

# PRIVATISATION OF POWER DISTRIBUTION IN SOUTHWESTERN NIGERIA: CHALLENGES AND BENEFITS

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Since privatisation of the power distribution companies, there have been complaints that Nigerians are yet to know the difference between the old discredited regime of the Power Holding Company of Nigeria (PHCN) and the new Electricity Distribution Companies. This study examined the challenges and benefits of privatisation of power distribution in Southwestern Nigeria; assessed the effect of privatisation policy on power distribution in Southwestern Nigeria and analysed the challenges militating against power distribution companies in Southwestern Nigeria. Primary and Secondary data were utilised for the study. The study found out that privatisation policy had significant effect on power distribution in Southwestern Nigeria. In addition, inadequate utilisation of power generation sources were found to be the most challenges militating against power distribution companies in Southwestern Nigeria. The study however concluded that privatisation policy, despite the barriers, had notable significance on power distribution in Southwestern Nigeria.

**Keywords:** Privatisation, Commercialisation, Industrialisation, Development, Power Distribution.

## INTRODUCTION

Several attempts by successive governments of Nigeria in the promotion of industrialised and socio-economic development have been frustrated by incessant erratic power supply. Whereas constant and adequate power supply is an important condition for industrialisation. Efforts have been made to address this problem through the introduction of privatisation. The economic benefits behind privatisation therefore include efficiency, productivity, prompt and constant delivery of services among others. The privatisation of power distribution in Nigeria is aimed at tackling the myriads of challenges in the power sector as well as identifying the benefits of the programme to Nigerians. The supply of regular, efficient and affordable electricity is essential for the socio-economic growth and development as well as the expansion of industrialisation in any society. It is also obvious that any country that desire to develop will not ignore the power sector. One of the major infrastructural deficiencies in Nigeria is the power supply. Egwu (2013) describes Nigerian electric power as epileptic, which according to him has been making Nigerian economy a generator economy.

These natural physical and political attributes themselves present challenges for the effective provision of power needed to all nooks and crannies of the country. To provide adequate power and to ensure Nigeria is among the industrialised nations, three critical activities are fundamental. They include: power generation, power transmission and power distribution. Since development and population growth in any country are highly dynamic, these three activities must also be carefully addressed in a dynamic, creative and logical manner.

Adequate power supply is an unavoidable prerequisite to any nation's development, and power generation, transmission and distribution are Capital-intensive activities requiring huge resources of both funds and capacity. In the prevailing circumstances in Nigeria where funds available are progressively dwindling, creative and innovative solutions are necessary to address the power sector problem. It is an account of the above that in March, 2005 former President Olusegun Obasanjo signed the power sector reform bill into law, enabling private companies to participate in electricity distribution (Okafor 2008). Subsequently, in 2016, the World Bank pledged to provide the power sector of Nigeria with \$100million to assist in its privatisation efforts (Vanguard, 2018). The privatisation of power distribution has since then

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sustained through undergone critical reform from one administration to the other.

Flowing from the above, this paper examines the challenges and benefits of privatising power distribution in Nigeria.

### STATEMENT OF THE PROBLEM

Since privatisation of the Power Distribution Companies, there are complaints that Nigerians are yet to know the difference between the old discredited regime of the Power Holding Company of Nigeria (PHCN) and the new Electricity Distribution Companies. Some have concluded that the prospects are becoming gloomier as darkness is increasingly becoming a staple of daily existence in the country. However, others blame the problems on distribution companies' infrastructures deficit such as deterioration of insulation (in the case of transformers), damage due to natural effects, felling of trees on the line or even other natural disasters like wind storm, collapse of insulation due to lightning strikes thereby impinging upon the objectives for adopting privatisation of power sector.

In Southwestern Nigeria, like every other part of the country, the objectives for adopting privatisation of the power sector have not been achieved. The objectives that motivated the privatisation are efficiency and effectiveness in the supply of electricity, employment creation, reduction in external borrowing, attraction of foreign investors, and strengthening of the capital market amongst others. Despite the reform, electricity supply is still rationed to the consumers in ways that are still grossly inadequate.

The inefficiency that characterized the Power Holding Company of Nigeria (PHCN) led to privatisation of power distribution in the country. Existing studies have shown that none of the Distribution Companies performed up to expectation. It is on this background that the researcher was motivated with special focus on Ibadan Electricity Distribution Company (IBEDC) and Ikeja Electricity Distribution Company (IKDC) to assess the benefits of privatisation policy on power distribution in South-western Nigeria. These are major problems demanding solutions as far as this study is concern. Hence, it is in the interest of the aforementioned that the research is focused.

