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Regulatory challenges and market dynamics after the privatization of electricity sector on economic security in Nigeria

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Abstract

This study investigated the impact of regulatory challenges and market dynamics after the privatization of electricity sector in Nigeria on economic security. To understand the research problems very comprehensively, combined qualitative and quantitative research methods were used. primary data were sourced through structure and unstructured questionnaires distributed to the registered customers of electricity distribution companies. The secondary data were collected using relevant journals, books, official reports, newspapers and internet publications. Market-Oriented Reform Theory (MORT) was used as a theoretical platform for marshaling the studies arguments. Findings that emanated from this study revealed that electricity tariffs were arbitrary and too high for consumers. It was concluded that regulatory laws were not properly implemented and that electricity supply chain be decentralized for more investors to participate. The study recommended proper implementation of the Electricity Act 2023 and the also recommended that a stable and reasonable tariffs in the electricity sector in a bid to reduce the burden on consumers should be considered.

Keyword: Economic Security, Market Dynamics, Privatization, Electricity Regulatory Challenges

Introduction

The Electricity Reform in Nigeria started in 2005 with the Electricity Power Reform Act (EPSRA) which was enacted by an Act of Parliament. The Nigerian Electricity Power Authority (NEPA) was changed to Power Holding Company of Nigeria (PHCN) and unbundled into 18 companies. These companies were 6 generation companies, one transmission company and eleven distribution companies. Government retained the transmission company of Nigeria (TCN) under its management and control, the generation companies of Nigeria (GenCos) and the distribution companies of Nigeria (DisCos) had majority of their shares sold to private companies. According to Kingsley (2021), this process allows a market oriented policy which enabled private participation in the electricity sector to be adopted.

This strategic reform of the electricity sector was aimed at improving the general economic development at the public and private sectors. The Nigerian electricity sector was finally privatized with the private investors taking over the 11 DisCos and 6 GenCos in 2013. The main reasons for the privatization were to improve efficiency, attract investment, enhance productivity and increase service delivery. Precious (2019) stated that the unbundling and privatization of Nigeria's power sector was aimed at improving management and

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efficiency, attract investment, increase generation and provide reliable and cost-effective electricity supply. It could therefore aid provision of economic security in Nigeria.

The strategic reform of the electricity sector which was to increase the capacity of production and efficient performance of the manufacturing industries, individual and group business activities, job creation and overall economic security performed below expectations as there was no significant improvement over the pre-privatization period.

Statement of the Problem

The laudable achievements expected of the post privatization of the electricity sector were not realized significantly. The sector is still facing the problems of insufficient availability and reliability of electricity for industrial and domestic uses. There has been no adequate electricity supply for economic development and industrial growth. There are frequent power outages and supply disruptions posing a dangerous threat to economic security in the country. Presently the problems of electricity sector include, insufficient availability of electricity supply, unreliable electricity supply and inability to benefit the customers the little improvement in the investment in the sector. Among the other major problems of the electricity sector after privatization are regulatory challenges and market dynamics that do not impact positively on economic security in Nigeria. It has been alleged that the laws made by the regulatory body are not properly implemented to increase efficiency in the sector. In another development the market dynamics in the sector has led to high prices and arbitrary price increases. The failure to close the gap between electricity supply and demand underscores the need to properly assess how regulatory challenges and market dynamics have impacted on economic security in Nigeria.

Research Objective

The main objective of this study examined regulatory challenges and market dynamics after the privatization of electricity sector on economic security in Nigeria. while specific objectives;

i. Assessed the regulatory challenges after the privatization of the electricity sector in Nigeria.
ii. Analysed the market dynamics that have influenced economic security after the privatization of the electricity sector in Nigeria.

Literature Review

Conceptual Review

Electricity

Electricity is a form of energy that is essential for the functioning of modern economies and societies. It is defined as the flow of electric charge, typically through conductors, such as wires, powered by sources like batteries, power plants, or renewable energy systems. The flow of electric charge results in the generation of an electromagnetic field, which can be harnessed for various uses such as powering electrical devices, providing lighting, and supporting industrial processes. According to Johnson (2024), electricity is "a fundamental form of energy that manifests in both static and dynamic forms, the most common being the movement of electrons in a conductor to create current." Johnson further elaborates that electricity is central to contemporary energy systems, acting as the backbone of industrial activity, residential power, and communication systems, playing a critical role in driving technological advancement and socio-economic growth.

