African Journal for the Psychological Studies of Social Issues

Volume 28 Number 4, October/November, 2025 Edition

Journal of the African Society for THE PSYCHOLOGICAL STUDY OF SOCIAL ISSUES % DEPT OF Psychology, University of Ibadan, Nigeria

ASSESSMENT OF GOVERNMENT INTERVENTION POLICIES ON PRIVATIZATION OF POWER SECTOR IN THE FEDERAL CAPITAL TERRITORY (FCT), ABUJA

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ABSTRACT

This study explores the extent to which how various interventions policies have supported the privatization of Nigeria's power sector in the Federal Capital Territory (FCT), focusing on investment, infrastructure, and operational efficiency. The specific objectives of the study are to analyze pre- and post-privatization conditions of the power sector in relation to power supply in the Federal Capital Territory and assess the effectiveness of government in terms of improvement in power supply reliability, electricity availability and consumer satisfaction in supporting privatization for improved power supply. This study employs a mixed-method approach, utilizing questionnaires, in-depth interviews (IDIs), and secondary data obtained from key policy documents of the Federal Republic of Nigeria, including the Electric Power Sector Reform Act (2005), the National Electric Power Policy (NEPP), and the National Energy Policy, among others. The study revealed that the implementation of the intervention policies has fallen short of achieving the privatization objectives in the FCT's power sector, primarily due to incomplete execution of the Electric Power Sector Reform Act (EPSRA) of 2005, which aimed to unbundle the Power Holding Company of Nigeria (PHCN) into distinct generation, transmission, and distribution companies. The paper concludes that despite well-intentioned government policies like the Electric Power Sector Reform Act (2005), weak implementation and regulatory inefficiencies have hindered the privatization of Nigeria's power sector in the FCT, highlighting the need for stronger institutional capacity and policy consistency to achieve lasting reform outcomes.

Keywords: *Privatization, Reform, Government Intervention Policies, Power Sector in FCT, Nigeria*

INTRODUCTION

Power supply has remained a major area of research interest globally due to its vital role in economic development. Study has shown that a reliable electricity supply is a key driver of industrialization, productivity, and human capital development (Osakwe, 2017). In many parts of the world, particularly in Latin America, the power sector has undergone significant reforms aimed at improving efficiency through deregulation and privatization. Pollitt (2018) and Little Child (2018) noted that following power sector reforms in Chile, investment in generation and transmission increased significantly, average electricity prices for industrial and residential users fell, rural electrification expanded, and the quality of service improved.

In contrast, many developing countries, especially in Africa and parts of Southeast Asia, continue to experience unreliable power supply and high disruption costs, which negatively impact production efficiency and competitiveness. Africa possesses abundant energy resources such as coal, natural gas, petroleum, solar, hydro, geothermal, and nuclear energy. However, the continent's power sector remains severely underdeveloped, with relatively low energy and electricity consumption levels (Mayo, 2022).

Nigeria, in particular, has faced persistent energy supply crises for decades. According to the National Bureau of Statistics (NBS), Nigeria's electricity demand is estimated at 20,000 MW, far exceeding the approximately 4,500 MW typically dispatched due to generation, transmission, and

distribution constraints (NBS, 2025). The country's per capita electricity consumption stands at about 144 KWH—remarkably low compared to other African countries such as South Africa, Egypt, Namibia, and Botswana (Power Africa Fact Sheet, 2018). Consequently, Nigeria continues to grapple with inadequate power generation, poor infrastructure, and inefficiencies that hinder economic and social development.

The Electricity (Amendment) Decree of 1998 and the NEPA (Amendment) Act of 1998 marked the beginning of reforms in the Nigerian power sector by ending the monopoly of the National Electric Power Authority (NEPA) and paving the way for private sector participation. The main objectives of these reforms were to improve the efficiency, reliability, and affordability of electricity supply; attract private sector investment; and establish a competitive and sustainable power industry. The Electric Power Sector Reform Act (EPSRA) of 2005 further strengthened this process by unbundling the Power Holding Company of Nigeria (PHCN) into generation, transmission, and distribution companies. Despite these policy efforts, the desired outcomes of stable, affordable, and reliable power supply remain largely unrealized.

In the Federal Capital Territory (FCT), Abuja, the situation reflects the national experience. According to Asore (2021), persistent power shortages have crippled commercial activities across the six area councils—Abuja Municipal Area Council (AMAC), Abaji, Bwari, Gwagwalada, Kwali, and Kuje. Small and medium-sized enterprises such as hairdressing salons, barbing shops, laundry services, and hotels suffer significant losses due to epileptic power supply from the Abuja Electricity Distribution Company (AEDC). Many households and businesses rely heavily on alternative sources such as generators, batteries, kerosene, and diesel, resulting in high operational costs.

