program (SAP) is an economic policy introduced by a government to fix serious financial problems. In 1986, Nigeria’s economy was in deep crisis due to falling oil prices, high debt, and inflation. The government of General Ibrahim Babangida (IBB) introduced SAP with help from the International Monetary Fund (IMF) and the World Bank to stabilize the economy.

SAP brought major changes, such as:

1. Reducing government control over businesses

2. Encouraging private companies to take over industries

3. Devaluing the Nigerian currency (naira) to promote exports

4. Cutting government spending

While SAP aimed to improve the economy, it also caused serious problems for ordinary Nigerians.

Reasons for Introducing SAP in Nigeria

By 1986, Nigeria faced a major economic crisis because of:

1. Falling Oil Prices – Nigeria depended too much on oil. When oil prices dropped, the government had no money to run the country.

2. High Debt – Nigeria borrowed a lot of money from foreign countries and could not pay back.

3. Inflation – Prices of goods and services were increasing, making life hard for Nigerians.

4. Corruption and Mismanagement – The government wasted money on unproductive projects.

The IMF and World Bank advised Nigeria to introduce SAP as a solution.

Major Features of SAP in Nigeria

SAP introduced several major changes to Nigeria’s economy:

1. Privatization

• The government sold many state-owned companies to private individuals to improve efficiency.

• Example: Nigerian Airways and NITEL were privatized.

2. Currency Devaluation

• The naira was devalued (its value reduced) to encourage exports and discourage excessive imports.

• However, this made foreign goods more expensive.

3. Trade Liberalization

• SAP reduced government control over imports and exports, allowing free trade.

• This led to increased foreign investment but also destroyed local industries.

4. Removal of Subsidies

• The government stopped subsidizing (reducing the price of) essential goods like fuel and food.

• This caused prices to rise, making life harder for ordinary Nigerians.

5. Reduction of Government Spending

• SAP forced the government to reduce spending on public services like health and education.

• Many government workers lost their jobs.

Impact of SAP on Nigeria

Positive Effects of SAP

1. Encouraged Private Sector Growth – More private businesses emerged, creating jobs.

2. Reduced Government Waste – The government reduced unnecessary spending.

3. Increased Foreign Investment – Foreign companies were attracted to Nigeria.

Negative Effects of SAP

1. High Unemployment – Many workers lost their jobs as government companies were privatized.

2. Rising Cost of Living – The removal of subsidies made food, fuel, and transportation expensive.

3. Worsening Poverty – More Nigerians became poor due to inflation and unemployment.

4. Economic Hardship – The devaluation of the naira led to higher prices of imported goods.

5. Political Instability – Widespread suffering caused protests and dissatisfaction with the government.

Past Questions and Answers

Question 1: Trace the origin of the Structural Adjustment Program (SAP). To what extent would you agree it was a blessing to Nigeria and Nigerians?

Answer:

Origin of SAP in Nigeria:

The Structural Adjustment Program (SAP) was introduced in 1986 by General Ibrahim Babangida as a response to Nigeria’s economic crisis. Before SAP, Nigeria depended too much on oil exports, but when oil prices fell, the economy collapsed. The government borrowed heavily from foreign countries and struggled to pay back.

To solve these problems, Nigeria took advice from the International Monetary Fund (IMF) and the World Bank, which required the country to implement SAP.

Was SAP a Blessing to Nigeria?

SAP had both positive and negative effects.

Reasons Why SAP Was a Blessing:

1. Encouraged Private Businesses – Many private companies grew, reducing government dependence.

2.Reduced Corruption in Government Companies – Privatization stopped government waste.

3. Attracted Foreign Investors – Foreign companies invested in Nigeria’s economy.

Reasons Why SAP Was Not a Blessing:

1. Increased Hardship for Nigerians – Prices of food, fuel, and transportation rose.

2. Mass Unemployment – Many government workers lost their jobs.

3. Devaluation of the Naira – The naira lost value, making foreign goods very expensive.

4. Poor Public Services – The government reduced spending on education and health.

Conclusion

SAP was introduced to fix Nigeria’s economy, but while it helped businesses grow, it also made life difficult for ordinary Nigerians. Many people consider it a failure because it caused poverty, inflation, and unemployment.

