

Structural Adjustment and the Resilience of Indigenous Economic Institutions in Nigeria, 1986-2025: A Historical Analysis

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Abstract: This study examines the resilience of indigenous economic institutions in Nigeria under structural adjustment and subsequent economic transformations between 1986 and 2025. It investigates how indigenous savings associations, cooperative societies, age-grade systems, kinship networks, and community-based credit arrangements adapted to economic liberalisation, financial instability, unemployment, and changing patterns of entrepreneurship. The study situates these institutions within Nigeria's broader economic history, particularly the introduction of the Structural Adjustment Programme (SAP) in 1986 and subsequent market-oriented reforms. It adopts the historical research method, relying on documentary and secondary sources, including government publications, policy documents, official economic reports, scholarly books, and peer-reviewed journal articles. These sources are critically examined to establish patterns of institutional continuity, adaptation, and transformation throughout the period. The study investigates how indigenous economic institutions facilitated informal credit, mobilised community resources, supported small-scale enterprises, and helped households respond to economic pressures. It argues that their persistence reflects not merely resistance to economic change but also their capacity to adapt to evolving socioeconomic conditions and complement formal financial institutions. Nevertheless, limited capital, regulatory constraints, accountability challenges, and technological changes have affected their effectiveness. The study recommends policies that recognise indigenous economic institutions, strengthen their organisational capacity, and encourage appropriate collaboration with formal financial systems. It contributes to Nigerian economic history by highlighting the significance of indigenous institutions in understanding economic resilience and development.

Keywords: Structural Adjustment Programme; Indigenous Economic Institutions; Economic Resilience; Nigerian Economic History; Informal Finance; Entrepreneurship.

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Introduction

The adoption of the Structural Adjustment Programme (SAP) in Nigeria in 1986 marked a significant turning point in the country's contemporary economic history, with far-reaching implications for production, exchange, financial intermediation, and household economic survival. The collapse of international petroleum prices, declining public revenues, external payment difficulties, and mounting macroeconomic pressures encouraged the government to adopt market-oriented reforms intended to restructure the economy and reduce administrative controls. The Central Bank of Nigeria (CBN, n.d.) explains that the reforms sought to improve resource allocation, strengthen competition, liberalise financial markets, and enhance the efficiency of the financial system. Similarly, [Oyejide \(1991\)](#) observes that Nigeria's adjustment programme combined exchange-rate reform, trade liberalisation, and changes in economic management, although the programme's achievements were accompanied by inflationary pressures and declining real wages. [Omoruyi \(1987\)](#) also identifies both potential benefits, including improvements in export incentives, and costs associated with the adjustment process. The [World Bank \(1993\)](#) subsequently assessed the programme within the broader context of Nigeria's efforts to restructure production, improve macroeconomic management, and diversify the economy.

These developments demonstrate that SAP was not simply a monetary or fiscal intervention; it represented a major transformation in the institutional environment within which Nigerians organised economic activities. Consequently, understanding Nigeria's economic history since 1986 requires attention not only to formal government policies and financial institutions but also to the indigenous economic arrangements through which individuals, households, and communities mobilised resources and responded to economic uncertainty.

Indigenous economic institutions constitute historically developed systems of resource mobilisation, savings, credit provision, labour organisation, mutual assistance, and entrepreneurial cooperation embedded in community relationships. In Nigeria, such arrangements include rotating savings and credit associations, commonly described in different local contexts as *esusu* or *ajo*, cooperative societies, age-grade associations, kinship-based financial networks, traditional apprenticeship arrangements, and community-based contributions. Their significance lies partly in their ability to mobilise relatively small contributions, distribute economic responsibilities, and provide financial assistance to individuals who may encounter barriers to conventional banking services. However, these institutions should not be romanticised as

uniformly efficient or equitable, because their accessibility, organisational procedures, and economic outcomes vary across communities and social groups. Okome (1999), in examining Nigerian civil society during the SAP era, discusses the historical importance of associational organisations, including hometown associations, burial societies, informal savings clubs, and trade associations. Her analysis demonstrates that such organisations possessed historical roots extending beyond the immediate period of economic reform and could reorganise their activities under changing political and economic conditions. Similarly, [Meagher \(1996\)](#) examines social networks and industrial development in eastern Nigeria, particularly Aba, showing that embedded social institutions could facilitate enterprise organisation while also generating constraints through restrictive social obligations and difficulties in capital accumulation. These perspectives establish the importance of analysing indigenous economic institutions as dynamic historical organisations whose contributions and limitations must be investigated in relation to their specific economic environments.

The relationship between structural adjustment and the resilience of indigenous economic institutions is particularly important because economic liberalisation changed the conditions under which households, traders, farmers, artisans, and small-scale manufacturers obtained finance and sustained productive activities. The liberalisation of interest rates, changes in foreign-exchange management, and reforms to the banking system were intended to improve competition and financial resource allocation. According to the CBN (n.d.), the financial-sector reforms introduced from 1986 sought to reduce distortions in investment decisions and establish a more efficient financial system. Nevertheless, the consequences of these reforms were shaped by wider institutional and macroeconomic conditions. Lewis and Stein (1997), in their examination of financial liberalisation in Nigeria, demonstrate that banking deregulation did not automatically produce the anticipated improvements in savings and investment, drawing attention to the political and institutional problems surrounding reform. Oyejide (1991) likewise discusses the economic costs associated with adjustment despite improvements in selected macroeconomic and export indicators. These findings provide a basis for investigating the circumstances in which indigenous savings associations, cooperative arrangements, and community-based credit networks may have become important for financing small enterprises and managing household economic pressures. At the same time, inflation, declining purchasing power, unstable business conditions, and limited accumulated savings could weaken the capacity of these institutions to meet members' needs. Their resilience must therefore be assessed through documentary evidence concerning their organisational continuity, capacity to mobilise resources, ability to adjust their practices, and effectiveness in responding to changing economic circumstances.