Data from the NBS (2013; 2023) indicate that about 60.5% of the FCT's population had access to electricity in 2013, while access marginally increased to 61.2% by 2025. Although electricity generation increased slightly, with over 40 terawatt-hours produced and a 17.82% rise in daily generation compared to 2015, power availability remains limited. According to a poll by Nextier Office of the Inspectorate (NOI Global Consulting (2006), only about 1% of Nigerian electricity consumers report having 24 hours of supply daily. The sector continues to face challenges such as inadequate infrastructure, gas shortages, weak distribution systems, and poor maintenance culture.

To address these challenges, the government has introduced several intervention policies aimed at supporting privatisation and improving efficiency in the sector. Adekeye (2024) identifies the EPSRA (2005) as the cornerstone of these interventions, providing the legal framework for unbundling and establishing the Nigerian Electricity Regulatory Commission (NERC). NERC serves as the independent regulator responsible for market oversight, tariff setting, and licensing. Its Multi-Year Tariff Order (MYTO) aims to balance the interests of investors and consumers, although concerns persist regarding its cost-effectiveness and implementation.

Objectives of Power Sector Privatisation in Nigeria

The objectives of Nigeria's power sector privatisation include:

1. Improving Efficiency and Reliability: Upgrading infrastructure and management systems to reduce losses and ensure a steady electricity supply.
2. Attracting Private Sector Investment: Creating an enabling environment to encourage private participation in generation, transmission, and distribution.

3. Promoting Competition: Breaking NEPA's monopoly to establish a competitive electricity market.
4. Establishing a Sustainable Regulatory Framework: Strengthening institutions like NERC to ensure transparency and fair pricing.
5. Ensuring Affordability: Balancing commercial viability with the social responsibility of making electricity accessible to all.
6. Reducing Government Control: Shifting operational responsibilities to the private sector while maintaining strategic oversight (Okeke & Nwali (2019); Manjo, (2024).

Given these objectives, it is evident that inadequate power supply remains a critical constraint to Nigeria's economic development. Understanding how privatisation and government intervention policies affect power supply in the FCT is therefore a matter of both academic and policy significance. This study therefore assesses the implementation and outcome of government intervention policies on the privatisation of the power sector in the FCT, Abuja, from 2013 to 2025.

Statement of the Problem

Despite several reform efforts and government intervention policies, Nigeria's power supply remains unreliable, insufficient, and inconsistent with the objectives of the power sector privatization. The privatization programme, initiated through the Electric Power Sector Reform Act (EPSRA) of 2005, was designed to improve electricity generation, transmission, and distribution through private sector participation. However, current realities indicate that these goals have not been fully realized, especially within the Federal Capital Territory (FCT).

Scholars such as Asore (2021) and Adekeye (2024) attribute the underperformance of the sector to weak regulatory enforcement, corruption, and inadequate infrastructure investment. Similarly, Anyebe (2021) and Ajenikoko (2022) identify persistent issues such as poor transmission networks, electricity theft, vandalism, and lack of funding, all of which have constrained service delivery and limited the benefits expected from privatization. Consequently, these challenges continue to hamper industrial productivity, economic growth, and consumer satisfaction.

Moreover, existing studies have focused largely on the policy framework and reform intentions, with limited attention to the **actual implementation outcomes** and the **extent to which government intervention policies have supported privatization objectives** in practice. For instance, NBS (2025) reports that electricity distribution in the FCT declined from 50.5 GWh in 2010 to 32 GWh in 2025, reflecting little improvement despite ongoing reforms.

Research Questions

In effort towards addressing the research problem of this study, the following questions are addressed:

a. What are the perceptions of the key stakeholders of the power sector before and after privatization?
b. What is the condition of the power sector pre and post- privatization in relation to power supply in the Federal Capital Territory?
c. To what extent have the government intervention policies supported privatization of power sector improved power supply in the Federal Capital Territory?

Objectives of the Study

The main objective of this study is to assess the effectiveness of government intervention policies on the privatisation of Nigeria's power sector in the Federal Capital Territory (FCT), Abuja, between 2013 and 2025, with particular focus on investment growth, infrastructure development, and operational efficiency. The specific objectives are to:

a. Examine the perception of the key stakeholders of the power sector before and after privatization;
b. Analyze the condition of the power sector pre and post- privatization in relation to power supply in the Federal Capital Territory; and
c. Assess the extent to which government intervention policies have supported the privatization of the power sector for improved power supply in the Federal Capital Territory (FCT).