Question 2: Structural Adjustment Program (SAP) has been described as a blessing to Nigeria and Nigerians from 1986 to 1998. To what extent would you agree with this assertion?

Answer:

The Structural Adjustment Program (SAP) in Nigeria was introduced in 1986 under General Ibrahim Babangida to address economic problems. It aimed to fix debt, inflation, and government mismanagement.

Positive Aspects (SAP as a Blessing):

1. Privatization Encouraged Business Growth – More private businesses emerged.

2. Reduced Government Control – Wasteful government spending was reduced.

3. Foreign Investment Increased – Foreign companies were attracted to Nigeria.

Negative Aspects (SAP as a Burden):

1. Rising Cost of Living – Basic needs became expensive.

2. Job Losses – Many people became unemployed.

3. Economic Instability – The naira lost value, making imports costly.

4. Public Sector Decline – Education, health, and public services suffered.

Conclusion

SAP was meant to help Nigeria’s economy, but it caused more suffering than relief. It benefited private businesses but increased poverty and unemployment. Many Nigerians believe SAP failed to improve their lives.

Final Thoughts

The Structural Adjustment Program (SAP) is one of Nigeria’s most debated economic policies. While it helped reduce government control over the economy, it led to widespread hardship for ordinary citizens. Many Nigerians still blame SAP for poverty, unemployment, and economic struggles today.

**Economic Systems in Nigeria (1960 - 1985)**

Introduction

An economic system is the way a country organizes its production, distribution, and use of resources. After gaining independence in 1960, Nigeria experimented with different economic systems to develop the country. Between 1960 and 1985, Nigeria’s economy changed several times, influenced by political leadership, oil discovery, and global events.

The major economic systems in Nigeria during this period were:

1. Mixed Economy (1960 - 1970)

2. Oil Boom and Government Control (1970 - 1979)

3. Economic Crisis and Austerity Measures (1980 - 1985)

1. Mixed Economy (1960 - 1970)

• A mixed economy means that both the government and private individuals controlled businesses and industries.

• Nigeria’s first government after independence (led by Tafawa Balewa) encouraged private businesses but also controlled major industries like banking, railways, and electricity.

• Agriculture was the main source of income, with crops like cocoa, palm oil, and groundnuts being exported.

However, problems such as corruption, mismanagement, and the Nigerian Civil War (1967 - 1970) weakened the economy.

2. Oil Boom and Government Control (1970 - 1979)

• In the 1970s, Nigeria discovered large oil reserves, leading to an oil boom (a period of high earnings from oil sales).

• The government focused on oil exports, and agriculture was abandoned.

• The government became more involved in the economy by:

• Creating new industries

• Nationalizing foreign-owned businesses

• Increasing salaries and building large projects

However, by the late 1970s, corruption and poor planning led to economic problems.

3. Economic Crisis and Austerity Measures (1980 - 1985)

• By 1980, oil prices fell, and Nigeria’s economy crashed.

• The country had borrowed too much money, and inflation (rise in prices) made life hard for ordinary Nigerians.

• The government, under Shehu Shagari, introduced austerity measures (policies to reduce spending and control inflation).

• In 1983, the military overthrew Shagari’s government and took power. General Muhammadu Buhari introduced strict economic policies, but they were unpopular.

• By 1985, General Ibrahim Babangida took over and planned major economic reforms.

Past Questions and Answers

Question 1: Assess the nature and characteristics of Nigeria’s economy from 1960 to 1985.

Answer:

Between 1960 and 1985, Nigeria’s economy changed from a mixed economy to an oil-dependent economy, followed by a crisis. The major characteristics include:

1. Mixed Economy (1960 - 1970)

• The government and private individuals controlled industries.

• Agriculture was the main source of income.

• The Nigerian Civil War (1967 - 1970) weakened the economy.

2. Oil Boom and Government Control (1970 - 1979)

• Oil became Nigeria’s major source of wealth.

• The government took control of businesses and built new industries.

• Agriculture was abandoned.

3. Economic Crisis and Austerity Measures (1980 - 1985)

• Oil prices crashed, causing a major economic crisis.