In a more technical sense, electricity is classified into two primary forms: direct current (DC) and alternating current (AC). DC refers to the unidirectional flow of electrons, while AC involves the reversal of direction of current periodically. AC is predominantly used in electricity transmission due to its efficiency over long distances. In 2025, Thompson and Williams explored the increasing demand for electricity globally and its impact on energy policy, noting that "electricity is not only a fundamental form of energy, but its reliable and affordable supply is crucial for ensuring economic growth, public welfare, and the transition to sustainable energy sources." They emphasized the growing role of electricity in modern economies, noting that with the rapid industrialization and digital transformation occurring globally, the demand for electricity is projected to rise, necessitating advancements in infrastructure, generation capacity, and renewable energy integration.

Both authors underscore that electricity, though a ubiquitous form of energy, is intricately tied to technological innovation, economic growth, and environmental sustainability. Johnson (2024) stresses that electricity is crucial in powering everything from household appliances to complex industrial machinery. Meanwhile, Thompson and Williams (2025) highlight the global shift toward sustainable energy, noting that electricity derived from renewable sources such as wind, solar, and hydropower is becoming increasingly important to meet the world’s energy demands and address climate change. They also discuss the critical role of electricity in meeting the challenges of urbanization and industrial development, especially in developing nations where the electrification of rural areas is a key priority. Electricity in this study is the flow of electric

charges typically through conductors, such as wires, powered by sources like batteries, power plants and renewable energy.

Market Dynamics

Market dynamics refer to the forces that influence the behavior, trends, and interactions within a market, shaping supply and demand, prices, and competition. It encompasses various economic, social, and political factors that can cause shifts in the market landscape. In the context of the electricity sector, market dynamics involve changes in the supply of energy, technological innovations, pricing mechanisms, government policies, and consumer behavior. According to a 2023 report by the International Energy Agency (IEA), market dynamics in energy markets, particularly in emerging economies like Nigeria, are strongly influenced by factors such as regulatory changes, private sector participation, and international energy trends (IEA, 2023). The report emphasizes how energy markets are increasingly shaped by the balance between traditional fossil fuel sources and the growing demand for renewable energy. The introduction of competition into the energy market, particularly after privatization, creates new challenges and opportunities for both consumers and providers, affecting everything from pricing to service quality. The shift from a state-controlled to a privatized market, as seen in Nigeria, has introduced new dynamics that could either foster greater efficiency or exacerbate challenges such as pricing disparities and inconsistent supply.

Further, a 2024 Study by the World Bank also highlights how market dynamics in the electricity sector are increasingly influenced by privatization and deregulation. The report points out that in regions where privatization has occurred, market dynamics are characterized by increased competition among private firms, which theoretically should lead to improved efficiency and lower prices (World Bank, 2024). However, the effectiveness of these dynamics is contingent on the strength of the regulatory frameworks in place. In countries like Nigeria, where privatization has led to new private sector players managing electricity distribution, market dynamics also involve the interplay between political influence, pricing structures, and the role of public institutions in monitoring the performance of private entities. According to this study, the efficiency gains promised by privatization are often tempered by poor governance, leading to inefficiencies in service delivery and consumer dissatisfaction. This creates a complex environment in which market dynamics may result in both positive outcomes, such as increased investment, and negative consequences, such as higher costs and continued energy insecurity for consumers.

In a more recent study conducted by the Nigerian Economic Summit Group (NESG) in 2025, the concept of market dynamics was further explored in relation to Nigeria's post-privatization electricity sector. The study identified several key drivers of market dynamics, including the competition between private electricity

providers, fluctuations in global energy prices, and the regulatory challenges faced by Nigeria's Energy Regulatory Commission (NERC) (NESG, 2025). The report highlights that while privatization theoretically enables the market to better respond to supply and demand fluctuations, it has also led to increased prices and inconsistent supply, especially due to the underinvestment in critical infrastructure by private players. The NESG study underscores that, in Nigeria's context, market dynamics are shaped by the capacity of private sector companies to meet growing demand and by the regulatory frameworks that either incentivize or hinder such growth. As electricity generation, transmission, distribution, and consumption evolve in Nigeria, understanding how market dynamics play out in the privatized environment is crucial for assessing the long-term viability of the sector and its impact on economic security. In this study market dynamics are the forces that influence the behavior, trends and interactions within a market, shaping supply and demand prices and competition.