The period from 1986 to 2025 also witnessed important changes in government policy towards financial inclusion, community-based finance, and small-enterprise development. Although the initial SAP period was relatively short, the broader process of economic restructuring continued through subsequent financial reforms and development initiatives. The CBN's (2006) Microfinance Policy, Regulatory and Supervisory Framework for Nigeria recognised the need to improve access to financial services for economically disadvantaged populations and to support microenterprises through an appropriate institutional and regulatory framework. This policy is significant because it provides an official perspective on the relationship between

informal financial arrangements, formal financial institutions, savings mobilisation, and enterprise development. However, the formal recognition of microfinance does not necessarily establish that traditional savings associations benefited equally from policy implementation or that their organisational independence was preserved. Meagher's (1996) analysis of informal enterprise networks in Aba demonstrates that the relationship between indigenous institutions and economic development can involve both productive cooperation and restrictive social obligations. Okome (1999) also illustrates the historical persistence and adaptability of Nigerian associational organisations under conditions of political and economic change. Read together, these studies suggest that the historical significance of indigenous economic institutions cannot be determined solely by their continued existence. Rather, it requires examining how their functions, membership arrangements, financial practices, and relationships with formal economic structures changed over time. The period extending to 2025 consequently provides an opportunity to investigate how traditional economic organisations responded to successive reforms, changing entrepreneurial practices, urbanisation, and developments in financial service delivery.

Despite the substantial literature on Nigeria's structural adjustment experience and the importance of informal economic networks, an important analytical problem concerns the historical relationship between national economic reforms and the institutional resilience of community-based economic organisations. Studies of SAP have frequently concentrated on exchange rates, public expenditure, trade policy, inflation, production, and financial-sector performance (Lewis & Stein, 1997; Oyejide, 1991; Omoruyi, 1987). Research on informal economic networks, meanwhile, has examined the relationship between social organisation, industrial development, and enterprise performance, particularly in southeastern Nigeria (Meagher, 1996). These contributions provide valuable foundations, but they also indicate the importance of investigating how changes in national economic policy interacted with the everyday practices of indigenous economic institutions over a longer historical period. The central problem addressed by this study is therefore how such institutions maintained, modified, or lost particular economic functions between 1986 and 2025, and how their experiences were shaped by structural adjustment and subsequent economic transformations. The study examines their roles in savings mobilisation, informal credit provision, household economic support, small-business financing, and entrepreneurial development, while also considering constraints associated with limited capital, institutional accountability, unequal access, and changing market conditions. Resilience is consequently understood not as the unchanging survival of traditional practices, but as a historical process involving continuity, adaptation, organisational restructuring, and the negotiation of new economic circumstances. This approach allows the study to move beyond a general description of indigenous institutions towards a historical explanation of their changing economic significance.

The broad objective of this study is to examine the resilience of indigenous economic institutions in Nigeria under structural adjustment and subsequent economic transformations between 1986 and 2025. Specifically, it seeks to trace their historical development during the period, investigate the effects of economic liberalisation on their organisational practices, assess their contributions to informal finance and entrepreneurial activities, and analyse their changing relationships with formal

financial institutions and government development policies. The study adopts the historical research method, relying exclusively on documentary and secondary sources. These include government publications, Central Bank of Nigeria policy documents, financial-sector reports, official economic statistics, published institutional records, scholarly books, and peer-reviewed journal articles. The sources will be subjected to critical evaluation to establish their historical context, reliability, and relevance to the research questions. Comparative analysis of documentary evidence from different periods will help identify institutional continuity, changes in financial practices, and variations in the relationship between indigenous economic organisations and the formal economy. The analysis will also distinguish between the national policy environment and the experiences documented in selected communities, recognising that indigenous institutions are not uniform across Nigeria. By bringing together economic policy history and the history of indigenous institutions, the study seeks to contribute to broader discussions of African economic resilience, institutional adaptation, informal finance, and entrepreneurship. Its findings may also inform policy discussions on how community-based economic organisations can be recognised and supported without undermining their autonomy, social foundations, or locally developed mechanisms of accountability.

Conceptual Clarification

Structural Adjustment Programme (SAP)

The Structural Adjustment Programme (SAP) refers to a set of economic policies designed to address macroeconomic imbalances, improve resource allocation, and restructure economies through market-oriented reforms. In Nigeria, the programme was introduced in 1986 against the background of declining petroleum revenues, external payment difficulties, fiscal pressures, and deteriorating economic conditions. Its major policy measures included exchange-rate adjustment, trade liberalisation, financial-sector reform, and the reduction of administrative controls over economic activities. According to the Central Bank of Nigeria (CBN, n.d.), financial-sector reforms formed an important component of the broader restructuring process intended to improve competition and the efficiency of financial intermediation. Oyejide (1991) explains that Nigeria's adjustment experience involved significant changes in economic management, although the outcomes included considerable social and economic costs. Lewis and Stein (1997) further demonstrate that financial liberalisation in Nigeria produced complex outcomes shaped by institutional weaknesses and political considerations. Within this study, SAP is understood as a major economic policy intervention whose effects extended beyond formal financial markets to households, small enterprises, and community-based economic organisations. Its significance lies in providing the historical context for investigating how indigenous economic institutions responded to changing market conditions and economic pressures between 1986 and 2025.

Indigenous economic institutions are historically developed systems of economic cooperation, resource mobilisation, savings, credit provision, labour organisation, and mutual assistance embedded in local social and cultural relationships. In Nigeria, these institutions include rotating savings and credit associations, commonly known in different settings as *esusu* or *ajo*, cooperative societies, age-grade associations, kinship-based financial networks, and community-based contributions. Their economic functions include mobilising small savings, providing informal credit,

supporting household needs, and financing small-scale commercial activities. Okome (1999) discusses the importance of Nigerian associational organisations, including informal savings groups and trade associations, within the political and economic circumstances of structural adjustment. Meagher (1996), in her examination of institutions and industrial development in eastern Nigeria, demonstrates that socially embedded networks can facilitate enterprise development while also imposing constraints through social obligations and institutional limitations. The Central Bank of Nigeria (2006), through its Microfinance Policy, Regulatory and Supervisory Framework for Nigeria, also recognised the importance of extending financial services to economically disadvantaged populations and supporting microenterprises. For this study, indigenous economic institutions are conceptualised as adaptable community-based arrangements whose historical significance depends on their capacity to mobilise resources, sustain economic cooperation, and respond to changing relationships between informal practices and formal financial systems.

Economic resilience refers to the capacity of individuals, organisations, communities, or economic systems to withstand economic disturbances, adapt to changing conditions, and maintain or restore essential economic functions. Briguglio et al. (2009) distinguish between economic vulnerability and resilience, arguing that resilience concerns the ability to withstand or recover from adverse external shocks through appropriate policy and institutional responses. Martin (2012) similarly conceptualises regional economic resilience in terms of the ability of an economy to resist, recover from, and adjust to economic disturbances. Although these perspectives are not specifically concerned with Nigerian indigenous institutions, they provide useful analytical foundations for examining institutional responses to economic change. In the context of this study, economic resilience refers to the capacity of indigenous savings associations, cooperative societies, age-grade organisations, and kinship-based networks to sustain resource mobilisation, credit provision, mutual assistance, and productive activities despite inflation, financial instability, economic liberalisation, and other socioeconomic pressures. Resilience is therefore not interpreted simply as the continued existence of traditional institutions. Rather, it involves examining their historical continuity, organisational adaptation, financial sustainability, and ability to perform essential economic functions under changing conditions. This conceptualisation makes it possible to assess both the contributions and limitations of indigenous institutions throughout the period under investigation.

