

## **POWER SECTOR PERFORMANCE AND DEVELOPMENT OF OWERRI MUNICIPAL, IMO STATE, NIGERIA**

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**ABSTRACT:** The study has examined power sector performance and development of Owerri Municipal, Imo State, Nigeria. The study was carried out to identify the extent to which deregulation of the power sector has enhanced its performance. The researcher used structural functional theory. The researcher used descriptive approach. Only published articles from books, journals and other secondary information were used. The data collected were discussed qualitatively. From the study, it was found that the major factors affecting the performance of Nigeria's power sector include poor funding, high levels of political interference, non-cooperative attitudes of the people (host communities) and issues of corruption. It was concluded that effective performance of power sector in service delivery is dependent on government contribution through positive political interference, community positive contribution to the distribution companies and provision of the funding for positive performance of the power sector distribution companies. Based on the findings, it was recommended that the government and non-governmental organizations should contribute significantly to the funding of electricity services. Also, the Government and politicians should avoid unnecessary interference in the distribution and acquisition of power equipment like transformers and high-tension cables.

**Keywords:** Power Sector Performance, Deregulation, Political Interference, Corruption, Funding

### **INTRODUCTION**

Electric power came to Nigeria in 1898 with the establishment of the first generating plant by the British colonial government (Okoro & Chikuni, 2017). The management of the generating plant was named the Public Works Department (PWD). Thereafter, the then Federal Government of Nigeria passed an ordinance in 1950, establishing the Nigeria Electric Authority, which is saddled with the responsibility of generating, transmitting, distributing and selling electricity in Nigeria. Other bodies like the Native Authorities and the Nigeria Electricity Supply Company (NESCO) had licenses to generate electricity in some locations in Nigeria (Gbadeyan, 2017). In 1962, the Federal Government, by an act of Parliament, established the Niger Dam Authority (NDA). The authority was responsible for the construction and maintenance of dams and other works in the River Niger and elsewhere, generate electricity by water power, improve navigation and promote fisheries and irrigation.

The electricity generated by NDA was being sold to the Electricity Corporation of Nigeria (ECN) for distribution and sales at utility voltages. In April 1972, by a decree, the Electricity Corporation of Nigeria and Niger Dam Authority were merged to form National Electric Power Authority

(NEPA). The reasons given for this merger include the vesting of production and distribution in one company and that it will bring more efficient utilization of the human, financial and other resources available to the electricity supply industry in the country (Babatunde & Shaibu, 2018). In 1973, NEPA became operational and was responsible for generating, transmitting and distributing electricity to all parts of the federation. Starting with only four power stations namely Ijora, Delta, Afam thermal stations and Kainji hydropower station with a total installed capacity of 532.6MW serving more than two million customers, which grew to 5,958MW in the year 2000 with the establishment of additional power stations namely Jebba, Shiroro hydro power station, Egbin, Sapele, Delta thermal power station, having a combined installed generating capacity of 2940MW.

In 1988, NEPA was partially commercialized, supported by an upward review of the tariffs. This was aimed at attracting investors to the sector. Due to the increase in the population of the country and the absence of additional power plants, the available facilities became overstretched, and this led to the reform of the power sector. With the return of civil rule in 1999, the federal government embarked on power sector reform. This culminated in the Electric Power Sector Reform (EPSR) Act 2005 (Nwachukwu, 2016). This is contained in a Federal Government of Nigeria Gazette, which stipulates the reforms in the electricity power sector and how they are to be implemented. The Power Sector Reform was embarked upon in March 2005 due to the inadequate supply of electricity, high demands and issues with bills. The main goal of the reform is to accomplish complete deregulation of the Electricity Supply Industry (ESI) in two years after its implementation. The objectives include making electricity generation and supply available to consumers, making the sector investor-friendly and dismantling NEPA's monopoly.