• Inflation increased, and Nigeria struggled to pay debts.

• The government introduced austerity measures but they failed.

Conclusion

Between 1960 and 1985, Nigeria experienced rapid economic growth due to oil but later faced a serious crisis. Corruption and mismanagement played a major role in Nigeria’s economic problems.

Question 2: Who were the Levantines? What roles did they play in the economy of Nigeria during the colonial period?

Answer:

The Levantines were traders from Lebanon and Syria who settled in Nigeria during the colonial period. They played an important role in Nigeria’s economy by:

1. Engaging in Trade

• Levantines controlled a large part of Nigeria’s retail and wholesale trade, especially in textiles and building materials.

2. Establishing Businesses

• They set up successful businesses in major cities like Lagos, Kano, and Ibadan.

3. Importing Goods

• Levantines imported foreign goods such as clothes, machinery, and electronics, which were in high demand in Nigeria.

4. Providing Employment

• Many Nigerians worked in Levantine-owned shops, gaining experience in business.

5. Banking and Finance

• Some Levantines were involved in financial services, helping to develop Nigeria’s banking sector.

Conclusion

The Levantines played a major role in Nigeria’s economy by controlling trade, setting up businesses, and providing employment. However, after independence, the Nigerian government introduced policies to reduce foreign control of the economy.

**Nationalism in Nigeria (1919 - 1989)**

Introduction

Nationalism is the desire of a group of people to have their own independent country. In Nigeria, nationalism was the movement by Nigerians to demand freedom from British colonial rule.

Between 1919 and 1989, Nigerian nationalists worked hard to gain independence and later strengthen national unity. Their struggle started with protests and newspaper writings and later turned into political movements that led to Nigeria’s independence in 1960.

Causes of Nationalism in Nigeria

Several factors led to the rise of nationalism in Nigeria, including:

1. Colonial Oppression – The British controlled Nigeria’s economy and government, making decisions that favored Britain instead of Nigerians.

2. Heavy Taxation – The British imposed high taxes on Nigerians, making life difficult for farmers and traders.

3. Racial Discrimination – Nigerians were treated as second-class citizens in their own country. Europeans got better jobs and wages.

4. Influence of Education – Educated Nigerians, especially those who studied abroad, learned about freedom and democracy. They wanted the same for Nigeria.

5. Growth of Nigerian Newspapers – Newspapers like the West African Pilot (founded by Nnamdi Azikiwe) and Lagos Daily News spread nationalist ideas.

6. Effects of World War II (1939-1945) – After fighting in the war, Nigerian soldiers demanded better treatment and self-rule.

Phases of Nigerian Nationalism (1919 - 1989)

1. Early Nationalism (1919 - 1945)

• Nationalist movements in this period were mostly protests and writings against British rule.

• The National Congress of British West Africa (NCBWA) was formed in 1920 by Herbert Macaulay to demand self-rule.

• Newspapers like Lagos Daily News and West African Pilot spread nationalist messages.

2. Political Nationalism and Independence Struggle (1945 - 1960)

• After World War II, nationalism became stronger. Nigerians wanted full independence.

• Political parties were formed, such as:

• The National Council of Nigeria and the Cameroons (NCNC) led by Nnamdi Azikiwe

• The Action Group (AG) led by Obafemi Awolowo

• The Northern People’s Congress (NPC) led by Ahmadu Bello

• These parties pushed for self-government, and after many struggles, Nigeria gained independence on October 1, 1960.

3. Post-Independence Nationalism (1960 - 1989)

• After independence, nationalism shifted towards promoting unity and development.

• However, problems like ethnic conflicts, military coups, and the Nigerian Civil War (1967-1970) weakened national unity.

• By the 1980s, nationalism was focused on economic independence, resisting foreign control over Nigeria’s economy.

Past Question and Answer

Question: Account for the rise of nationalism during the inter-war period between 1919 and 1939.

Answer:

Nationalism in Nigeria during the inter-war period (1919-1939) grew because of colonial oppression and the desire for self-rule. The major reasons include:

1. Colonial Oppression

• The British controlled Nigeria and made decisions that favored Britain, not Nigerians.

• Nigerians were forced to obey unfair laws and policies.