Entrepreneurship refers to the identification and pursuit of economic opportunities through the organisation of resources, establishment of enterprises, innovation, and engagement in productive or commercial activities. Schumpeter (1934) emphasises the role of entrepreneurial innovation in economic development, while Shane and Venkataraman (2000) conceptualise entrepreneurship as the study of how opportunities to create future goods and services are discovered, evaluated, and exploited. In Nigeria, entrepreneurship encompasses activities undertaken by traders, artisans, manufacturers, farmers, service providers, and other small-business operators. Indigenous economic institutions can contribute to entrepreneurial development by facilitating access to informal credit, mobilising collective savings, transmitting business knowledge, and providing networks of trust and mutual support. Meagher (1996) illustrates how socially embedded institutions and networks influence industrial organisation and enterprise development in eastern Nigeria. The CBN (2006) also

identifies improved financial access and support for microenterprises as important objectives of its microfinance policy. Within this study, entrepreneurship is understood as an economic activity through which indigenous institutions may facilitate the establishment, financing, continuity, and expansion of small-scale enterprises. The analysis considers whether these institutions supported entrepreneurial adaptation during and after structural adjustment, while recognising that limited capital, unequal access to financial resources, and restrictive social obligations could constrain business growth.

The relationship among these four concepts provides the analytical foundation for understanding the historical resilience of indigenous economic institutions in Nigeria between 1986 and 2025. SAP represents the changing macroeconomic and policy environment; indigenous economic institutions constitute the community-based organisational structures through which resources and economic cooperation were mobilised; economic resilience describes their capacity to withstand and adapt to changing conditions; and entrepreneurship represents one of the principal economic activities that these institutions may support. Read together, these concepts provide a framework for investigating how indigenous financial and cooperative arrangements responded to economic liberalisation, changing financial regulations, and subsequent transformations in Nigeria's economy. The study adopts a documentary historical approach, examining government policy documents, official economic reports, scholarly books, and peer-reviewed journal articles to trace institutional continuity and change across the period. By connecting policy developments with the historical functions of community-based economic organisations, the study seeks to explain not only why these institutions persisted but also how their roles, limitations, and contributions to entrepreneurship evolved. This approach positions indigenous economic institutions within Nigeria's wider economic history and provides a basis for evaluating their continuing relevance to financial inclusion, small-enterprise development, and economic resilience.

Theoretical Framework

This study adopts Institutional Theory as its principal theoretical framework, complemented by the economic resilience perspective, to examine the historical relationship between structural adjustment and indigenous economic institutions in Nigeria between 1986 and 2025. Institutional Theory provides an analytical basis for understanding how established rules, social relationships, organisational practices, and shared expectations influence economic behaviour and institutional continuity. North (1990) defines institutions as the humanly devised constraints that structure political, economic, and social interaction, distinguishing them from organisations that operate within institutional frameworks. From this perspective, indigenous savings associations, cooperative societies, age-grade organisations, kinship networks, and community-based credit arrangements can be understood as institutional structures that organise resource mobilisation and economic cooperation. Their operations depend not only on financial resources but also on established rules of membership, reciprocal obligations, collective responsibility, and mechanisms for enforcing commitments. Scott (2014) similarly explains that institutions are sustained through regulative, normative, and cultural-cognitive elements that shape organisational conduct and social expectations. Applied to Nigerian economic history, Institutional Theory makes it possible to investigate how indigenous economic institutions maintained

their established functions, modified their organisational practices, or developed new relationships with formal financial institutions following the introduction of the Structural Adjustment Programme (SAP) in 1986.

Institutional Theory is particularly relevant because the introduction of SAP altered the economic and regulatory environment within which indigenous economic institutions operated. Financial liberalisation, exchange-rate adjustment, trade reforms, and changes in public economic management affected the conditions surrounding savings mobilisation, credit access, and entrepreneurial activities. North (1990) argues that institutional arrangements influence economic performance by shaping incentives, transaction costs, and the conditions under which economic actors make decisions. Similarly, Williamson (2000) demonstrates that institutions operate at different analytical levels, ranging from deeply embedded social norms to formal rules and arrangements governing economic transactions. These perspectives are useful for examining the interaction between indigenous economic practices and the formal policy changes associated with structural adjustment. For example, community-based savings associations could draw on established social relationships to facilitate lending and enforce repayment, even where conventional financial institutions imposed requirements that disadvantaged some small-scale entrepreneurs. Nevertheless, their effectiveness could be affected by inflation, limited capital, changing social relationships, and competition from formal financial services. Institutional Theory therefore provides a framework for investigating both the continuity and limitations of indigenous economic arrangements rather than assuming that their historical persistence necessarily translates into improved economic outcomes.

The study also draws on the economic resilience perspective to explain how indigenous economic institutions responded to economic disturbances and changing socioeconomic conditions throughout the period under investigation. Briguglio et al. (2009) distinguish economic resilience from economic vulnerability, emphasising the capacity to withstand or recover from adverse external shocks. Martin (2012) similarly examines economic resilience through the ability of regional economies to resist, recover from, and adjust to recessionary disturbances. Although these studies focus primarily on economies and regions rather than indigenous Nigerian institutions, their analytical insights can be adapted to investigate the responses of community-based economic organisations to structural adjustment and subsequent economic transformations. In this study, resilience refers to the capacity of indigenous institutions to sustain or modify their savings, credit, cooperative, and mutual-assistance functions in response to economic pressures. This perspective encourages the examination of institutional adaptation during periods of financial instability, declining purchasing power, changing business conditions, and evolving financial regulations. It also recognises that resilience does not imply an absence of difficulties: some institutions may have survived by modifying their practices, while others may have experienced declining membership, inadequate capital, or reduced effectiveness. The resilience perspective consequently complements Institutional Theory by explaining not only the structures that support institutional continuity but also the processes through which economic organisations respond to change.