BRIEF LITERATURE REVIEW

This literature review synthesizes relevant studies and theoretical perspectives relating to the privatization of Nigeria's power sector, with emphasis on government intervention policies and their implications for electricity supply in the Federal Capital Territory (FCT). The review is structured into three sections: conceptual review, empirical review, and theoretical review.

Conceptual Review

Privatization

Privatization has been widely defined by scholars to capture both ownership and operational changes in public enterprises. Anyebe (2021) describes it as the transfer of publicly owned assets to private entities, especially through share issuance. However, this narrow view is expanded by other scholars who see privatization as a broader process involving the reduction of government participation in production, regulation, and service delivery. Higgins (2015) defines it as the transfer of management, assets, and service provision from the public to the private sector to enhance efficiency through market competition. In this sense, privatization represents a shift in governance and economic strategy aimed at improving productivity, reducing state inefficiency, and promoting private investment.

Power supply

This refers to the generation, transmission, and distribution of electrical energy for domestic, industrial, and commercial use. Xiaohua and Zhenmin (2021) define it narrowly as the provision of electrical energy to a load, but broader perspectives highlight reliability, affordability, and accessibility as essential components. The World Bank (2021) distinguishes between a binary measure of access—based on simple availability—and a multi-tier framework that considers adequacy and reliability, noting that grid connection alone does not ensure a dependable power supply. In general, power supply encompasses the conversion of primary energy sources such as hydro, gas, coal, solar, or nuclear energy into usable electricity for socio-economic development.

Implementation

This is the process of translating policy intentions into concrete actions. Ogunleye (2017) defines it as a set of deliberate activities aimed at realizing policy goals through measurable actions, while Okibe and Mokuye (2018) view it as transforming plans and ideas into practical outcomes. Higgins (2015) adds that implementation involves both public and private actors executing decisions contained in policy frameworks. Within this study's context, implementation refers to the execution of government intervention policies designed to make power sector privatization effective. Effective implementation requires coordination among stakeholders, clear regulatory mechanisms, and continuous monitoring to achieve desired policy outcomes. Without proper implementation, even well-designed reforms may not yield tangible improvements in service delivery.

Empirical Review

Several scholars have examined Nigeria's power sector reforms and their outcomes. Lawal (2018) identified pre-privatization challenges such as poor performance, underinvestment, and lack of strategic planning as the key drivers of reform, leading to the Electric Power Sector Reform Act (EPSRA) of 2005. Despite these reforms, power supply remains unreliable. Ogunleye (2017) explored the political economy of power sector reform, tracing it from the 1988 Privatization and Commercialization Act to the 2013 transfer of assets to private operators. The study concluded that, although reforms encouraged deregulation, inefficiencies and weak regulation persist. Similarly, Okibe and Mokuye (2018) found that government interference, high tariffs, and poor service delivery continued after privatization, while Aondona (2019) noted that privatization attracted investment but failed to address implementation challenges. Collectively, these studies acknowledge some structural improvements following privatization but reveal persistent inefficiencies, weak regulatory enforcement, and inadequate policy implementation—particularly in the FCT—leaving a gap in understanding how government intervention policies have actually influenced power supply outcomes in the region.

Theoretical Review

This study adopts the Rational Choice Theory, rooted in the works of Adam Smith (Boudon, 2023), which posits that individuals and institutions act based on rational calculations to maximize benefits and minimize costs. The theory's central tenets—rational actors, self-interest, and the invisible hand (Gary & Frank, 2020)—provide a framework for analyzing decision-making in policy reforms. In relation to this study, Rational Choice Theory explains how policymakers evaluated the costs and benefits of unbundling the power sector and concluded that privatization would promote efficiency, competition, and reliability. The Federal Government's intervention policies, therefore, reflect rational decisions intended to achieve optimal economic outcomes and improved electricity delivery in the Federal Capital Territory.

RESEARCH METHODOLOGY

This study employed a mixed research design, integrating both quantitative and qualitative approaches to ensure comprehensive analysis. The quantitative component involved data collection through structured questionnaires. In all, 400 questionnaires were administered while the qualitative aspect relied on secondary sources such as literature, official reports, time series data, and other relevant documents. The rationale for adopting a mixed design was to obtain in-depth and multifaceted insights from diverse sources.