2. Heavy Taxation

• The British imposed high taxes on Nigerians, making life difficult for farmers and traders.

• This led to protests like the Aba Women’s Riot of 1929.

3. Racial Discrimination

• Europeans were given better jobs and higher wages than Nigerians.

• Educated Nigerians felt humiliated and demanded equal rights.

4. Influence of Education

• Many Nigerians who studied abroad were influenced by ideas of freedom and democracy.

• Leaders like Herbert Macaulay used newspapers to spread nationalist messages.

5. Formation of Nationalist Movements

• The National Congress of British West Africa (NCBWA) was created in 1920 to demand self-rule.

• Newspapers like West African Pilot and Lagos Daily News helped spread nationalist ideas.

Conclusion

Nationalism in Nigeria grew because of colonial oppression, unfair taxation, racial discrimination, and exposure to education.The nationalist struggle continued after 1939, eventually leading to Nigeria’s independence in 1960.

**The Great Depression and Its Impact on Nigeria (1929 - 1939)**

Introduction

The Great Depression was a worldwide economic crisis that started in 1929 and lasted until 1939. It began in the United States and quickly spread to Europe, affecting countries that depended on trade with Europe, including Nigeria.

At that time, Nigeria was a British colony, and its economy relied on exporting agricultural products like cocoa, groundnuts, palm oil, and cotton to Europe. When European countries faced economic problems, they bought fewer goods from Nigeria. This led to a sharp drop in prices, causing serious hardship for farmers, traders, and workers.

Causes of the Great Depression

The Great Depression was caused by several factors, including:

1. Stock Market Crash of 1929 – The American stock market collapsed, causing businesses and banks to lose money.

2. Decline in Buying and Selling – People lost their jobs and had less money to buy goods, leading to business failures.

3. Global Impact – Since Britain and other European countries were affected, their trade with Nigeria also reduced.

Effects of the Great Depression on Nigeria

1. Fall in Prices of Export Crops

• Nigeria’s economy depended on exporting crops like cocoa, groundnuts, and palm oil.

• Because of the Great Depression, European countries reduced how much they bought.

• Prices of crops dropped sharply, and farmers earned much less money.

• For example, the price of palm oil and cocoa fell by more than 50%.

2. Hardship for Farmers and Traders

• Since crops were selling at very low prices, farmers could not make enough money to pay taxes or buy food.

• Traders who depended on exporting Nigerian goods suffered huge losses.

• Many farmers abandoned agriculture and moved to cities to find jobs, but jobs were scarce.

3. High Taxes by the British Government

• The colonial government increased taxes on Nigerians to raise money.

• Many Nigerians could not afford to pay, which led to protests like the Aba Women’s Riot of 1929.

4. Job Loss and Widespread Poverty

• Many businesses closed down because they could not sell their goods.

• Workers lost their jobs, and families struggled to afford basic needs like food and shelter.

• There was widespread suffering across Nigeria.

5. Growth of Local Industries

• Since imported goods became too expensive, Nigerians turned to locally made products.

• People relied more on blacksmiths, weavers, and farmers for survival.

Past Question and Answer

Question: Assess the impact of the Great Depression on the Nigerian economy from 1929 to 1939.

Answer:

The Great Depression had serious effects on Nigeria’s economy between 1929 and 1939. The major impacts include:

1. Fall in Export Crop Prices

• The prices of cash crops like cocoa, palm oil, groundnuts, and cotton fell by over 50%.

• Farmers earned very little money and struggled to survive.

2. Suffering for Farmers and Traders

• Farmers could not make enough money to pay taxes or buy food.

• Many traders who depended on selling crops to Europe lost their businesses.

3. Increased Taxes by the British Government

• The British colonial government raised taxes on Nigerians to generate more money.

• This led to protests, such as the Aba Women’s Riot of 1929, where women protested against unfair taxation.

4. Job Loss and Poverty

• Many businesses collapsed because they could not sell goods.

• Many Nigerians lost their jobs, leading to hunger and suffering.

5. Rise of Local Industries

• Since imported goods became too expensive, Nigerians started making more local goods.

• Blacksmiths, weavers, and farmers became more important in society.