The combined application of Institutional Theory and the economic resilience perspective provides an appropriate analytical

framework for this historical study. Institutional Theory explains the social rules, organisational structures, and established practices through which indigenous economic institutions mobilise resources, maintain cooperation, and facilitate economic transactions. The resilience perspective, in turn, provides a basis for examining how these institutions sustained, modified, or lost particular functions under the changing economic conditions associated with SAP and subsequent reforms between 1986 and 2025. Together, the perspectives support an investigation of indigenous savings associations, cooperative societies, age-grade organisations, and kinship networks as historically evolving institutions rather than static survivals of traditional society. The framework also facilitates an assessment of their relationship with entrepreneurship, particularly their potential contributions to informal credit, small-business financing, and the mobilisation of community resources. Methodologically, these theoretical perspectives will guide the critical interpretation of government policy documents, Central Bank of Nigeria publications, official economic reports, scholarly books, and peer-reviewed journal articles. By examining documentary evidence across different historical periods, the study seeks to explain the relationship between national economic reforms, institutional adaptation, and economic resilience. This combined framework is therefore suitable for investigating the historical significance, changing functions, and continuing limitations of indigenous economic institutions in Nigeria's contemporary economic development.

Historical Background of the Structural Adjustment Programme in Nigeria, 1986–2025

The historical background of the Structural Adjustment Programme (SAP) in Nigeria is rooted in the economic difficulties that emerged during the late 1970s and intensified in the early 1980s. Following the expansion of petroleum revenues during the oil boom, government expenditure increased substantially, while the economy became increasingly dependent on crude oil exports and imported manufactured goods. The subsequent decline in international petroleum prices reduced government revenue and foreign-exchange earnings, exposing structural weaknesses in production, public finance, and external trade. According to the Central Bank of Nigeria (CBN, 2007), inadequate oil receipts during the early 1980s contributed to fiscal deficits and increased government borrowing, complicating monetary management. Ahmed (1987) explains that SAP was introduced to restructure and diversify Nigeria's productive base, reduce dependence on oil and imports, improve fiscal and balance-of-payments positions, and strengthen the role of the private sector. Oyejide (1991) similarly situates the programme within Nigeria's efforts to address persistent macroeconomic imbalances and stimulate economic adjustment. These developments established the historical circumstances in which the Nigerian government reconsidered its previous approach to economic management. The crisis also affected households, traders, farmers, and small-scale enterprises whose activities depended on public expenditure, imported inputs, domestic demand, and access to finance.

The Nigerian government formally introduced SAP in July 1986 as a comprehensive programme of economic restructuring that placed greater emphasis on market mechanisms and reduced administrative controls. The programme sought to improve the efficiency of resource allocation, restore external economic balance, promote non-oil exports, and encourage private-sector participation in production and investment. The CBN (n.d.) identifies financial liberalisation, interest-rate reforms, foreign-

exchange management, and institutional changes in the financial sector as important components of the reform process. One major development was the introduction of the Second-Tier Foreign Exchange Market (SFEM) on 26 September 1986, through which the determination of the naira's exchange rate was increasingly influenced by market forces (CBN, n.d.-b). Ahmed (1987) describes the programme as an attempt to diversify production, strengthen the private sector, and establish the conditions for more sustainable economic growth. However, the reform measures generated considerable debate concerning their economic and social consequences. Omoruyi (1987) identified potential benefits, including improved export incentives, alongside costs such as inflationary pressures, restricted credit, and increased competition from imported finished goods. Ojo (1989), examining the socioeconomic impact of SAP between 1986 and early 1989, also situated the programme within the continuing economic difficulties experienced by Nigeria. These contemporary assessments demonstrate that the introduction of SAP involved both intended economic restructuring and significant challenges for different groups of economic actors.

During the late 1980s and 1990s, the effects of economic liberalisation extended into Nigeria's financial system and the broader environment in which enterprises operated. Financial-sector reforms were intended to increase competition, improve savings mobilisation, and facilitate more efficient allocation of credit. Nevertheless, the relationship between financial liberalisation and economic performance was complex. Lewis and Stein (1997) demonstrate that financial reforms in Nigeria were influenced by political and institutional conditions that affected their outcomes. Oyejide (1991) likewise identifies tensions between the objectives of adjustment and the economic costs associated with implementation. These developments are important for understanding the historical experiences of indigenous economic institutions, including rotating savings associations, cooperative societies, age-grade organisations, and kinship-based financial networks. Where access to formal credit was limited or difficult, such institutions could provide alternative mechanisms for mobilising savings, extending informal loans, and supporting small-scale commercial activities. Meagher (1996), in her study of institutions and industrial development in eastern Nigeria, shows how socially embedded networks influenced enterprise organisation and economic activity in the region. Nevertheless, the existence of these networks did not eliminate the constraints associated with inadequate capital, social obligations, or changing market conditions. The historical question is therefore how indigenous institutions responded to the changing economic environment, whether they sustained their established functions, and how their organisational practices were modified by the wider process of economic restructuring.

The period after the initial SAP years witnessed further changes in Nigeria's economic policy, financial regulation, and development planning. Although the original programme was discontinued in 1988, as noted in the CBN's account of Nigeria's relationship with the International Monetary Fund (CBN, n.d.-c), the economic reforms and debates associated with market liberalisation continued in subsequent decades. The CBN's (2006) Microfinance Policy, Regulatory and Supervisory Framework for Nigeria sought to expand access to financial services, mobilise savings, and support microenterprises and economically disadvantaged populations. This policy provides an important government perspective on the relationship between financial inclusion, informal economic activities, and small-business

development. However, the development of formal microfinance institutions should not be interpreted as proof that indigenous savings associations and community-based credit arrangements disappeared or were fully integrated into the formal financial system. Rather, the relationship between traditional and formal arrangements requires historical investigation. The federal government's Economic Recovery and Growth Plan 2017–2020 subsequently emphasised economic recovery, diversification, and sustainable growth, while the National Development Plan 2021–2025 identified economic transformation, employment generation, private-sector development, and inclusive growth as important policy priorities (Federal Ministry of Budget and National Planning, 2017, 2021). These policy developments provide the broader context for investigating the continued relevance of indigenous economic institutions within Nigeria's changing economic environment.

Between 1986 and 2025, Nigeria's economic history was therefore characterised by successive attempts to address structural weaknesses through adjustment policies, financial reforms, private-sector development, and national development planning. Yet macroeconomic policy documents alone cannot fully explain how households and small enterprises mobilised resources, maintained commercial activities, and responded to economic uncertainty. Indigenous economic institutions provide an important historical perspective because they organise savings, credit, reciprocal assistance, and collective economic action through locally established relationships. Their resilience, however, must be investigated rather than assumed. Some institutions may have sustained their functions through organisational adaptation, while others may have experienced declining resources, membership difficulties, or competition from formal financial services. The present study consequently examines the historical relationship between structural adjustment and the resilience of indigenous economic institutions in Nigeria from 1986 to 2025. Using documentary historical research, it draws on government policy documents, Central Bank of Nigeria publications, official economic reports, scholarly books, and peer-reviewed journal articles to investigate institutional continuity, adaptation, and transformation. This approach connects Nigeria's broader economic reforms with the experiences and changing functions of community-based economic organisations, thereby contributing to the historical understanding of informal finance, entrepreneurship, and economic resilience.