Population and Sampling

According to the National Bureau of Statistics (NBS, 2025), the population of the Federal Capital Territory (FCT) is 4,209,940. Of this, 3,067,500 individuals are aged 18 years and above and have access to electricity. This subset is distributed across the six area councils as follows:

1. Abaji: 127,900
2. Abuja Municipal Area Council (AMAC): 1,693,400
3. Bwari: 500,100
4. Gwagwalada: 346,000
5. Kuje: 212,100
6. Kwali: 188,000

The target population includes electricity consumers, staff of the Abuja Electricity Distribution Company (AEDC), personnel from the Nigerian Electricity Regulatory Commission (NERC), and

employees of the Transmission Company of Nigeria (TCN) within the FCT.To determine the sample size, the Taro Yamane formula was applied:

$$n = \frac{N}{1 + N(e)^2}$$

Where N= population

e= level of significance. This is a constant figure of 0.05

In applying the formula to determine the sample size, this process is followed

$$n = \frac{3{,}067{,}500}{1 + 3{,}067{,}500\,(0.05)^2}$$

$$n = \frac{3{,}067{,}500}{3{,}067{,}501\text{X}0.0025}$$

$$n = \frac{3{,}067{,}500}{7{,}668.7525}$$

Based on this calculation, a sample size of 400 respondents was selected.

Data Collection Methods

Both primary and secondary data were utilized in this study. The primary data were obtained through questionnaires and in-depth interviews (IDIs), while the secondary data were sourced from official policy documents, government reports, and publications such as the Electric Power Sector Reform Act (2005), National Electric Power Policy (2001), and National Energy Policy (2013).

Primary data were obtained through administration of questionnaires and In-depth Interviews (IDIs). In all, 400 structured copies of questionnaires were administered while ten (10) key stakeholders drawn from government policymakers (2), electricity consumers (3), private sector/power operators (3), and the National Union of Electricity Employees (2) were purposively selected for in-depth interviews to supplement the quantitative findings

Secondary data were obtained from archival documents. These include official reports and documents related to the privatization of the power sector and government intervention policies aimed at improving electricity supply, a review of relevant and available literature from textbooks, newspapers, magazines, conference papers, PhD theses, internet sourced materials and academic journals.

Data Analysis Techniques

Quantitative data obtained from the questionnaires were analyzed using simple percentages and tabular presentations. For the qualitative data derived from secondary sources and interviews, content analysis was employed to identify key themes and patterns.

This methodological approach enabled the researcher to gather objective and reliable information, ensuring a robust understanding of the research problem.

Ethical Considerations

In compliance with ethical standards on research work involving human subjects, the principles of ethics governing human research were observed with the aim of protecting the dignity and privacy of every individual who, in the course of the data collection offered valuable information about himself/herself or others. The names presented here are pseudonyms for the sake of ethical consideration.

Findings

Table 1.1 Showing Distribution Questionnaire and Those Returned

S/n	Name of Institution	Questionnaire Distributed	Questionnaire Returned	Questionnaire Not Returned
	Abaji Area Council (Staff of AEDC, TCN, NERC & Consumers)	90	88	2
	Abuja Municipal Area Council (Staff of AEDC, TCN, NERC & Consumers)	125	120	5
	Bwari Area Council (Staff of AEDC, TCN, NERC & Consumers)	51	50	1
	Gwagwalada Area Council (Staff of AEDC, TCN, NERC & Consumers)	16	16	0
	Kuje Area Council (Staff of AEDC, TCN, NERC & Consumers)	59	59	0
	Kwali Area Council (Staff of AEDC, TCN, NERC & Consumers)	59	59	0
		400	392	8

Source: Field Survey, September 2025

Table 1.1 above presents the distribution and return rate of the administered questionnaires. Out of the 400 questionnaires distributed, 392 were returned, while 8 were not returned. The Abuja Municipal Area Council recorded the highest number of returned questionnaires, with 120 out of 125 administered, leaving 5 unreturned. This was followed by Abaji Area Council, where 88 questionnaires were returned and 2 were not. In both Kuje and Kwali Area Councils, all 59 administered questionnaires were returned. In Bwari Area Council, 50 out of 51 questionnaires were returned, with only one unreturned, while in Gwagwalada Area Council, all 16 administered questionnaires were successfully returned.

Table 1.2: Condition of the Power Sector Pre and Post- Privatization in Relation to Power Supply in the Federal Capital Territory

S/N		SD	D	Neutral	SA	A
1.	Inefficiency is one of the factors that necessitated the power sector reforms in Nigeria	18 4,5%	42 10.5%	20 2%	250 67.5%	62 15.5%
2.	Looting of funds allocated to the power sector is one of the factors that necessitated the power sector reforms in Nigeria	50 12.5%	60 15%	42 10.7%	220 60%	20 5%
3.	Inefficiency is one of the factors that necessitated the power sector reforms in Nigeria	44 11%	81 20.7%	73 18.25%	122 32%	72 18%
4.	Even after privatization, one of the conditions of power supply in the FCT is its epileptic nature	60 15%	20 5%	50 12.5%	192 48.9%	70 17.5%
5.	Another conditions of power supply in the FCT is high tariff	10 2.6%	42 10.5%	18 4%	250 67.5%	62 15.5%

Source: Field Survey, September, 2025

In examining the factors that necessitated power sector reforms in Nigeria, the study revealed that 68% of respondents agreed that inefficiency was a major factor prompting the reforms, while 15% disagreed and 2.6% remained neutral. It can therefore be concluded that inefficiency significantly contributed to the need for reforms in Nigeria's power sector.