This was achieved through the passage of the Electric Power Sector Reform (EPSR) Act which came into being on the 11th of March, 2005. The reasons given for the reform include: the introduction of competition in the industry as a means of improving industry efficiency that will result in providing lower energy prices to end users, and lack of price transparency in utility operations hence consumers and regulators demand price transparency and declaration of cross-subsidies among different users (Gbadeyan, 2017). Like many other publicly owned institutions, corruption, inefficiency, and managerial incompetence prevailed, and the electricity industry showed inconsistent policy direction and a lack of strategy framework for its sustainable development and policy decisions by past governments. The ESI was based on political or administrative interest instead of efficient resource allocation and cost recovery necessary for economic development, and the strategic energy policy for the country was never implemented.

The Act repealed the earlier law establishing NEPA; consequently, the Power Holding Company of Nigeria, (PHCN) was set up and charged with the responsibility of providing power supply. It also restructured the power sector from a vertically integrated structure into eighteen unbundled autonomous companies comprising one transmission company called TransCo, six generation companies known as GenCos and eleven distribution companies - DisCos, respectively (Makbere, 2019). The Act focused on the liberalization and privatisation of the sole power provider-PHCN while introducing Independent Power Producers (IPPs). The EPSR Act nurtures a wholesome market stating with a single buyer of electricity produced by PHCN and the Independent Power Producers (IPPs) for onward sale to the eleven DisCos that would also be offered for sale.

According to Pandey (2015), the Act further provides for the establishment of the Nigeria Electricity Regulatory Commission (NERC).

In November 2005 Nigeria Electricity Regulatory Commission was inaugurated and took full responsibility. Other aspects of the reform provided for the management of the Rural Electrification Agency (REA), the National Electric Liability Management Company (NELMCO), which is a special purpose entity created to manage the residential assets and liability of the defunct NEPA after the privatization of the unbundled companies. The Act also provided for the establishment of a Power Consumer Assistance Fund (POCAF) to subsidize under privileged electricity consumers (Balogun, 2010). However, in spite of these efforts, the problem of the power sector continued until November 2013, when PHCN was formally handed to the new investors. It was during this period that the Power Holding Company of Nigeria (PHCN) was further sold and has borne different names (Electricity Distribution Companies) among which is the Enugu Electricity Distribution Company.

## **LITERATURE REVIEW**

### **Performance of Nigeria's Power Sector**

Performance is the final achievement of an organization, which is measured either in financial and non-financial indicators and contains a few things, such as the existence of certain targets to be achieved, a period of time in achieving the targets and the realization of efficiency and effectiveness (Gibson et al., 2010). Performance refers to the ability of an enterprise to achieve such objectives as it concerns high patronage, customer loyalty, customer satisfaction, high profit, quality product, large market share, good financial results, and survival at a pre-determined time using a relevant strategy for action (Koontz & Donnell, 2013). Ultimately, performance lies at the heart of any managerial process and organizational construct and is therefore considered as a critical concept in the strategic management field. Performance includes multiple activities that help in establishing the goals of the organization, and monitor the progress towards the target (Johnson et al, 2016).

It is used to make adjustments to accomplish goals more efficiently and effectively. Performance is what business executives and owners are usually about. Again, Olu (2014) is of the opinion that whenever power supply is unstable, the profit levels of enterprises get reduced. According to him, it is unfortunate that even though the electric power supply has remained unstable in Nigeria, the Electricity Distribution Companies (EDC), formerly the National Electricity Power Authority (NEPA), still insists that people and businesses must continue paying for the electricity bills they never consumed. This is a situation which Adeyemi (2013) writes thus: "The day electricity power supply will be stable in Nigeria will be the day Nigerian businesses will start experiencing the kind of boom they have never experienced before. Such positive development will include increased productivity, high sales, increased profit, high productivity, etc. Reasoning in the same direction, Anyadike (2010) opines that it will not be easy for organizations to experience expansion in the face of an unstable power supply since such firms have to invest heavily in private power supply, which is very cost-intensive. Here, the use of private generators to supplement external supply is inimical to social, economic, and technological development.