The Nature and Functions of Indigenous Economic Institutions in Nigeria

Indigenous economic institutions in Nigeria refer to locally developed systems, practices, relationships, and organisational structures through which communities mobilise resources, organise production, facilitate exchange, accumulate capital, and provide economic assistance to their members. These institutions emerged from indigenous social organisation and were sustained through kinship relationships, communal obligations, reciprocity, trust, and shared cultural values. They include rotating savings and credit associations, commonly known as *esusu* or *ajo* in different Nigerian communities; age-grade associations; cooperative groups; extended-family support networks; trade associations; and community-based labour arrangements. Although their forms and functions vary across ethnic groups and geographical regions, these institutions have historically provided economic services that formal financial and governmental structures did not always adequately supply. Their significance is particularly evident in

Nigeria's informal economy, where interpersonal relationships and culturally embedded networks continue to facilitate business transactions and entrepreneurial activities (Omeihe et al., 2021).

One major characteristic of indigenous economic institutions is their capacity to mobilise savings and facilitate capital formation among individuals and groups with limited access to formal banking services. Rotating savings and credit associations enable members to contribute agreed sums at regular intervals, with the pooled contributions allocated to members according to established arrangements. These resources may be used to finance petty trading, agricultural production, household expenditure, craft industries, and small-scale enterprises. Similarly, family networks and community associations provide financial assistance during periods of economic difficulty or when members require capital for productive activities. Such arrangements are particularly important because they rely substantially on established relationships, mutual obligations, and community-based accountability rather than exclusively on formal collateral requirements. Seibel (2008) emphasised the continuing importance of traditional self-help savings and credit organisations in Nigeria, particularly in household financial management and risk mitigation. Indigenous financial institutions therefore represent important mechanisms of capital accumulation and economic participation, although their effectiveness may be constrained by limited funds and difficulties in expanding beyond their immediate membership.

Indigenous economic institutions also perform important functions in labour mobilisation, collective production, and community development. Age-grade associations, communal labour groups, and other community organisations have historically enabled members to pool their labour and resources for agricultural activities, infrastructure development, and other collective needs. In southeastern Nigeria, for example, age-grade associations have contributed to capital formation and community development by mobilising members and coordinating collective projects. Ahamfule (2018) demonstrates that age-grade associations among the Igbo served as mechanisms for resource mobilisation and the pursuit of collective economic and social objectives. Such institutions reduced the burden of undertaking certain activities individually by distributing responsibilities across participating members. They also strengthened collective responsibility and encouraged members to contribute towards community priorities. Their economic value consequently extended beyond immediate production, as they helped sustain cooperation, social solidarity, and the capacity of communities to respond to shared needs.

Another important function of indigenous economic institutions is the promotion of entrepreneurship, commercial networks, and informal mechanisms for resolving economic disputes. Family connections, kinship networks, trade associations, cooperatives, and culturally grounded business relationships can facilitate access to information, suppliers, customers, credit, and commercial opportunities. Brautigam (1997), in her study of industrial development in Nnewi, southeastern Nigeria, explains how culturally embedded networks helped entrepreneurs address institutional weaknesses, reduce information uncertainties, and lower transaction costs. Similarly, Omeihe et al. (2021) identify family ties, kinship, religious organisations, cooperatives, and trade associations as institutions that Nigerian entrepreneurs use to establish trust and resolve disputes in business relationships. These networks may therefore provide practical support where formal commercial institutions are inaccessible, costly, or ineffective.

Nevertheless, their benefits are not automatic: reliance on personal relationships may restrict opportunities for outsiders, reinforce exclusionary practices, or create difficulties when business operations expand beyond established networks. Their developmental contribution depends partly on their capacity to combine trust and mutual assistance with accountability and openness.

The nature and functions of indigenous economic institutions must therefore be understood in relation to their historical continuity, adaptability, and changing relationship with Nigeria's formal economy. Rather than remaining unchanged, many have adjusted their operations in response to urbanisation, financial liberalisation, technological development, and changing patterns of employment and entrepreneurship. Some traditional savings associations have incorporated digital communication and financial technologies, while community networks continue to support enterprises and households facing economic uncertainty. Their persistence demonstrates that economic organisation in Nigeria cannot be explained exclusively through formal banks, government programmes, and registered businesses. Indigenous institutions constitute an important component of the country's economic history because they facilitate savings, capital formation, labour mobilisation, risk-sharing, commercial cooperation, and community development. However, their capacity to support sustainable economic growth requires attention to financial transparency, inclusive membership, effective leadership, and appropriate collaboration with formal financial institutions. Within the historical analysis of structural adjustment from 1986 to 2025, these institutions provide a useful basis for examining how Nigerian communities adapted to economic reforms and sought to sustain livelihoods amid changing economic conditions (Brautigam, 1997; Omeihe et al., 2021).

Structural Adjustment, Economic Changes and the Resilience of Indigenous Economic Institutions in Nigeria

The introduction of the Structural Adjustment Programme (SAP) in Nigeria in 1986 marked a significant turning point in the country's economic history, as the government sought to address external payment difficulties, reduce economic distortions, and promote market-oriented reforms. The programme involved changes in foreign exchange management, trade policies, financial regulation, and the relationship between the state and the private sector. These reforms occurred within an economy already characterised by extensive informal economic activities and indigenous institutions that supported savings, credit, labour mobilisation, and small-scale enterprise development. Oyejide (1991) explains that Nigeria's adjustment programme emerged from the economic difficulties of the 1980s and combined external pressures with domestically determined policy measures. The consequences extended beyond formal economic indicators to the everyday strategies through which households and entrepreneurs organised their livelihoods. Indigenous savings associations, kinship networks, cooperative groups, and community-based organisations consequently operated within an increasingly uncertain economic environment. Their historical significance lies partly in how they adapted to these changes and continued to provide economic support where access to formal financial resources remained limited.