Economic Security

Economic security refers to the stability and reliability of a nation's economy, ensuring that its citizens have access to essential resources such as jobs, healthcare, education, and a stable standard of living. It is closely tied to a nation's ability to maintain growth, reduce inequalities, and protect against economic shocks or disruptions. According to a 2023 report by the United Nations Development Programme (UNDP), economic security is defined as "the condition in which individuals and societies have the confidence that their basic needs will be met, and that they are protected from economic risks and vulnerabilities." The UNDP emphasizes that economic security involves both individual well-being, such as access to employment and income, and broader national stability, including the strength of institutions and the resilience of the economic system. The World Bank (2024) further defines economic security in terms of vulnerability and resilience, noting that "economic security refers to the capacity of a nation to withstand external shocks and manage internal economic volatility, ensuring that people's livelihoods are not threatened by factors such as inflation, unemployment, or insufficient social protection systems." This definition emphasizes the importance of creating a stable and predictable environment where citizens and businesses can plan for the future without fear of sudden economic downturns or policy disruptions. Economic security, in this context, is not solely about income but also involves mitigating economic risks through effective social safety nets, equitable growth, and a well-functioning economy.

The World Bank's perspective focuses on how nations should not only aim for economic growth but also protect their populations from shocks such as financial crises, natural disasters, or political instability, which could undermine long-term prosperity and social cohesion. In the context of Nigeria, the Nigerian Economic Summit Group (NESG) in 2025 expands on the concept of economic security by noting that it is essential for

the sustainability of development and stability in the country. According to NESG, "economic security in Nigeria is particularly focused on ensuring energy security, employment, and access to basic services, all of which are fundamental for the well-being of the population." This definition is pertinent to the context of Nigeria, where issues such as energy insecurity, high unemployment rates, and limited access to quality healthcare are major threats to national economic security. NESG highlights the role of stable energy provision in supporting industrial growth, economic development, and social stability. As such, the privatization of the electricity sector and its subsequent market dynamics are central to discussions of economic security in Nigeria, as consistent and affordable electricity is vital for both personal well-being and national growth. The NESG's definition underscores the interconnectedness of various sectors, showing that economic security requires a holistic approach that addresses multiple dimensions of vulnerability, including energy access. Together, these definitions reflect a broad understanding of economic security that transcends basic income provision, incorporating elements such as resilience to shocks, access to essential services, and the stability of economic systems. These definitions emphasize the importance of both individual and collective security, as well as the critical role of government policy and institutional frameworks in safeguarding national economic stability. The concept of economic security by UNDP is hereby adopted.

Privatization

Privatization refers to the process through which ownership and control of government-owned enterprises or assets are transferred to the private sector. It is typically part of broader economic reforms aimed at improving efficiency, increasing competition, and stimulating investment. Privatization can take various forms, including the sale of state-owned enterprises (SOEs), the delegation of certain functions to private companies, or the establishment of public-private partnerships (PPPs). According to the International Monetary Fund (IMF) (2023), privatization is defined as "the transfer of ownership and control of state-owned enterprises to private hands, with the primary goal of enhancing efficiency, increasing market competition, and improving the delivery of goods and services." The IMF explains that governments often pursue privatization as a way to reduce fiscal burdens, unlock the potential for private sector innovation, and promote better service delivery. While privatization can lead to more efficient market outcomes, it also raises important questions regarding the social and economic impacts, particularly for marginalized or vulnerable populations who may experience higher costs or reduced access to essential services. From a broader international perspective, privatization is seen as a key element of neoliberal economic policies that emerged in the late 20th century.