### RESEARCH QUESTIONS

For the purpose of this study, the following set of research questions are raised:

- (i) What are the components of privatisation policy on power distribution in Southwestern Nigeria?
- (ii) Of what benefit is the privatisation policy on power distribution in Southwestern Nigeria?
- (iii) What are the challenges militating against power distribution companies in Southwestern Nigeria?

### OBJECTIVE OF THE STUDY

The broad objective of this study is to assess the effects of privatisation policy on power distribution in selected states of Southwestern Nigeria while the specific objectives are to:

- (i) examine the components of privatisation policy on power in Southwestern Nigeria;
- (ii) assess the benefits of privatisation policy on power distribution in Southwestern Nigeria; and
- (iii) analyse the challenges militating against power distribution companies in Southwestern Nigeria

### HYPOTHESIS

In line with the statements of problem and the objectives of the study, the following hypothesis were formed

- H<sub>i</sub> there is a relationship between privatisation policy and adequate power distribution in Southwestern Nigeria.
- H<sub>io</sub> there is no relationship between privatisation policy and adequate power distribution in Southwestern Nigeria.

## SCOPE OF THE STUDY

The study is an assessment of the effect of privatisation policy on Power Distribution in Southwestern Nigeria. The scope of the study is limited to Ibadan Electricity Distribution Company and Ikeja Electricity Distribution Company. Major stakeholders, agencies, organisations and associations were selected as respondents for the study: National Council on Privatisation (NCP), Nigerian Bulk Electricity Trading Company (NBET), Rural Electrification Agency (REA), Community Development Association (CDA), License Electrical Contractor Association of Nigeria (LECAN), Association of Electrical Installation Practitioners of Nigeria (AEPRON) and Sustainable Energy Practitioners of Nigeria (SEPAN). This selection was occasioned by their knowledge of the subject matter. However, the choice of Ibadan Electricity Distribution Company is on the ground that it is responsible for power distribution in Oyo, Osun, Ogun, Kwara, some part of Niger, Kogi, Ekiti while Ikeja Distribution Company was selected as a result of its coverage of some parts in Lagos State (Abule Egba, Akowonjo, Ikeja, Ikorodu, Oshodi and Shomolu). Since the study attempts to assess the effects of privatisation policy on power distribution in selected states of Southwestern Nigeria, people from various professions, such as Academics and non-Academics staff in higher institutions, Industries and selected Associations, as the end-users were the point of focus.

## SIGNIFICANCE OF THE STUDY

The study focuses on the components of privatisation policy of Power Distribution Companies, the benefits of the policy on power distribution and the challenges confronting the power distribution companies in Nigeria. Research in this sort is useful for stakeholders, it avails them the opportunity to know the real impacts of the policy from the end-user's perspective and avails end-users the opportunities to express their views on impacts of the policy so far and the areas whereby improvement is needed toward the realisation of the goals and objectives of the privatisation policy programme. This study gave a robust understanding of privatisation policy essence and its implementation in power sector. It will also be a good ground for future researchers in the field study.

## LITERATURE REVIEW

Privatisation is one of the major forms of decentralisation which implies total or partial public sector withdrawal from anything to do with providing a particular service. The concept is used to refer to the transfer of control of public utilities to the private enterprises. It enhances therefore, not only the outright or partial transfer of assets from the public sector to the private sector, but also all arrangements designed to involve the private sector in the designed construction, operation, maintenance and enhancing public services.

Spencer (1993) stated that privatisation is emotive, dislike by many of its opponent and ambiguous. He further stated that strong political feelings are engendered between political parties of the right and left. He added that there is often trade union opposition and private sector support. He further stressed that it is ambiguous because it is used synonymously with the term contracting out. He therefore explained that at the centre of the debate lies essentially the political rather than economic question of the proper role of the state and its organs in nation's activities.

Lewis (1994) posited that privatisation enables the sector to be more efficient, more productive and more profitable. According to him, privatisation would increase government revenues and cut down or eliminate waste and unnecessary bureaucracy. Guislain (1997) was of the view that with the introduction of privatisation most government find themselves facing deep budget deficits and public finances crises. To him, the state no longer has the financial resource either to offset the losses of state owned enterprises or to provide the capital increases necessary for their development. He therefore emphasised the introduction of the privatisation programme as the answer to the shortcomings or obstacles of the state owned enterprises.

