



# STRUCTURAL ADJUSTMENT PROGRAMS

Hridansh Saraogi

# What are they?

## Economic reforms

- country must adhere to for loan

## Example policies

- reducing govt. spending
- opening up nation for free trade
- raising prices of commodities
- devaluing currencies



# Origin of concept



## Structural Adjustment Policies

The conditions attached to loans by IMF and WTO since early 1950s



## Changed over time

SA Programs - 1970s

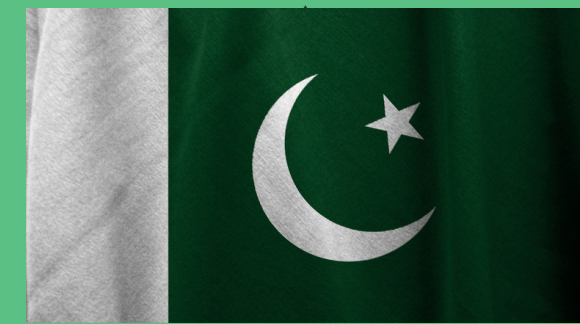
SA loans (part of Program) - Robert McNamara - 1980

PRSPs - 2002

# Countries who have utilised SAPs

India - largest recipient since 1990

36/47 countries in Africa





# CONTROVERSIES

Encourage to become self-sufficient

Create cycle of self dependence  
Conditional loans = neocolonialism  
SAPs reduced standard of living  
Countries have less policy freedom

# POVERTY DECLINES IN CHINA AND EAST ASIA

Did not utilise SAPs yet this improvement



**Austerity**  
**Privatisation**  
**Liberalisation**

**Debt crisis -ruse**  
**Interest rates**  
**Terms of Trade**

**THANK YOU!**