When business use private power supply, it affects their stability, sales volume, patronage, profitability, and productivity levels (Makbere, 2019). There is no doubt that the country's electric power demand is high but actual generation is considerably below demand. Despite the over sixteen facilities linked to electric power in Nigeria and over fourteen companies and organizations linked to electric power supply in the country, electric power supply has remained unstable, which has affected local and small businesses (Ugo, 2013). According to him, it is generally believed that the root of the crisis in electricity supply is traceable to the decay in infrastructure owing to the failure of successive governments to make investments in the construction of new infrastructure and in the maintenance of existing ones.

Many observers, according to Ikeri (2013), are of the opinion that electricity distribution is hampered by thefts of transformers and high-tension cables. Unstable power has posed in no small way various degrees of challenges to organizational performance. Whenever power supply fluctuates, it directly affects business organisations to look for alternative power sources. This increases the cost of doing business. An unstable power supply has been observed to have adversely reduced the patronage, customer satisfaction, customer loyalty, profitability, and productivity of various enterprises, thereby affecting their level of growth negatively. Here, if business firms must continue to achieve high business performance and growth, there must be an improved steady power supply in our system.

## **Development**

Many scholars in social sciences have conceptualized development in different ways. According to Ise (2014) development is improvement in all human need in the society. In view of Olatunji (2019) development covers improvement in infrastructure – electricity, water, town hall, health care, education, road – and human capital – security, manpower training and so on. This means that development covered all aspect of the societal life as it concerns human benefit and extend of comfort. For Chukwu (2021) a society is achieving development when its citizens are employed, there is reduction in poverty, there is steady power supply, and good infrastructural facilities. This work focused on power sector, for that development can be defined as a system where the people in the society enjoy improved electric power supply, which add positive value to business, and household.

## **Major Factors Affecting the Performance of Power Sector and Challenges of Development in Owerri Municipal, Imo State, Nigeria**

The major factors include:

### **1. The Challenge of Funding**

According to Njoku (2008), finance is the engine of all organisational growth. This is because the availability and effective utilization of funds will enhance the performance of an organization. Also, Chukwu (2021) recognized inadequate finance and corruption as the major problem in the Nigeria public sector. The fund is needed to procure electricity equipment, install such equipment, maintain such equipment and pay the workers. But, the problem of lack of finance or inadequate

finance from the new owners of the electricity companies is affecting the level of electricity service distribution. According to Isa and Peterside (2014), the power sector is a highly capital-intensive industry. Many of the investors that acquired the unbundled PHCN borrowed money from banks and having acquired these loans from these banks, continuous financing of the projects has become a herculean task. To him, Nigerian banks provided 70 per cent of the funds in loans and equity of the N404bn paid for the power assets. The acquired loans and Federal government intervention funds disbursed through Money Deposit Banks were not sufficient to fast-track the expected growth in the sector.

Finance is the major factor that contributed to the failure of NEPA and PHCN, hence the new electricity distribution companies. Because of finance, some of the successful bidders of electricity distribution companies could not complete the payments (even as at 2016) as many of them still own the federal government. According to the Nigerian Electricity Regulatory Commission, of the 11 electricity distribution companies in the country, only seven have so far remitted to the Federal Government as of March 2016 (Nwachukwu, 2016). Another issue of finance in the power sector in Nigeria is the issue of pricing. Ise (2014) stated that the efficient pricing of electricity is central to a well-functioning power sector. Power pricing guides investment decisions and is critical for cost recovery. It also signals to users the cost of marginal consumption and should ideally encourage the optimal utilization of installed capacity. However, achieving efficient power pricing is easier said than done. Substantive up-front fixed costs characterize the power sector, and it takes many years for capacity to be fully utilized. Beyond that, costs vary across times of the day (peak/off-peak), seasons (dry/rainy), users (residential/commercial), and geographic areas (urban/rural), which should be taken into consideration when setting prices that promote efficient use (Briceño-Garmendia & Shkaratan, 2011).