It is in the light of the above that White and Bartia (1998) posited a number of approaches that have been adopted for planning and implementing privatisation, including a variety of institutional models. According to them the models evolved in a way that resulted in fragmented efforts and weak implementing agencies. Based on their position, White and Bhatia related privatisation to government selling some or all their equity interest in specific corporations as in the case in Nigeria. Moreover they further described privatisation as an intensively political process involving players from executives, legislative and judicial branches of government as well as private sector representation of public corporations to be successful. While privatisation may be a political process in term of policy determination in the opinion

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of White and Bhatia, it is a business process when it comes to implementation.

Adebusuyi (1999) noted that privatisation involves non-divestiture and divestiture options. According to him, non-divestiture options include management privatisation, such as management contract, leasing and operating concessions, restructuring and commercialisation, joint venture between public and private corporations and contracting out of public services, while divestiture options include direct sale, full or partial, to general investors, private placement with strategic investors or joint venture partners, public share offerings on stock markets, public auctions (usually for small public corporations) and sales of employee or management teams through employee-share ownership plans management or employee buy-out internal privatisation. However, Obaje (1999) classified privatisation into two, one, full privatisation which means the divestment by the government of all its financial exposures in the designated corporations. Two, partial privatisation means divestment by the government of part of its financial exposure in the designated corporations.

The privatisation and commercialization Act of 1988 and the bureau of public enterprises Act of 1993 as cited in Igbuzor (2013) defined privatisation as the relinquishment of part or all of the equity and other interests held by the Federal Government or any of its agencies in enterprises whether wholly or partly owned by the Federal Government. Abdullahi (2006) highlights some approaches to solving the problems that may emanate from privatisation of public corporations as follows: public offering of shares, individual sale of shares, individual sale of assets, introduction of new private investment into government-owned corporations and management employee buy-out.

Anyebe (2011) saw privatisation as a process of returning public owned assets to the private sector usually where control of activity is passed from the public sector to the private sector by means of issue of shares. He went further to describe privatisation as a reduction in production, provision, subsidies or regulation or indeed any combination of these instruments, while Ogundiya, Olutayo and Amzat (2011) viewed privatisation as the incidence or process of transferring ownership of business from the public sector to the private sector.

Solanke (2012) defined it as involving the sale of operation, granting vouchers to serve recipient, or contracting out. Whichever way it is defined the main idea is the changing of business status service, industry from government or state or public to private ownership or control. In the opinion of Ezeani (2014), the concept is a deliberate government policy of stimulating economic growth and efficiency by reducing state interference and broadening the scope of private sector activity through one or all of the following strategies. Transfer of state owned assets to private ownership through the sales of shares, private control or management of state owned assets, encouraging private sector involvement in former public activity and shifting decision making to agents operating in accordance with market indicators.

All the definitions and literature above, point to the fact that privatisation is all about government withdrawal from economic activities in order to confine itself to its traditional functions of maintenance of law and order thus creating an enabling environment for businesses to flourish.

Consequently, some empirical studies have also established a nexus between privatisation policy and power distribution in Nigeria.

Ayodele (2001) in his own study "Issues in the privatisation of the public enterprises in Nigeria" pointed out that "privatisation does not provide sufficiently potent antidote to the ailment that has afflicted public enterprises. It would only change the ownership composition and perhaps in some cases, top level management but the problems of public attitudes and turbulent environment remains". He later concluded that "in such situation, no self-motivated private investor would be interested in buying because the environmental constraints prevail, and so the enterprise may eventually fold up. On the other hand, some investors, convinced of their initiative would buy, try to recondition the environment but if found too uncontrollable then they sell off their interest".

Obadan (2000) in his study, privatisation of public enterprises in Nigeria, issues and conditions for success in the second round" pointed out that "privatisation is expected to bring to the public enterprises commercial discipline, financial prudence, effective management and commercial viability, which normally characterise private sector, at last, it is expected that this policy will arrest the decline fortunes of the public enterprises. On the other hand, it is seen by some groups as a relief of their primary role, an open acknowledgement of incapacitation and a sinister design by the ruling class to subject the welfare of the citizens to the whims and caprices of the privileged class.