Similarly, 72% of respondents perceived that the looting of funds allocated to the power sector was another major factor that necessitated reform, whereas 17.5% disagreed and 10.7% were neutral. This indicates that the majority of respondents believed corruption and mismanagement of public funds were key motivations for the sector's restructuring.

Furthermore, findings show that 50.5% of respondents viewed inefficiency as a critical factor behind the power sector reforms, while 31.7% disagreed and 18.2% were neutral. This reinforces the conclusion that inefficiency was a central challenge that the reform process sought to address.

With respect to the condition of power supply in the Federal Capital Territory (FCT) after privatization, 50% of respondents agreed that electricity supply remains epileptic, while 20% disagreed and 30% were neutral. Hence, it can be concluded that the majority of respondents shared the view that despite privatization, power supply in the FCT continues to be unstable and unreliable.

Additionally, 83% of respondents agreed that high electricity tariffs remain one of the major problems affecting the power sector in the FCT, 13% disagreed, and 4% were neutral. This suggests that, despite reforms, high tariffs continue to pose a significant challenge to consumers and remain a key issue within the post-privatization power sector.

Findings from In-depth Interviews

Participants' Perceptions of the Power Sector Before and After Privatization

The selected participants were asked to describe the condition of Nigeria's power sector before and after privatization, in relation to electricity supply in the Federal Capital Territory (FCT).

For instance, Mahammed Garuba (not real name), a staff member of the Nigerian Electricity Regulatory Commission (NERC) stated during the in-depth interview that:

> At a point, the power sector in the country became ailing, and this affected its performance significantly. Chief among the reasons for its decline was staff inefficiency. Many employees lacked the technical capacity to deliver steady power supply. Recruitment was largely influenced by the federal character and quota system, which weakened technical competence in a sector that required specialized skills.

Bangbose Alake also a staff member of the Abuja Electricity Distribution Company (AEDC), concurred with Garuba's view and emphasized the role of nepotism according to him:

> A very conspicuous challenge in the power sector was nepotism. In Nigeria, as we say in colloquial terms, 'man know man'—this culture of favoritism is a big problem. It filled the sector with people grossly incompetent for the job. Nepotism continues to hinder growth and development in all areas of our national life, and the power sector is not an exception.

Similarly, Emeka Nwankwo, a business operator and electricity consumer, attributed the sector's failure to corruption:

> The major factor that necessitated the privatization of the power sector in Nigeria was corruption. Corruption is the bane of Nigeria's socio-economic development and affects all aspects of society, including the power sector. Before privatization, the sector was like a conduit pipe used to drain national resources.

Furthermore, Margaret Anunobi of the Transmission Company of Nigeria (TCN), alongside Nurudeen Adebayo and Hasana Lukas, both consumers, noted that:

> Before privatization, the government claimed to have spent about six billion dollars on the sector, yet there was little evidence of improvement. Despite such huge investment, there was still no significant increase in electricity supply.

Expanding on this point, Anunobi stated:

> The power sector was privatized because of rampant corruption. Public officials freely diverted public funds, often hiding the proceeds abroad. The sector became a major channel for siphoning national resources.

Lukas further explained:

> Reforms in the power sector were necessary because of the monumental corruption within the system. Before the reforms, Nigeria was hemorrhaging due to corruption, which pervades all sectors of the

> economy. The country can only reclaim its dignity when the elite become selfless and genuinely committed to national development. Until corruption is treated as a capital offence, it will continue to hold Nigeria back.

Finally, Adebayo concluded by stating that:

> The power sector reforms were necessitated by the overwhelming burden of corruption. The nation can still recover if both leaders and citizens commit to change. Unless we collectively reject corruption, it will remain our greatest undoing, and the international community will not take us seriously.

The respondents' views collectively indicate that inefficiency, nepotism, and corruption were the key factors prompting the privatization of Nigeria's power sector. They revealed deep-rooted institutional weaknesses—poor technical capacity, politicized recruitment, and financial mismanagement—that undermined effective electricity delivery despite significant public investment. Government reform and privatization were therefore seen as necessary measures to enhance efficiency, accountability, and private sector participation.