Electricity prices in Nigeria are currently below production costs. Therefore, the industry is barely able to generate enough revenue to cover its operating costs, let alone meet its considerable capital expenditure needs. This is a huge challenge that new owners will have to contend with as they cannot source funds from the government the way PHCN did. Whatever approach that the new owners will adopt must take into consideration the ability of the end users to pay. As Bornstein (2018) observed that if income-challenged groups are to enjoy the benefits of power provision, policymakers must set affordable tariffs below production costs or introduce an explicit subsidy regime. In an attempt to address this tariff issue, Nigerian Electricity Regulatory Commission (NERC) has been charged with the dual function of ensuring that the prices charged by licensees are fair to the consumers and sufficient to allow the licensees to finance their activities and to allow for reasonable earning and profits for efficient operation. NERC has developed a new tariff approach called the Multi-Year Tariff Order, MYTO. At the centre of this is an order that calculates electricity prices based on the revenue requirements of the whole industry. The sector cannot be maintained if they do not have enough funds to buy the needed spare parts and pay for their running cost. Finance is essential in keeping any physical systems, such as electricity generation, transmission and distribution networks, in operational readiness.

## **2. The Challenge of Political Interference**

Most scholars argue that commercialization is mostly economic issue. However, no matter how sophisticated economic analyses may be, they have been unable to explain the political interest in the privatisation process. The architect of the Peruvian state divestiture program said that ‘privatization’ was essentially a political issue, which requires political plan and a strong presidential leadership”. The decisions to privatize rests ultimately upon political calculations, as politicians are the ultimate decision-makers. The most important of these is that politics determines the nature, peace and extent of state-owned enterprises reform (Ayodeji, 2012). It’s a fact that political office holders in Nigeria, starting from the president, governors, commissioners/ ministers and other political appointees, take an active part in the privatization process as most of them, through their agents, bought the old public enterprises. This is an aspect of elite theory and decision-making theory where the political office holders and their supporters directly and indirectly bought the existing public institutions.

What we are witnessing are companies representing the crude and selfish interests of the Nigerian elite class (past presidents, governors, ministers, top government contractors, etc). The same elements that was responsible for the crisis in the first instance. Most of these companies have no experience in the power sector and little or no capacity at all to manage the Nigerian power sector (Ise, 2014). In 2011, after announcing the ‘winners’ of the electricity generating plants and the distribution units, the government declared that it would be making about N600 billion from the sales. According to Ayodeji (2012) N600 billion, which is about \$3.8 billion, is insignificant when compared to the actual value of PHCN; this is even if these bidders actually pay up, which is never the case in Nigeria. For one, over \$40 billion has been spent on electric power distribution within the past 10 years alone (Chukwu 2021). The current electric power distribution commercialization process is following the exact path that led to the death of those public corporations and utilities.

The public corporations were undervalued and sold at giveaway prices. In most cases, those that ‘buy’ these companies were political elites in the country. Privatization is no doubt the process of further plundering the collective wealth by the political class. Once these political elites take over the companies, the first thing they do is to massively lay off workers and start crudely stripping the various assets of the company. Once the company is strip bare, they dump it and move on. Meanwhile, they paid only part of the amount offered to buy the company. Hundreds of thousands of workers have been victims of these crimes (Ayodeji, 2012). The political theory explains privatization in Nigeria. According to this theory, state-owned enterprise is seen as a paradise of corruption, primitive accumulation and political patronage by both bureaucrats and political officeholders. Sheifer and Vishny (1994) in Odukoya (2017) “argue that politicians use state-owned enterprise (SOES) to pursue their own political objectives, for instance, by giving redundant jobs at SOES to their supporters. They gave two conditions for privatization under this circumstance. One is when a politician benefits from subsidizing supporters. Two, when conservative governments, favoured by taxpayers, replace the leftist government favoured by employees.