Writing on the situation that led to the privatisation of public enterprise, Oluade (2007) posited that "the non-performance of the public enterprise has prompted series of discussions and policy recommendations on how best to move them out of their present quagmire. It was for these reasons that in 1999, the democratic regime under the leadership of President Olusegun Obasanjo, initiated sweeping reforms across the various sectors of the Nigerian economy. Where they recognised that national public enterprises have failed to meet public expectations, they were conceived to be consuming a large proportion of national resources without discharging the responsibilities thrust upon them. Commenting on the effects of privatisation of the power sector, Derek (2013) posited that "only about 40% of the

country's population (of about 160 million) has access to electricity, with a total consumer figure of about 4.5 million. He concluded that "lack of vision, failure of strategic planning, perverse political incentive and weak commitment to development goals and corruption are factors in the infrastructural, operational and systemic deficit as well as the service malady that have characterised the dismal performance of the power sector in Nigeria" The foregoing lend credence to Omoleke and Adesopo (2015) who commented that "privatisation of the energy firms (State Owned Enterprises) may lead to blockage of wastages and prevention of fraudulent practices by the government officials who use the State Owned Enterprises as conduit pipe to siphon funds out of the country for their selfish interest. He hereby concluded that "administrative bottleneck hitherto associated with the State Owned Enterprises be reduced if not completely removed and the new entrants into the industry will stimulate competition".

Ajanaku (2017) in his work "Battling with Darkness" noted that regular power supply is the prime mover of technological and social development. There is hardly any enterprise or indeed any aspect of human development that does not require energy in one form or the other – electric power, fuels etc. Nigeria is richly endowed with various energy sources, crude oil, natural gas, coal, hydropower, solar energy, fissionable materials for nuclear energy. Yet the country consistently suffers from energy shortage – a major impediment to industrial and technological growth. Onah (2018) posits that privatisation leads to the development of entrepreneur spirit in Nigerians. This is obvious in the private sector which many have been crowded out by massive government interest in Power Supply, Water Supply, Telecom, Oil Exploration and Refinery etc, now recognize the benefits of filling the vacuum being created by the exit of the government.

## **THEORETICAL FRAMEWORK**

The theoretical framework appropriate for this study is the combination of Economic Theory and New Public Management Theory. The basic ground of Economic theory is that privatisation policy in Nigeria is anchored on efficiency. Government claimed that privatisation is an instrument of efficient allocation and management. It would reduce poverty by improving the economic indices of the country and overtime lead to less corruption and thus guaranteeing employment, improved quality of life and leads to higher utilisation of capacities. Economic theory further explains that, in developing countries economic liberalisation opens up their respective economics to foreign capital and investment.

The New Public Management theory gives priority role to management and emphasises empowerment, entrepreneurship, effectiveness and a dynamic organisational culture modelled on private sector management. The aim of New Public Management is to reduce the role of government by possibly downsizing the bureaucracy. For effectiveness of the power distribution using the New Public Management theory would have a far reaching and positive impact on the socio-economic and political development of Nigeria. The theories will go a long way to bringing about a change of patterns of transacting governmental businesses which cannot be achieved by keeping on changing regulations, structure, processes and technology, but by changing the orientation of the power sector through 'robust competency-driven, competitive people-centred re-professionalisation scheme as well as qualitative and improved power supply in Nigeria.

## **METHODOLOGY**

This study covered Ibadan and Ikeja Electricity Distribution Companies with Oyo, Osun, Ogun, Part of Ekiti States as well as Lagos state as catchment areas. The study however adopted a survey using administration of questionnaire. The choice of this design was to assess the effects of privatisation policy on power distribution in the Southwestern States of Nigeria. This study also relied on secondary data. The study population for this research is infinite in nature. The sampling technique adopted for this study is random sampling procedure. Primary and Secondary data were utilized for the study. The primary data were gathered with the use of questionnaire. The secondary data were obtained from official documents, publications of power sector in Nigeria, books, journals, newspapers and magazines. Responses were based on

a 5- point scale of strongly agree to strongly disagree. A total number of 200 copies of questionnaire were administered to the respondents, and a total of 192 copies were correctly completed and returned. The data collected were analysed using descriptive and inferential statistics. The descriptive statistics include the use of tables, figures and simple percentages to provide adequate description of findings on the extent of power distribution over the years in the Southwestern States of Nigeria. While content analysis was used to analyse information gathered from secondary data.