The economic changes associated with structural adjustment affected the environment in which indigenous economic institutions operated. Financial liberalisation, changing prices, currency instability, and fluctuations in household

purchasing power altered the capacity of individuals to save, borrow, invest, and repay loans. Small-scale traders, artisans, farmers, and informal manufacturers often relied on social networks and community-based credit arrangements to obtain working capital and manage financial difficulties. Meagher (1996), in her study of informal industrial development in eastern Nigeria, demonstrates that social networks and embedded institutions played important roles in organising small-scale manufacturing under structural adjustment. However, the same networks could also face limitations arising from inadequate capital, redistribution obligations, and the difficulties of accumulating resources within closely connected communities. This suggests that the economic consequences of adjustment were not uniform: indigenous institutions could provide support during periods of uncertainty, but their capacity to sustain productive investment depended on the resources available to their members and the demands placed upon them. Their resilience must therefore be understood as a historically variable process rather than an automatic or universal outcome of community solidarity.

One important expression of institutional resilience was the continued use and adaptation of indigenous savings, credit, and mutual-assistance arrangements. Rotating savings associations, cooperative societies, family networks, and community organisations enabled members to pool resources, distribute financial assistance, and respond collectively to economic difficulties. Such mechanisms were especially relevant to entrepreneurs who could not easily meet the collateral requirements or other conditions associated with formal credit. Brautigam (1997) shows that socially embedded institutions and business networks contributed to the development of small-scale manufacturing in Aba, southeastern Nigeria, while also drawing attention to the limitations that could emerge from these arrangements. Their contribution was therefore two-sided: personal trust and reciprocal obligations could facilitate transactions, but excessive dependence on narrow networks could constrain expansion and reinforce exclusion. From a historical perspective, resilience involved the capacity of these institutions to preserve essential economic functions while adjusting their practices to changing market conditions. This interpretation is consistent with institutional theory, which emphasises that economic behaviour is shaped by established rules, relationships, and organisational practices, even as these arrangements change in response to new circumstances (North, 1990).

The resilience of indigenous economic institutions also needs to be examined against the background of subsequent economic reforms and government efforts to broaden access to financial services. The Central Bank of Nigeria's Microfinance Policy, Regulatory and Supervisory Framework for Nigeria sought to improve access to financial services for economically active low-income groups, mobilise savings, support microenterprises, and strengthen connections between informal financial activities and the formal financial system (Central Bank of Nigeria [CBN], 2005). The policy recognised the importance of extending financial services to populations that conventional banking arrangements had not adequately served. Similarly, the federal government's Economic Recovery and Growth Plan 2017–2020 emphasised economic recovery, diversification, employment creation, and more inclusive growth (Federal Republic of Nigeria, 2017). These policy documents provide documentary evidence of the evolving national response to problems of financial access and economic vulnerability. Nevertheless, the existence of such policies does not, by itself, establish that indigenous institutions benefited uniformly

or that their challenges were resolved. Their historical significance must be assessed through critical examination of policy objectives, official economic reports, and scholarly studies documenting the changing relationship between community-based economic arrangements and formal institutions.

Between 1986 and 2025, therefore, the resilience of indigenous economic institutions in Nigeria can be understood through their continuity, adaptation, and changing contribution to livelihoods and entrepreneurship. Their persistence reflected their ability to mobilise savings, facilitate access to credit, share risks, organise collective action, and support enterprises operating within an often unstable economic environment. However, resilience did not mean freedom from financial constraints, institutional weaknesses, exclusionary practices, or the effects of wider economic crises. Consistent with Martin's (2012) approach to regional economic resilience, institutional survival and adaptation should be examined in relation to the pressures encountered, the resources available, and the capacity to adjust to changing conditions. Methodologically, this study investigates these developments through historical criticism of documentary and secondary sources, including government policy documents, Central Bank of Nigeria publications, official economic reports, scholarly books, and peer-reviewed journal articles. By comparing evidence across the period, the study evaluates how indigenous economic institutions responded to structural adjustment and subsequent economic changes. It argues that their historical endurance demonstrates their continuing relevance to Nigeria's informal economy while highlighting the need for inclusive policies, stronger accountability, and appropriate links with formal financial institutions.

Indigenous Economic Institutions, Entrepreneurship and Economic Development in Nigeria

Indigenous economic institutions have played an important role in shaping entrepreneurship and economic development in Nigeria by providing locally organised systems for mobilising capital, transferring business knowledge, establishing commercial relationships, and supporting collective economic activities. These institutions include family networks, kinship associations, age-grade organisations, cooperative societies, rotating savings and credit associations, trade associations, and apprenticeship systems. Historically, they have helped individuals establish businesses and participate in commercial activities despite limitations in access to formal finance and public economic support. Their significance lies in their ability to combine economic transactions with social relationships, mutual obligations, trust, and community participation. From an institutional perspective, these arrangements influence entrepreneurial decisions by establishing informal rules that govern cooperation, resource distribution, and commercial relationships (North, 1990). In Nigeria, therefore, entrepreneurship cannot be adequately understood solely through formal business registration, banking institutions, or government development programmes. Indigenous economic institutions constitute part of the historical foundations of enterprise development, particularly within the informal economy, where personal networks and community-based arrangements remain important for obtaining resources and sustaining business operations (Omeihe et al., 2021).

One important contribution of indigenous economic institutions to entrepreneurship is their role in mobilising capital and facilitating access to financial resources. Rotating savings and credit associations, family contributions, cooperative societies, and community-based lending arrangements provide alternative

mechanisms through which entrepreneurs accumulate funds for business establishment and expansion. These arrangements are particularly significant for petty traders, artisans, transport operators, farmers, and small-scale manufacturers who may encounter difficulties obtaining loans from formal financial institutions. In addition to providing funds, indigenous networks can create opportunities for members to share business information, identify suppliers, and establish commercial relationships. Adeola et al. (2023) examine indigenous savings groups in Nigeria and highlight their relevance to financial practices and business actors. Such arrangements demonstrate that capital formation is not exclusively dependent on formal banking systems; it can also emerge from collective savings, interpersonal trust, and community-based financial organisation. Nevertheless, the developmental benefits of these mechanisms may be restricted by the relatively small amounts accumulated, limited risk-sharing capacity, and difficulties in financing enterprises requiring substantial long-term investment. Their contribution is consequently best understood as complementary to, rather than a complete substitute for, formal financial services.