Another political approach or political perspective sees commercialization in Nigeria as serving the interest of the more powerful members of the society. According to this school of thought,

power and resources are unevenly distributed across society, and that competition in itself prevents the concentration of power within the segment of the society, so privatization is seen as or associated with the power which the sales or the transfer of SOES gives to the buyer and denies the seller. Since politics is who gets what, when and how of society limited resources, privatization to this view is an economic policy for the redistribution of a country' economic resources and political power in favour of private capitalist interest through ownership transfer of public enterprise to private capitalist interest through the instrument of state power (Oji, Eme and Nwachukwu, 2020).

### **3. The Challenge of Non-Cooperative Attitude of the People (Host Communities)**

In 2016, the minister of power said that the Niger Delta crisis, which has continued to lead to the vandalization of oil and gas facilities, is the major cause of poor power generation in Nigeria. Chukwu (2021) stated that the activities of Niger Delta militants are affecting the power sector in Nigeria. Sule (2022) said that the kidnapping of foreign and indigenous professionals who manned oil and gas facilities in Nigeria resulted in the abandoning of oil and gas exploration. Here, the militancy and kidnapping activities, etc., are done by host community youths, etc. Community members have a great stake in the maintenance, security and other issues as it concerns electricity equipment. But there have been many cases where some bad elements within the community took part in the vandalization, destruction and stealing of electricity equipment. For example, it was observed that some parts of transformers were stolen in Ndi Njoku Okigwe LGA on 27<sup>th</sup> January 2016. Electric cables, parts of transformers and many other electric types of equipment have been reported stolen or destroyed by some bad elements within the community. Such cases have been reported in many parts of the country. There is also poorly planned maintenance and security culture by community members.

Community members are supposed to provide effective security for electric equipment to reduce the rate of destruction and stealing, but this is not so in most cases. Another area of community involvement in electricity service provision is providing the land where the transformer should be mounted. Chukwu (2021) reported that crises sometimes start in a community because of where to locate and install electric transformers and other electric equipment. Also, some communities charge power holding companies to provide a small portion of land where transformer and electric polls should be situated, and the above affects effective electric service distribution. The electricity consumers/ community members in Owerri are highly indebted to the EEDC due to poor electricity delivery, no settlement of electricity bills, and corruption by bill collectors. Illegal connections and high maintenance cost of equipment due to vandalization by thieves (Ise, 2014). Also, the failure of electricity transmission and distribution lines by winds as well as vandalization of these lines by thieves, construction works, and soil erosion are problems in the power sector in Nigeria (Yusuf, Boyi & Muazu, 2007).

The negative effects of community saboteurs and vandals in gas production affect the availability of gas. Ikechukwu (2013) stated that the availability of gas to ensure consistency in power supply has been a great challenge. This challenge is a result of the inadequate infrastructure needed for gas gathering, processing and transportation. Also, Chukwu (2021) stated that there are many fraudulent practices by electricity consumers and community members that were ignored by the

former PHCN either due to lack of information or with the active connivance of dubious staff of the organization. These fraudulent activities reduce the income generation of the former PHCN. If left unchecked it will hinder revenue of the new owners of the electricity distribution companies. To him, these offences were committed when consumers/community and members and utility staff resort to unlawful direct hooking from line, bypassing the energy meter, injecting foreign elements into the energy meter, drilling holes in electro-mechanical meter, or assigning illegal amounts of energy units to consumers/ community members.

#### **4. The Challenge of Corruption**

Many staff of power-holding companies in Nigeria are corrupt (Nwankwo & Njogo, 2021). This is true because, in some cases, they charge more than required to power users and sometimes charge power users when they did not even use the power for some time. The rate of power supply should be considered in the provision of electricity services in Nigeria. For Udah (2020), power users always complain about ineffective power supply from the power holding company of Nigeria. This is because of many factors including electricity infrastructure and corruption of power staff. It's a fact that power-holding staff sometimes charges power users when they have not even used the power for some time. It's a fact that many power users in Nigeria today always complain about prepaid meters (Makbere, 2019). Either they don't have the prepaid metre, or they are not charged based on what is in the prepaid metre. This factor must be considered in the marketing of electricity services. Before one can have electricity, the needed infrastructure has been put in place (Badmus, 2017). This infrastructure includes electric pools and wires etc. In most remote communities in Nigeria, these infrastructures are lacking and therefore need to be considered in the marketing of electricity services.