**PRESENTATION AND ANALYSIS OF DATA****Table 1: Components of Privatisation Policy on Power Distribution in Southwestern Nigeria**

		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Descriptive Statistics	
S/N	Assertions	f (%)	f (%)	f (%)	f (%)	f (%)	Mean Value	Standard Deviation
i.	Commercialization is one of the components of privatisation policy for ensuring sustainable improvement in power supply through enhanced performance contracts	177 (56.5)	111 (35.5)	16 (5.1)	8 (2.6)	1 (0.3)	3.19	.83311
ii.	Restructuring for competition through enhanced IPPs and unbundling is a component of privatisation policy for ensuring sustainable improvement in power supply	14 (4.5)	95 (30.4)	12 (3.8)	191 (61.6)	1 (0.3)	2.47	.95662
iii.	Private sector participation in the form of management contracts concessions, privatisation and new investment is a key components of privatisation policy	11 (3.5)	27 (8.6)	15 (4.8)	252 (80.5)	8 (2.6)	2.14	.95662
iv.	Establishments of new regulatory Institutions	6 (1.9)	100 (31.9)	17 (5.4)	180 (57.5)	30 (3.2)	2.42	1.05408
v	New electrification funding mechanisms	73 (36.3)	99 (49.3)	10 (5.0)	14 (7.0)	5 (2.5)	3.23	1.05712
vi.	Privatisation policy established a rural electrification agency	22 (7.0)	201 (64.2)	14 (4.5)	76 (24.0)	- (-)	3.73	.83478
vii	Privatisation policy encourages full Competition	4 (1.3)	240 (76.7)	12 (3.8)	52 (16.6)	5 (1.6)	3.81	.74807

**Table 2: Benefits of Privatisation Policy on Power Distribution in Southwestern Nigeria**

		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Descriptive Statistics	
S/N	Assertions	F (%)	f (%)	f (%)	f (%)	f (%)	Mean Value	Standard Deviation
i.	Inject market discipline in Power distribution sector	11 (3.5)	291 (93.0)	2 (0.6)	9 (2.6)	- (-)	3.95	.99156
ii.	Result in closer monitoring of the performance of managements	63 (20.1)	209 (66.8)	20 (6.4)	14 (4.5)	7 (2.2)	3.72	.91148
iii.	Greater accountability and evolution of better management practices	52 (16.6)	218 (69.6)	3 (1.0)	38 (12.1)	2 (0.6)	3.84	1.08387

Continuation of Table 2

iv.	Improve quantity and quality of Power distribution in southwestern Nigeria	15 (4.8)	192 (61.3)	88 (28.1)	16 (5.1)	2 (0.6)	3.11	.88935
v	Fund raising avenue for the Governments from the divestment exercise	14 (8.2)	191 (61.5)	13 (4.2)	90 (24.8)	5 (1.4)	3.20	1.01878
vi.	Encourage share ownership by members of the public leading to a more efficient mobilization of savings within the economy	25 (8.9)	109 (34.8)	21 (6.7)	151 (48.2)	7 (2.2)	3.11	.97210
vii.	Encourage share ownership only among the political elite	133 (42.5)	166 (52.7)	14 (4.5)	1 (0.3)	- (-)	4.10	.82895
viii	Skills and technology transfer to Power sector in Nigeria	28 (8.9)	253 (80.8)	17 (5.4)	11 (3.5)	3 (1.0)	3.98	1.03671
ix	Productivity and earnings improvement, growth, profitability, efficiency and employment opportunities	18 (5.8)	41 (13.1)	23 (7.3)	184 (58.8)	47 (15.0)	2.21	1.00469

Table 3: Challenges Militating against Privatisation of Power Distribution in Southwestern Nigeria