These findings correspond with the Rational Choice Theory, which posits that individuals and institutions act based on cost–benefit evaluations to maximize gains. The government's decision to privatize the power sector reflected a rational response to the high costs and poor outcomes of state-controlled management. Privatization thus emerged as a deliberate strategy to reduce inefficiency, improve performance, and ensure a more reliable power supply in the Federal Capital Territory and across Nigeria.

Table 1.3: Government Intervention Policies Supporting the Privatization of the Power Sector for Improved Power Supply in the Federal Capital Territory

		SA	A	D	SD	TOTAL
6.	An intervention policy adopted to support privatization of the power sector is Electric Power Sector Reform Act (EPSRA) of 2005	248 67%	60 15%	40 10%	16 4%	16 4%
7.	Another intervention policy is Electricity Regulatory Commission (NERC)	218 57%	18 4.5%	58 14.5%	48 12%	48 12%
8.	Yet another intervention policy is NERC's Multi-Year Tariff Order (MYTO)	120 32,5%	70 17.5%	87 21.75%	42 10.5%	71 17.75%
9.	Another intervention policy adopted to support privatization of the power sector is unbundling the state-owned Power Holding Company of Nigeria (PHCN)	198 52%	68 17%	18 4.5%	58 14.5%	48 12%
10.	Yet another intervention policy is is the establishment of generation, transmission, and distribution companies	248 67%	60 15%	40 10%	16 4%	16 4%

Source: Field Survey, September, 2025

Government Intervention Policies Supporting Power Sector Privatization in the Federal Capital Territory

The second objective examines the government intervention policies adopted to support the privatization of the power sector for improved electricity supply in the Federal Capital Territory (FCT). The study revealed that 82% of respondents identified the Electric Power Sector Reform Act (EPSRA) of 2005 as a major intervention policy supporting privatization, while 14% disagreed and 4% were indifferent. It can therefore be concluded that the EPSRA of 2005 remains one of the most significant policy instruments guiding power sector reform in Nigeria.

Similarly, 61.5% of respondents believed that the establishment of the Nigerian Electricity Regulatory Commission (NERC) constitutes another important intervention policy supporting privatization. Conversely, 16.5% disagreed and 12% were indifferent. This finding suggests that NERC plays a critical regulatory role in ensuring transparency, efficiency, and accountability within the privatized electricity market.

Furthermore, the study found that 50% of respondents identified NERC's Multi-Year Tariff Order (MYTO) as a vital intervention policy, while 5% disagreed and 17% were indifferent. This indicates that MYTO is perceived as a key framework for promoting cost-reflective tariffs and financial sustainability in the power sector.

In addition, 69% of respondents viewed the unbundling of the state-owned Power Holding Company of Nigeria (PHCN) as another major intervention policy supporting privatization, while 19% disagreed and 12% were indifferent. This underscores the importance of structural reform and decentralization in enhancing operational efficiency and service delivery.

Finally, 82% of respondents agreed that the establishment of generation, transmission, and distribution companies was a crucial intervention measure adopted to strengthen privatization and improve electricity supply. Only 6% disagreed, while 4% were indifferent. This finding confirms that the creation of independent entities across the electricity value chain was a deliberate strategy to foster competition, attract private investment, and ensure a more reliable power supply in the Federal Capital Territory.

Government Intervention Policies Supporting Privatization of the Power Sector in the Federal Capital Territory

During the in-depth interview, participants were also asked to mention government intervention policies adopted to support the privatization of the power sector and improve electricity supply in the Federal Capital Territory (FCT).

Responding to this question, Mahammed Garuba affirmed:

> One of the intervention policies adopted to support the privatization of the power sector is the Electric Power Sector Reform Act (EPSRA) of 2005. This policy has greatly benefited the sector because many of the problems that existed before its introduction were largely corrected. The reform also contributed to a more stable electricity supply in the country. This is because the sector was handed over to competent individuals who have been able to reposition it in the right direction. Consequently, there has been a clean-up of the system, leading to greater efficiency and effectiveness."

Similarly, Bangbose Alake observed that:

> An intervention policy worth mentioning, which has significantly transformed the sector, is the Electric Power Sector Reform Act (EPSRA) of 2005. However, despite the adoption and implementation of the EPSRA, the power sector is still lagging behind. The main reason the reform has not achieved its objectives is that those who took over the sector are political cronies who lack relevant experience. As a result, problems persist in the generation, transmission, and distribution of electricity. The sector continues to suffer from inefficiency, incompetence, and corruption among its personnel.