#### **Theoretical Framework**

This work used structural functional theory.

#### **Structural Functional Theory**

The contributors to the development and popularization of this theory include Gabriel Almond, David Easton, Emile Durkheim, A.R. Radcliffe-Brown, Herbert Spencer Malinowski and Radcliff Brown etc. This theory originated in biological and medical sciences and was adopted as a mode of analysis in social sciences, especially sociology. The theory, as a framework of analysis, focuses attention on two primary issues. Namely: "(functions)" and "(structure)". Structural functionalism as it is simply called raises two analytical questions, namely:

- What functions are prerequisites and which must be performed in order to ensure the survival and maintenance of the political system?
- What structures are needed to ensure the proper and adequate performances of such functions?

This theory states that where there is a structure erected or instituted, there is a function assign to it to perform in the society. Structure refers to the arrangement within the system which performs



the functions. It is also the way in which the parts are connected. The use of structural-functional theory is based on its principles – structure and function. It should be noted here that the Enugu Electric Distribution Company as a structure is supposed to perform significant functions by providing electric service to the users so as to enhance development. When the structure performs its functions, there will be a high level of improvement in the power supply, and such will have a positive impact on the socio-economic status of people. This will be achieved by having positive benefit on businesses, industries, homes, and social activities.

Here, a reliable functional analysis is obtained by concentrating elements of social structures and their independence. This simply means that individuals or units are connected in social relations towards integrated for the general harmony of the whole. Functionalism attempts to explain social structures by describing her contributions to the system; none of the structural forms can in isolation perform a particular function to maintain the whole”. The above simply agrees with the study in the sense that for families or couples to have harmony in the home, the husband and wife as well as the children (if any) must work together to achieve. The contributors were reacting to the earlier propositions of the evolutionist and diffusionist theorists. The fundamental theoretical premise of functionalism is based on Durkheim’s hypothesis of social solidarity. Durkheim made the first clear position about functionalism.

The theory was adopted because it is the role of the Electric Distribution Companies (structure) to perform function in providing the needed electric services to the users. If the organization performs a positive function toward the achievement of its goals, the users of electric service will, therefore, be happy with the level of service delivery. When Electric Distribution Companies are effective in offering the service to the people, there will be a big improvement in the development of Nigeria. Therefore, the achievement of social development within society is only possible when Electric Distribution Companies are pragmatically committed towards providing good electric services for their numerous beneficiaries and customers.

### **Empirical Studies**

Some studies have been done in related areas of this subject matter.

Olatunji (2019) determined the effect of electricity on the national economy in the Akoko area of Ondo State, Nigeria. A descriptive research design was utilised for the study. Multiple regression technique was used to establish the relationship among the study variables. The results from the analysis revealed that the capacity of electricity supply, duration of electricity supply and reliability of electricity supply had a significant positive relationship with the performance of small businesses. However, results from the study could not establish a relationship between cost of electricity supply, quality of electricity supply and the performance of small businesses. The study concluded that it is essential to have stable electricity supply to promote the growth of small businesses in Nigeria. The study recommended that the relevant electricity distribution company should make efforts to increase the capacity of energy supplied to small businesses.

Furthermore, Cissokho and Seck (2022) examined the effects of electric power outages on the productivity of small and medium enterprises. The study utilized a non-parametric approach based

on Data Envelopment Analysis (DEA) to find out the relationship between power outages and the performance of SMEs in Senegal. Results from the study revealed a positive relationship between power outages and productivity of the SMEs. This result was attributed to the fact that the owners of SMEs are able to adopt sound management practices to mitigate the effects of incessant power cuts in Senegal.