S/N	Statement	Number of Respondents	Sum Score	Relative Impact Index	Remarks
i	Grid energy insufficiency and instability	313	1202	3.8408	1 <sup>st</sup>
ii	Funding challenges (absence of high cost of borrowing, poor credit history of Discos, etc)	313	1051	3.3582	4 <sup>th</sup>
iii	Aging infrastructure	313	979	3.1294	10 <sup>th</sup>
iv	Energy theft	313	1058	3.3831	3 <sup>rd</sup>
v	Low tariff payment by Consumers	313	725	2.3184	17 <sup>th</sup>
vi	Inadequate utilization of other power generation sources	313	1077	3.4428	2 <sup>nd</sup>
vii	Weak and inadequate network coverage	313	1038	3.3184	5 <sup>th</sup>
viii	Tariff challenges and revenue shortfalls (non-cost reflective tariffs, low collection efficiency, etc.)	313	1029	3.2886	6 <sup>th</sup>
ix	Metering challenges (huge metering gap, estimated billing, poor meter maintenance, etc)	313	1019	3.2587	8 <sup>th</sup>
x	Operational challenges (quality of workforce, large operational areas, etc.)	313	962	3.0746	13 <sup>th</sup>
xi	Poor Billing System	313	1023	3.2687	7 <sup>th</sup>
xii	Insufficient fund for maintenance Activities	313	939	3.0000	15 <sup>th</sup>
xiii	Lack of adequate investment in the sector	313	971	3.1045	12 <sup>th</sup>
xiv	Overload transformers and bad feeders pillars	313	973	3.1115	11 <sup>th</sup>
xv	Substandard distribution lines	313	1013	3.2366	9 <sup>th</sup>
xvi	Poor facilities such as tools and working vehicles	313	949	3.0345	14 <sup>th</sup>
xvii	Poor and obsolete communication equipment	313	1019	3.2568	8 <sup>th</sup>
xviii	Low staff morale	313	738	2.3582	16 <sup>th</sup>
xix	Lack of regular staff training	313	1038	3.3184	5 <sup>th</sup>

## DISCUSSION OF FINDINGS

As noted in the findings on the objective one, the components of privatisation policy of power distribution such as ensuring sustainable improvement in power supply through commercialisation, corporation taxes and dividends as well as new electrification funding mechanism were unanimously agreed on by both stakeholders and end-users that the aforementioned are components of power distribution. On the other hand, however the policy components on restructuring for competition through independent power producers (IPPS) and unbundling, private sector participation in form of management contracts, concession privatisation and new investment, establishment of new regulatory institutions were vehemently disagreed on by most of the stakeholders and end users.

On the second objectives it was statistically established that privatisation policy has significant effect on power distribution in southwestern Nigeria. Moreover, the findings further show that privatisation policy of power distribution has brought about skills and technology transfer to power sector in southwestern Nigeria.

Based on the third objective, the findings show that grid energy insufficiency and instability was highly rated as the leading challenge militating against power distribution in southwestern Nigeria. It also shows that inadequate utilisation of other power generation sources, particularly gas and coal was seen as part of the reasons for the poor and epileptic power distribution in southwestern Nigeria. At the bottom line, low tariff payment by consumers was rated to be the last among the listed challenges posing threat against power distribution in southwestern Nigeria.

## CONCLUDING REMARKS

The outcome of the study suggests that the stakeholders and customers strongly agreed that privatisation policy in Nigeria has contributed significantly to the nation's power generation and distribution though in the midst of several

challenges. Besides, the findings of the study indicates that despite a significant improvement in the sector, there are still grey areas of policy intervention such as the areas of distribution to the less privileged communities in the country, infrastructure deficit, energy theft and funding.

The study however suggests that there is a need for regular review of privatisation policy especially taking into cognizance the welfare of existing staff in the about to be privatised state owned enterprises. Training and retraining should be given to the staff if found not capable enough in their assignment roles. This is very imperative so as to guide against further challenges such as destruction of gas pipelines and other power transmission equipment and power theft through by passing of meters.

To sustain the existing recorded progress made in the sector, government needs to embrace strategies that will encourage share ownership by members of the public leading to a more efficient mobilization of savings within the economy which in turn will enhance effective and efficient service delivery in the privatised sector.

The identified barriers such as funding in power sector which has led to low numbers of metered customers, infrastructure deficit and overloaded transformers, bad feeder pillars and others need to be promptly addressed for effective management and prevent subsequent occurrences that can hinder the realization of the goals and objectives of the privatisation programme in Nigeria.

Nigeria should strive for a well-rounded energy mix, considering the available renewable energy with the non-renewable fossil fuel. The government also needs to develop capacities and infrastructure for harvesting wind for power generation. From sites within regions having high capacity, trapping the abundant solar energy freely available in the nation, increase the capacities of the present hydro-power stations and also establish various power stations that will use the natural gas from crude oil exploitation to drive turbines for power generation.

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