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**STRUCTURAL ADJUSTMENT AND
MULTIPLE MODES OF SOCIAL
LIVELIHOOD IN NIGERIA**

by

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Preface

The bulk of the sprawling literature on the economic crisis and structural adjustment in the 1980s has been concerned primarily with technical analysis of the impact on macro-economic imbalances and efficiency in resource allocation. In recent years, some attempts have also been made to analyse the consequences of stabilization and adjustment policies for social welfare, poverty, employment and income distribution. So far there has been relatively little discussion of the impact of these policies at the micro and local levels. In particular, little research has been done on the reactions and livelihood strategies of different social groups, communities, households and individuals in response to sharp changes in macro and micro policies and reduction in state support for basic needs provisioning.

The UNRISD project on Crisis, Adjustment and Social Change is supporting field research by multidisciplinary teams on these issues in four countries: Chile, Jamaica, Nigeria and Zambia. Efforts are under way to extend the research to other countries in Africa and Latin America. The African component of the project is being co-ordinated by Yusuf Bangura and the Latin American by Cynthia Hewitt de Alcántara. The author of the present paper, Abdul Raufu Mustapha, is a member of the Nigerian team of researchers. He was educated at the universities of Ahmadu Bello and Oxford and is currently Lecturer in Political Science at Ahmadu Bello in Nigeria. He has written extensively on the political economy of crisis and structural adjustment in Nigeria.

Economic crisis and structural adjustment have intensified the informalization process in Africa. As incomes and social services decline and prospects for stable employment diminish, social groups are forced to develop complex strategies to sustain their livelihood systems. These often entail the use of flexible methods of work (as individuals straddle between several enterprises and activities), the reorganization of social networks and relationships, and the development of new rules for allocating household and community resources. The processes of change under way in most African countries do, indeed, challenge many of the existing frameworks for understanding the nature and dynamics of these societies.

Mustapha's paper analyses the various survival strategies that social groups in Nigeria have pursued in response to the changing macro-economic environment, following the sharp drop in oil revenues and the introduction of a structural adjustment programme in 1986. The paper also discusses the developmental value of some of the informal sector enterprises as well as their political implications.

Households of all social categories are engaged in multiple income-generating activities as opposed to the pre-crisis period when such activities were confined to the working and artisanal classes. But, as the paper points out, the types of informal activities

individuals and households engage in depend on their location in the economy and social structure, and the skills, assets and connections at their disposal.

Although multiple survival strategies were central to the early evolution of the Nigerian working class, the oil boom of the 1970s, which helped to institutionalize a "living wage", encouraged the development of a distinct and fairly stable working class identity. But this stable identity, as the paper argues, is being "deconstructed" by the current patterns of coping strategies. Whereas the pre-boom strategies of straddling between different jobs enhanced the workers' bargaining position in industry by containing the rigours of proletarianization, the new forms of straddling are said to intensify self exploitation as they are primarily concerned with basic survival.

Professional groups have also been badly hit by the crisis and adjustment measures. However, as the paper argues, unlike the desperate living conditions of working class households, the threat to survival is not that critical for professionals. The latter essentially seek to contain, and possibly reverse, the erosion of their middle class standards of living. They can draw on a wide range of financial and political resources to support their growing informal enterprises.

In understanding the coping strategies of the peasantry, the paper argues that the broad question of social class has to be linked with more specific and localized factors like ethnicity, history and cropping systems. For instance, whereas strategies of generating multiple sources of income represent a downward spiral in the accumulation process of the Yoruba peasantry, the reverse is the case for the grain-growing Hausa peasantry for whom the multiple modes logic has been a central aspect of the accumulation process.

Although many informal sector businesses are far from being marginal activities and could form the basis for renewed growth in the future, the paper warns against the glorification of informalization as there are several economic and socio-political factors which tend to render such activities counter-productive in the long run. Low wages may erode present levels of efficiency and productivity by undermining work standards and morale.

At the social level, multiple modes of livelihood are said to encourage increased individuation and personalization of some aspects of public life, breeding new forms of clientelism and corruption. Challenging some of the recent perspectives on the connections between economic liberalization and democracy, the paper concludes that the reality of political life under conditions of crisis and structural adjustment is the intensification of repression and the contraction of democratic political space, even though Nigeria's vibrant civil society will ultimately counteract these negative tendencies.