Also, Dedeh (2021) focused on leadership and electric power supply (the survey of voters in West Java Province, Indonesia). It used a quantitative method with an explanatory survey method design. The population in this research is all voters in West Java, while the samples are about 400 persons with cluster random sampling. Data analysis in this research is descriptive with the Partial Least Square (PLS) hypothesis test. It showed that the extent of good leadership has an impact on electricity availability.

Again, Aila (2021) researched power supply and performance of government in Kisumu City, Kenya. It used secondary data through documents. Data were analysed using regression. It was established that use of power supply influence performance of government in Kisumu City.

Furthermore, Ahmad, Al-Qarni, Alsharqi, Qalai and Kadi (2021) conducted research on the impact of public enterprises on performance measured: an empirical investigation on Jeddah (Saudi Arabia) public sector hospital senior manager's perspective. It used questionnaire through survey and ANOVA. It was revealed that public sector has added value to business viability and growth.

More so, Musa (2019) examines the role of political leadership in power supply and the economic development of Nigeria: a comparative analysis (1985-2017). The study was carried out to analyse the contribution of political leadership in the Nigerian development process. In line with the above, three research questions and three research objectives guided the study. The researcher used liberal theory and elite theory to analyse the subject matter. The survey research design was employed, and survey research design was employed, and a questionnaire served as the instrument of data collection. The data collected were presented in tables and analysed using simple percentage and the hypotheses were tested using chi-square. The findings revealed that there is a significant difference between civilian and military leadership styles on the issue of power supply and economic growth, as the military did better.

Again, Iliya (2020) analysed the power supply and its relevance in governance. The work used an ex-post facto research design. The Major sources of data for the study were a vast array of relevant literature and documents. It discovered that poor electric power is affecting Nigeria's economic growth.

In tandem, Whisky (2017) focused on electricity power supply and political leadership in Accra Ghana (2010 – 2016). The work used secondary data through ex-post facto method. Data were analysed using regression statistics. The study discovered that political leaders do not implement their campaign promises on power supply.

## **METHODOLOGY**

Descriptive research design was used. This is because the researcher utilised only existing information. Only secondary data through published books, journals, and other documents were consulted and used for the purpose of this research. The data collected from secondary sources were discussed qualitatively.

## **Conclusion**

The researcher has examined Factors affecting the performance of Nigeria's power sector: implication for development. It was discovered that the major Factors affecting the performance of Nigeria's power sector include poor funding, high levels of political interference, non-cooperative attitudes of the people (host communities) and issues of corruption. Based on our findings, we state here that the power sector in Nigeria is known for low performance as it concerns effective service delivery in the power sector. The problem of Nigeria's underdevelopment has been traced to the ineffectiveness and low performance of the power sector since 1960 till date; hence, ineffective funding, political interference and negative attitude of the host communities are responsible for the poor service delivery of the Nigerian power sector. We therefore conclude in this study that the effective performance of the power sector in service delivery is dependent on government contribution through positive political interference, community positive contribution to the distribution companies and provision of funding for positive performance of the power sector distribution companies.

## **Recommendations**

Based on the findings, the following recommendations were made:

1. The government and non-governmental organizations should contribute significantly to funding electricity services. They should help buy electricity equipment to improve the performance of electricity distribution companies in service delivery.
2. Governments and politicians should avoid unnecessary interference in the distribution and acquisition of power equipment, such as transformers and high-tension cables. The distribution of power equipment should be based on needs and not political considerations.
3. The host communities where electricity equipment is sited should provide the needed security to guide such equipment. Community members should avoid vandalizing and stealing electricity equipment like transformers, cable wires, and many others.
4. The Nigeria Electricity Regulatory Commission (NERC) needs to regulate the activities of the new companies to curtail all forms of corruption and ensure that better services are rendered to power consumers.

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