Indigenous economic institutions have also contributed to the transmission of entrepreneurial knowledge, vocational skills, and commercial experience across generations. Apprenticeship arrangements, family businesses, mentoring relationships, and established trading networks enable aspiring entrepreneurs to acquire practical knowledge of markets, customer relations, inventory management, negotiation, and business administration. The development of indigenous manufacturing and trading enterprises in southeastern Nigeria illustrates the importance of these mechanisms. Brautigam (1997), in her study of industrial development in Nnewi, demonstrates how culturally embedded networks and established commercial relationships helped entrepreneurs reduce information uncertainties and transaction costs. These relationships supported the transition of some traders into manufacturing and facilitated the organisation of distribution networks. The experience also demonstrates how indigenous entrepreneurship can contribute to industrial diversification and employment creation even when the wider economic environment presents significant constraints. However, such arrangements do not automatically guarantee successful business development. Their effectiveness depends on the quality of training, access to technology, the availability of investment capital, and entrepreneurs' ability to respond to changing market conditions. Strengthening apprenticeship and mentoring arrangements while connecting them with formal vocational and technical education could therefore improve their contribution to productive enterprise development.

The relationship between indigenous economic institutions and economic development is further demonstrated by their contributions to employment generation, commercial expansion, and the development of local production networks. Entrepreneurs frequently depend on family members, apprentices, business associates, cooperatives, and trade networks to organise production and distribute goods. In some Nigerian commercial centres, such relationships have helped locally established businesses expand from small trading operations into larger enterprises with regional and international connections. Omeihe et al. (2021) show that Nigerian exporting small and medium-sized enterprises rely on institutions such as family ties, kinship networks, cooperatives, religious organisations, and trade associations to establish trust and address commercial disputes. These findings indicate that indigenous institutions can perform important economic functions

where formal mechanisms are perceived as inaccessible or ineffective. Their contribution to development, however, is not necessarily uniform. Networks may facilitate cooperation among members while excluding outsiders, restricting access to opportunities, or encouraging obligations that divert resources from productive investment. A historical assessment must therefore consider both their capacity to encourage entrepreneurship and the structural limitations that may prevent indigenous enterprises from becoming more productive, innovative, and competitive.

Between 1986 and 2025, the relationship between indigenous economic institutions, entrepreneurship, and economic development in Nigeria evolved alongside structural adjustment, financial liberalisation, technological change, and successive government development initiatives. Indigenous institutions continued to provide important channels for savings, credit, apprenticeship, commercial networking, and mutual assistance, although their operations were affected by inflation, currency instability, changing consumer demand, and difficulties accessing formal finance. Their continued relevance suggests that economic development policies should recognise the role of community-based institutions without romanticising their capacities or overlooking their limitations. Policies that improve access to affordable finance, strengthen entrepreneurial training, encourage digital financial inclusion, and establish transparent partnerships between indigenous organisations and formal institutions could enhance their contribution to sustainable development. Consistent with North's (1990) institutional approach, the historical importance of these organisations lies in how established rules and relationships shape economic behaviour and influence the costs of conducting business. This study therefore examines their contribution through critical analysis of published scholarship, government policy documents, official economic reports, and other documentary sources. It argues that indigenous economic institutions form an important part of Nigeria's entrepreneurial infrastructure, but their long-term developmental impact depends on their ability to combine established community-based strengths with accountability, innovation, wider market access, and appropriate institutional support.

Importance of Structural Adjustment to Indigenous Economic Institutions in Nigeria

The introduction of the Structural Adjustment Programme (SAP) in Nigeria in 1986 was a significant turning point in the historical development of indigenous economic institutions. The programme sought to address economic imbalances, restructure production, reduce dependence on petroleum and imports, and promote greater private-sector participation in economic activities (Ahmed, 1987). Through changes in foreign exchange management, trade policy, financial regulation, and the role of government in the economy, structural adjustment transformed the environment in which indigenous savings associations, cooperative societies, kinship networks, age-grade organisations, and community-based credit arrangements operated. The importance of SAP to these institutions lies not simply in the reforms themselves but also in the economic pressures that encouraged communities and entrepreneurs to reconsider their existing strategies for mobilising resources and sustaining livelihoods. Although SAP was not specifically designed to strengthen indigenous institutions, its wider economic consequences made their financial and social functions particularly relevant to households and small businesses experiencing economic uncertainty. Consequently, the programme provides an important historical context for examining how

indigenous economic institutions responded to changes in Nigeria's economic structure.

One important implication of structural adjustment was the increased significance of indigenous financial arrangements in supporting small-scale economic activities. Changes in prices, exchange rates, and access to formal credit created difficulties for traders, artisans, farmers, and small-scale manufacturers seeking working capital. Indigenous savings groups, rotating credit associations, cooperative societies, and family networks provided alternative channels for accumulating funds and sharing financial risks. Omoruyi (1987) identified inflationary pressures and restrictions on credit among the costs associated with Nigeria's adjustment programme, demonstrating the difficult financial environment within which many economic actors operated. In this context, community-based financial institutions could help members finance business activities, meet household obligations, and respond to temporary shortages of income. However, their capacity to meet these needs depended on the contributions of members and the availability of collective resources. Their importance therefore increased not because structural adjustment automatically improved their operations, but because economic uncertainty reinforced the practical value of accessible savings, credit, and mutual assistance arrangements.

Structural adjustment also highlighted the contribution of indigenous economic institutions to entrepreneurship and informal-sector development. As economic reforms altered the conditions for production, trade, and investment, entrepreneurs continued to rely on established social networks to obtain information, mobilise resources, recruit apprentices, identify suppliers, and maintain commercial relationships. Meagher (1996), in her study of informal industrial development in eastern Nigeria, demonstrates the significance of locally embedded institutions in sustaining economic activities and supporting industrial development. These arrangements helped some entrepreneurs navigate institutional weaknesses and organise production outside the largest formal business structures. Indigenous institutions were therefore important in connecting households and small enterprises to economic opportunities during a period of substantial policy change. Nevertheless, their contribution was uneven because access to social networks, financial resources, and commercial knowledge varied among individuals and communities. The historical importance of structural adjustment in this respect lies in revealing the relationship between macroeconomic reform and the locally organised institutions through which Nigerians continued to pursue entrepreneurship and economic survival.

Another important implication of structural adjustment was the growing policy significance of financial inclusion and the relationship between informal financial arrangements and formal financial institutions. The Central Bank of Nigeria's Microfinance Policy, Regulatory and Supervisory Framework for Nigeria sought to improve access to financial services, mobilise savings, support microenterprises, and extend financial intermediation to underserved populations (Central Bank of Nigeria [CBN], 2005). Although the policy was introduced after the initial implementation of SAP, it represents a subsequent institutional response to persistent problems of access to finance. Its relevance to indigenous economic institutions lies in the recognition that low-income households and small businesses require financial arrangements suited to their circumstances. The policy also created a basis for examining how community-based savings and credit practices might complement regulated microfinance services.