Conclusion

The Great Depression caused severe hardship in Nigeria, especially for farmers, traders, and workers. It exposed Nigeria’s overdependence on foreign trade and forced Nigerians to rely more on local products.

**Integration of Nigeria into the World Capitalist System**

Introduction

The world capitalist system is a global system where businesses and trade are controlled by individuals or companies instead of the government. It is based on selling goods to make a profit.

Before Nigeria joined this system, people in different regions lived by farming, fishing, and local trade. However, through trade with other countries, colonization by the British, and the discovery of oil, Nigeria became fully connected to the world capitalist system.

How Nigeria Became Part of the World Capitalist System

1. Traditional Economy (Before Europeans Came)

• Nigerians depended on farming, fishing, and local trade to survive.

• They traded goods with each other without using money (barter system).

• Some groups, like the Hausa and Fulani, traded with people in North Africa.

• There were no foreign companies or factories.

At this time, Nigeria was not part of the world capitalist system.

2. Trans-Saharan Trade (Before the 15th Century)

• This was trade between Nigeria and North African countries.

• Nigerians exchanged goods like gold, leather, and spices for salt, cloth, and horses.

• This trade introduced money and larger markets, making Nigerians familiar with international trade.

This was the first small step toward joining the world capitalist system.

3. Trans-Atlantic Slave Trade (15th - 19th Century)

• Europeans (Portuguese, British, Dutch, etc.) came to Nigeria and started buying slaves.

• Some Nigerian kings and traders captured and sold people to the Europeans in exchange for guns, alcohol, and cloth.

• This trade lasted for over 300 years and made Nigeria dependent on Europe.

• Instead of developing their own industries, Nigerians focused on selling slaves.

This was the first major connection between Nigeria and the world capitalist system, but it was in a negative way.

4. Colonial Economy (19th - 20th Century)

• In 1861, Britain took control of Lagos. By 1914, they ruled the whole of Nigeria.

• The British forced Nigerians to grow crops like cocoa, groundnuts, and palm oil for export.

• Roads, railways, and ports were built to transport Nigerian goods to Europe, not to help Nigerians.

• Local industries collapsed because people had to buy British goods instead.

This was the stage where Nigeria became fully part of the world capitalist system, but it was controlled by Britain.

5. Post-Colonial Economy (1960 - Present)

• Nigeria gained independence in 1960 but still depended on exporting raw materials (like oil and cocoa).

• Foreign companies controlled industries like oil, banking, and manufacturing.

• The government tried to control the economy but faced many problems.

• In the 1980s, Nigeria was forced to accept the Structural Adjustment Program (SAP), which made it follow strict capitalist policies like privatization (selling government businesses to individuals).

Even today, Nigeria is part of the world capitalist system, but it still depends a lot on foreign businesses and investments.

Past Question and Answer

Question: Trace the stages through which Nigeria was brought into the world capitalist system.

Answer:

Nigeria became part of the world capitalist system in different stages:

1. Traditional Economy (Before European Contact)

• People depended on farming, fishing, and local trade.

• Trade was done through barter (exchanging goods without money).

2. Trans-Saharan Trade

• Nigerians traded with North Africa, exchanging gold, leather, and salt.

• This introduced money and international trade.

3. Trans-Atlantic Slave Trade

• Europeans started buying slaves from Nigeria.

• Nigerian kings and traders captured and sold people in exchange for goods.

• This lasted for over 300 years and made Nigeria dependent on Europe.

4. Colonial Economy

• Britain colonized Nigeria in 1914.

• Nigerians were forced to grow crops like cocoa, palm oil, and groundnuts for export.

• Local industries collapsed because Nigeria had to buy European goods.

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• Roads, railways, and ports were built to transport goods to Europe, not to help Nigerians.

5. Post-Colonial Economy (After Independence in 1960)

• Nigeria gained independence but still depended on selling raw materials.

• Foreign companies controlled major industries.

• In the 1980s, Nigeria accepted the Structural Adjustment Program (SAP), which promoted privatization and capitalism.

Conclusion

Nigeria became part of the world capitalist system step by step. It started with local trade, expanded with the slave trade, became stronger during colonization, and remains dependent on foreign investment today.