In his own submission, Emeka Nwankwo stated:

> Another important intervention policy is NERC's Multi-Year Tariff Order (MYTO). Without doubt, both distribution companies and consumers have benefited from NERC's MYTO. Currently, there are fewer cases of electricity theft, assaults on distribution company staff, and disputes over billing because the introduction of prepaid meters has resolved many of these issues. At least now, distribution companies have fewer problems receiving electricity from the generation and transmission companies. To some extent, therefore, the sector has improved in terms of the consistent distribution of generated power."

When asked whether government intervention policies adopted to support privatization have improved electricity supply in the FCT, Margaret Anunobi, Nurudeen Adebayo, and Hasana Lukas shared similar views. They agreed that the Nigerian Electricity Regulatory Commission (NERC) is one of the key intervention policies that has helped regulate the activities of distribution companies and curb their excesses.

According to Anunobi:

> The unbundling of the state-owned Power Holding Company of Nigeria (PHCN) is one of the major intervention policies adopted to support the privatization of the power sector, and this has largely enhanced its efficiency and effectiveness.

Lukas also argued that:

> The establishment of generation, transmission, and distribution companies is one of the key intervention policies adopted to support privatization, and Nigerian citizens have benefited greatly from these reforms.

In agreement with these views, Adebayo stated thus:

> The establishment of generation, transmission, and distribution companies is an intervention policy adopted to support the privatization of the power sector. This has positively impacted the sector's performance because it has motivated both management and staff to become more efficient, thereby contributing to the stabilization of the power sector to a great extent.

The views expressed by respondents indicate that government intervention policies such as the Electric Power Sector Reform Act (EPSRA) of 2005, the establishment of the Nigerian Electricity Regulatory Commission (NERC), the Multi-Year Tariff Order (MYTO), and the unbundling of the Power Holding Company of Nigeria (PHCN) have played significant roles in supporting the privatization and reform of Nigeria's power sector. These policies were perceived as necessary mechanisms for promoting efficiency, transparency, and competitiveness in electricity generation and distribution. However, opinions also reveal that while these interventions introduced structural improvements, the expected outcomes have been constrained by weak institutional implementation, political interference, and managerial incompetence. Overall, the findings underscore the argument that policy reforms alone are insufficient; sustainable improvement in power supply requires effective enforcement, merit-based leadership, and accountability mechanisms that ensure the objectives of privatization are fully realized.

DISCUSSION OF FINDINGS

This section discusses the major findings of the study thematically in line with the research objectives. The discussion integrates both quantitative and qualitative data and is anchored on relevant literature and the Rational Choice Theory, which underpinned the study.

Inefficiency and Institutional Weakness as Catalysts for Power Sector Reform

Findings from both the survey and in-depth interviews clearly reveal that inefficiency was one of the key factors that necessitated reforms in Nigeria's power sector. Quantitative results show that over 68% of respondents agreed that inefficiency significantly contributed to the need for power sector reforms. Similarly, interview participants such as staff of the Nigerian Electricity Regulatory Commission (NERC) and Abuja Electricity Distribution Company (AEDC) emphasized that the sector was burdened with low technical capacity, unqualified personnel, and weak management practices.

These observations align with Adenikinju (2008) and Iyoha & Oriakhi (2013), who noted that bureaucratic inefficiency and inadequate manpower were central to the chronic power supply crises in Nigeria. Recruitment practices influenced by the federal character principle and nepotism, as highlighted by participants, further undermined professionalism in the sector. This supports Nwankwo (2019), who argued that political interference in recruitment within public institutions leads to low productivity and corruption.

From the theoretical perspective, the Rational Choice Theory helps explain the government's decision to reform the power sector as a rational response to inefficiency and economic loss under state control. Privatization, therefore, emerged as a strategic choice to improve operational efficiency through market competition and private investment.

Corruption, Nepotism, and Mismanagement of Public Funds

Another critical theme emerging from the data is corruption and nepotism. About 72% of respondents agreed that looting of funds allocated to the power sector was a major factor that necessitated reform. Qualitative data reinforce this view, with participants describing the pre-privatization sector as a "conduit pipe for draining national resources."

Corruption was seen to permeate every level of the sector—from inflated contracts and diversion of funds to nepotistic appointments. As participants like Emeka Nwankwo and Margaret Anunobi noted, billions of dollars were reportedly spent with little or no improvement in electricity supply.

This finding corroborates Transparency International (2020) and Akanbi (2021), who identified systemic corruption as the principal impediment to Nigeria's infrastructural development, particularly in the energy sector.