Nevertheless, the development of formal microfinance should not be interpreted as proof that indigenous institutions were uniformly strengthened or successfully integrated into the banking system. Rather, it demonstrates the continuing policy challenge of connecting community-level financial practices with formal mechanisms of supervision, capital provision, and financial inclusion.

Ultimately, the importance of structural adjustment to indigenous economic institutions in Nigeria must be assessed through both the opportunities and the difficulties that emerged between 1986 and 2025. The reforms intensified the economic pressures confronting many households and enterprises, while also highlighting the value of indigenous institutions in savings mobilisation, informal credit, entrepreneurship, labour organisation, and mutual assistance. Their continued use suggests that economic restructuring did not eliminate locally embedded economic practices; instead, these practices continued to operate alongside changing markets and formal institutions. However, resilience should not be confused with the absence of hardship, since inflation, currency instability, inadequate capital, and limited institutional capacity could undermine their effectiveness. Drawing on institutional theory, these developments can be understood as evidence of the continuing influence of established economic relationships and organisational practices amid broader structural change (North, 1990). Using documentary historical analysis of government policies, official economic reports, scholarly books, and peer-reviewed journal articles, this study evaluates how indigenous institutions responded to the consequences of SAP and subsequent reforms. It argues that recognising their historical contribution is essential for developing inclusive economic policies that strengthen local financial practices while promoting accountability, innovation, and productive collaboration with formal financial institutions.

Suggestions

The Nigerian government should formulate inclusive economic policies that recognise indigenous economic institutions as important components of the country's economic history and contemporary informal economy. Savings associations, cooperative societies, age-grade organisations, community-based credit groups, and kinship networks have historically contributed to resource mobilisation, entrepreneurship, and mutual assistance. Rather than treating these institutions as marginal to formal economic development, government agencies should establish appropriate frameworks that support their activities while respecting their organisational autonomy and cultural foundations. Such policies should be informed by historical evidence concerning the effects of structural adjustment and subsequent economic reforms on households and small enterprises. North (1990) argues that institutions shape economic performance by influencing incentives, interactions, and the costs of conducting economic activities. Accordingly, the government should incorporate indigenous economic institutions into relevant policies on small-business development, financial inclusion, and community development, ensuring that support measures reflect the diverse economic circumstances of Nigerian communities.

Greater attention should be given to strengthening the financial capacity, administrative transparency, and accountability of indigenous savings and credit institutions. Community-based financial organisations often provide accessible financial services to people who face difficulties obtaining credit from conventional banks; however, their capacity may be limited by inadequate

capital, weak record-keeping, and insufficient mechanisms for managing financial risks. The Central Bank of Nigeria's Microfinance Policy, Regulatory and Supervisory Framework for Nigeria provides a relevant policy foundation for improving financial inclusion and extending services to economically active low-income groups (Central Bank of Nigeria [CBN], 2005). Government agencies, cooperative development bodies, and appropriate financial institutions should therefore provide practical training in bookkeeping, financial planning, internal auditing, credit management, and dispute resolution. Where appropriate, indigenous savings associations should be encouraged to establish transparent partnerships with regulated microfinance institutions without being subjected to unnecessarily burdensome requirements. These measures could improve financial sustainability, strengthen members' confidence, and enhance the capacity of indigenous institutions to support productive investment and withstand economic shocks.

Indigenous economic institutions should be linked more effectively with entrepreneurship development, vocational education, technological innovation, and small-scale industrial production. Historical experience in southeastern Nigeria demonstrates that embedded social networks and locally organised institutions have contributed to the development of small-scale manufacturing and commercial activities (Brautigam, 1997; Meagher, 1996). Building on this experience, government agencies, universities, technical institutions, and private-sector organisations should develop programmes that connect traditional apprenticeship arrangements, cooperative groups, and community business networks with contemporary entrepreneurial training. Such programmes should include digital financial literacy, modern production techniques, business planning, product development, marketing, and access to wider domestic and international markets. Particular attention should be given to young entrepreneurs, women-owned enterprises, rural producers, and small-scale manufacturers who may encounter financial and institutional barriers. These initiatives should preserve the advantages of indigenous knowledge and community cooperation while improving productivity, business management, and competitiveness. Strengthening these connections would help indigenous economic institutions contribute more effectively to employment creation, economic diversification, and sustainable development.

Further historical and policy research should examine the changing experiences of indigenous economic institutions under structural adjustment and subsequent economic reforms. Although existing scholarship provides insights into informal industrial development, indigenous financial practices, and entrepreneurial networks, additional comparative research could investigate how different institutions and communities responded to economic changes between 1986 and 2025. Researchers should critically examine government policy documents, Central Bank of Nigeria publications, national development plans, official economic reports, published statistical records, scholarly books, and peer-reviewed journal articles to identify patterns of continuity, adaptation, and institutional weakness. Particular attention should be given to differences between rural and urban settings, the effects of inflation and currency instability, the relationship between informal credit and formal finance, and the role of indigenous institutions in enterprise survival. The documentary evidence should be evaluated critically, distinguishing policy intentions from documented outcomes. Such research would strengthen the historical understanding of economic resilience and provide an

evidence base for policies that recognise indigenous institutions while addressing financial exclusion, accountability, and limited access to productive resources.

Conclusion

The resilience of indigenous economic institutions in Nigeria between 1986 and 2025 demonstrates their enduring significance in the country's economic history. Despite the challenges associated with structural adjustment, economic liberalisation, unemployment, inflation, and declining purchasing power, institutions such as cooperatives, age-grade associations, traditional savings groups, kinship networks, and community-based credit systems continued to support livelihoods and economic activities.

Historically, these institutions demonstrated resilience through continuity, adaptation, and transformation. Their capacity to mobilise local resources, provide informal credit, promote entrepreneurship, and strengthen community cooperation enabled individuals and households to respond to changing economic circumstances. Although structural adjustment reforms expanded market-oriented economic activities, they also exposed the limitations of formal financial institutions, increasing the relevance of indigenous mechanisms for economic survival and development.

The study concludes that indigenous economic institutions remain important to Nigeria's inclusive and sustainable economic development. Consequently, government policies should recognise and strengthen these institutions through appropriate regulation, financial support, technological innovation, and capacity building while preserving their traditional values of reciprocity, accountability, and collective responsibility. Integrating indigenous economic practices with formal development strategies would enhance entrepreneurship, improve access to finance, and strengthen economic resilience in contemporary Nigeria.

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