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Dharam Ghai
Director

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*Lately in Moscow one of the nastiest curses you
can hurl at a person is: "May you live on one salary!"*
(Remnick, 1990:18-19)

Introduction

Declining oil revenues from 1981, massive corruption and mismanagement of the economy, and an externally oriented import-substitution industrialization programme, all combined to plunge Nigeria into a severe economic crisis in the early 1980s. In October 1985, a 15-month national economic emergency was declared, to be followed in July 1986 by the adoption of a Structural Adjustment Programme (SAP). SAP policies in Nigeria include the abolition of the import licencing system, reduction in public expenditure, reordering capital expenditure, eliminating subsidies, especially on petroleum products, promoting exports, especially agricultural exports, abolishing agricultural commodity boards, reducing the volume of money supply, and deregulating interest rates. Of the greatest significance, however, was the managed-floatation of the *naira* under the Second Tier Foreign Exchange Market (SFEM), and the convergence of both foreign exchange windows into the Foreign Exchange Market (FEM); between 1986 and 1990, the *naira* was allowed to depreciate by 87 per cent relative to the dollar.

SAP has had fundamental consequences for Nigerian society, politics and economy. Nowhere are these consequences as profound as in the drastic fall in the living standards of those sections of the population dependent on fixed salaries. Equally affected are some sections of the rural population and urban artisanal groups. This erosion of living standards has spurred many households to seek additional income by engaging in multiple jobs. In this paper, the attempt is to examine the dynamics and possible implications of this intensified struggle for survival through the pursuit of multiple modes of earning a livelihood.

• Analytical and Conceptual Problems

Multiple modes of earning a livelihood are an aspect of the concept of household survival strategies, which attempts to explain the mutual interactions between domestic units and macro socio-economic structures and processes, especially in periods of rapid changes and increased social stress. These concepts represent an attempt to move beyond the static analysis of "marginality" and the "informal sector", and aim at the introduction of the dynamism of human agency into the analysis of changing forms of production, and the resultant activities of domestic groups in their attempts to meet immediate material needs (Redclift, 1986). The analysis of survival strategies therefore facilitates the mutual

comprehension of macro trends and micro-level market and non-market responses.

Discussions of survival strategies usually commence with an examination of either the household or the economy. Proceeding from the latter invariably structures the analysis in terms of the dichotomies between "urban" and "rural", or "industrial" and "agrarian" (Redclift, 1986). Beginning from the household has the advantage of a greater capacity for generating empirical data, while an economy-focused analysis is better able to capture the dynamic of shifting macro trends. The former is essentially quantitative analysis, while the latter is basically qualitative. The economy focus of this paper is therefore biased towards qualitative analysis.

But the choice of primary focus - household or economy, and quantitative or qualitative - is not the only analytic problem. It has been claimed by Wolf that the conceptualization of some phenomena as "household survival strategies" is often a figment of the researchers fertile imagination. She asserts that unwarranted assumptions about individuals and households often lead to a mis-representation of intra-household behaviour, and the distortion of stratifications based on gender and generation. Contrary to most "survival strategies" analysis, she conceptualizes the household as both a co-operative and conflictual unit, within which the "survival" of some may be at the expense of others (Wolf, 1990). Considerations of issues of gender and generation are therefore important in penetrating the reality of the household and its "survival strategies".

In the Nigerian context, these pose a number of difficult analytical problems. Independent income by wives has always played a major role in the sustenance of most Nigerian households, and it is therefore difficult to specify precisely what constitutes a "living wage" for the working classes, against which the need for additional "survival strategies" can be assessed. Furthermore, are wives trading incomes to be considered as part of their households "survival strategies", even when they may have exclusive control over them, and only specified household obligations?

Though the concept of multiple modes derives most of its meaning from the concept of survival strategies, there may still be the need to specify its salient characteristics. Firstly, multiple

1.Castells and Portes differentiate between informal and criminal activities by pointing out that "Those labeled 'criminal' specialize in the production of goods and services socially

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