Although privatization was intended to curb corruption by introducing transparency and accountability, participants observed that political patronage still influences ownership and management of privatized entities. This suggests that without institutional integrity, privatization alone cannot eliminate corruption. Hence, reform must be accompanied by strong regulatory oversight and ethical enforcement.

Post-Privatization Power Supply and Tariff Challenges

The study also found that despite reforms, electricity supply remains epileptic in the Federal Capital Territory (FCT). About 50% of respondents agreed that power supply remains unstable, while 83% reported that high tariffs are still a major problem. These findings indicate that privatization has not yet translated into reliable and affordable power delivery for consumers.

In-depth interview data confirm this, as respondents lamented the persistence of poor service delivery, frequent outages, and exorbitant bills. These results are consistent with Ebhota (2018) and Onyeji et al. (2019), who found that Nigeria's privatization exercise failed to achieve its primary objectives due to poor infrastructure, gas supply constraints, and weak regulatory enforcement.

While some improvements such as the introduction of prepaid meters and reduced electricity theft were acknowledged, the prevailing high tariffs have generated public dissatisfaction. This suggests that privatization without adequate consumer protection mechanisms risks deepening social inequality, as poorer households struggle to afford electricity.

Government Intervention Policies Supporting Privatization

The study further examined government intervention policies that supported power sector privatization. The Electric Power Sector Reform Act (EPSRA) of 2005, the establishment of the Nigerian Electricity Regulatory Commission (NERC), the Multi-Year Tariff Order (MYTO), and the unbundling of the Power Holding Company of Nigeria (PHCN) emerged as the most significant policy measures.

Quantitative findings show that 82% of respondents identified the EPSRA as the key policy supporting privatization, while 69% acknowledged the unbundling of PHCN as a crucial intervention. Qualitative data from interviews also emphasized that these reforms enhanced the legal and regulatory framework of the sector, leading to improved structure and clearer delineation of responsibilities among generation, transmission, and distribution companies.

However, respondents also highlighted persistent challenges such as weak enforcement of regulations, political interference, and limited private sector competence, which have constrained the effectiveness of these policies. This aligns with Ogunleye (2017) and Adeniyi (2020), who argued that while Nigeria's power sector reforms were well-conceived, implementation gaps and governance failures undermined their success.

The findings therefore demonstrate that policy instruments alone are insufficient unless accompanied by strong institutions, transparent regulatory mechanisms, and capacity development at both managerial and operational levels.

Theoretical Implications – Rational Choice and Policy Reform

Applying the Rational Choice Theory, the findings show that government's decision to privatize the power sector was driven by cost–benefit calculations—a desire to reduce inefficiency, minimize public expenditure, and improve performance through private investment. However, as the evidence reveals, the anticipated benefits have been partly undermined by institutional weaknesses and human factors such as corruption and incompetence.

Thus, while the reform reflects rational policy intent, its outcomes demonstrate bounded rationality—decisions made under imperfect institutional and political conditions. Effective reform requires not only rational policy design but also consistent implementation, merit-based appointments, and accountability systems.

The integration of quantitative and qualitative findings suggests that while privatization and policy reforms have produced some structural and regulatory improvements, the core challenges of inefficiency, corruption, and weak capacity persist. The power sector remains characterized by unstable supply, high tariffs, and limited access to affordable electricity.
This outcome underscores the argument of Adenikinju (2021) that privatization is not a magic bullet; rather, it must be supported by robust institutional reform, effective regulation, and public accountability. Sustainable power supply in the Federal Capital Territory and Nigeria at large depends on addressing these systemic challenges through consistent policy implementation, transparent governance, and active stakeholder collaboration.

Recommendations
Based on the findings, the study recommends that:

- The government strengthen regulatory institutions such as the Nigerian Electricity Regulatory Commission (NERC) through improved funding, independence, and capacity building to ensure effective oversight of the power sector.
- Recruitment and promotion should be merit-based to enhance professionalism and efficiency, while transparency and accountability must be enforced through strict anti-corruption measures and independent audits.
- Tariff policies should be fair and affordable, with provisions to protect low-income consumers, while both government and private operators should increase investment in generation, transmission, and distribution infrastructure. Greater coordination among power agencies is required to ensure effective policy implementation, alongside diversification into renewable energy sources to promote sustainability.
- Continuous monitoring and evaluation mechanisms should be institutionalized to assess policy outcomes, while consumer awareness and engagement should be strengthened to enhance accountability. Above all, strong political will and policy consistency are essential to sustain reforms, eliminate corruption, and achieve lasting improvement in Nigeria's power sector.

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* **This article emanated from my ongoing PhD research work.**