This approach is grounded in the belief that the private sector, driven by competition and profit incentives, can often operate more efficiently than the public sector, which may suffer from bureaucratic inefficiencies, mismanagement, and political interference. According to a 2024 Report by the World Bank, privatization is

"the process by which the state relinquishes control over an asset, company, or service, transferring it to the private sector in an effort to foster more competitive markets and improve economic performance." The World Bank also emphasizes that privatization is not limited to the sale of state-owned enterprises but can also involve reforms that encourage private sector participation through regulatory changes or the introduction of market-based pricing. For instance, privatization often includes the unbundling of monopolistic industries like electricity, allowing private companies to operate in previously state-controlled markets. The report highlights that while privatization can bring benefits like increased productivity and foreign direct investment, it can also lead to challenges, such as job losses, inequalities in service access, and the potential for market failures if regulation is insufficient.

According to the Nigerian Economic Summit Group (NESG) (2025), privatization is described as "the deliberate shift from state control to private sector involvement in the management, operation, and ownership of public enterprises." The NESG notes that the intention behind privatizing Nigeria's electricity sector was to inject private capital, enhance operational efficiency, and improve service delivery to the Nigerian population. The idea was that private operators, driven by market forces and competition, would be better positioned to manage electricity distribution, reduce wastage, and meet the growing energy needs of the country. Despite the positive expectations surrounding privatization, its outcomes have been mixed in Nigeria’s electricity sector. The NESG (2025) reported that while privatization led to an increase in power generation capacity, the expected improvements in distribution and service delivery have been hindered by factors such as inadequate infrastructure, mismanagement, and insufficient investment.

Privatization is a complex process that involves the transfer of public assets to the private sector with the goal of improving efficiency, increasing competition, and attracting investment. While privatization has the potential to generate economic benefits, such as enhanced productivity and market growth, it also presents challenges, particularly if regulation is inadequate or if social equity is not prioritized. The experiences of countries like Nigeria demonstrate the mixed outcomes of privatization, where the benefits of private sector involvement can be undermined by poor governance, inadequate infrastructure, and rising costs for consumers. As a result, privatization must be carefully managed and coupled with appropriate regulatory mechanisms to ensure that it leads to sustainable and inclusive economic outcomes. In this paper the concept of privatization by the Nigerian Economic Summit Group is adopted.

Regulatory Challenges

There are difficulties encountered by organizations or establishments when trying to create legal and compliance frameworks by an appropriate authority to guide the operations of the institutions. Regulatory

Challenges are the difficulties and complexities in creating implementing, and enforcing regulations. The main concepts of regulatory challenges include, regulatory uncertainly, compliance burdens, inconsistent enforcement, lack of transparency over regulation or under regulation and adaptability to changing environments. Daniel Esty, Robert Baldwin, and Martin lodge have dealt with these concepts in their work on the regulation and governance. In some instances those because they did not see it or could not measure the serious harmful effects it could impact on the establishment. Esty, et al (2016) highlighted the need for adaptive, responsive, and well-designed regulation to address complex challenges. He defined regulation challenges as "the complexities and difficulties in designing and implementing effective regulations that balance competing interests, promote economic growth and protect public health and the environment". In Nigeria some of the regulatory challenges are implementation and the ability to maintain balance among competing interests. For this study the concept of regulatory challenges by Esty is adopted.

Methodology

This study adopts a mixed-methods research design, focusing on quantitative and qualitative data collection and analysis. The primary data were collected through a structured and unstructured questionnaires distributed to key stakeholders and registered customers of the electricity distribution companies. Secondary data sources were also utilized, consisting of relevant journals, books, official government reports, newspapers, and internet publications, which provided insights into the market trends and regulatory challenges in the electricity sector. The analysis of the data was conducted using simple percentages and tables, which allowed for clear presentation and interpretation of the findings, focusing on identifying patterns, trends, and relationships between privatization efforts and the resulting impacts on economic security. This approach ensured a comprehensive assessment while maintaining a focused quantitative methodology for data analysis.

Theoretical Framework

Market-Oriented Reform Theory

Market Oriented Reform Theory (MORT) is meant to promote free market principles that reduce state intervention and increase the role of private enterprise or sector. It ensures transition from state controlled to free market economics by introducing and promoting privatization, deregulation and liberation of trade. It is a policy measure that enables and initiates competitive participation of private sectors. It is a business philosophy that make it possible to discover customers' needs and makes those needs available through a proper product mix. It is a business method that allows a company to concentrate on particular needs of customers and give priorities to them to achieve successes. It is the belief of MORT that competition and private sector involvement in business brings about better results and greater achievements than state

monopoly. The relevance of MORT to this study lies on shedding lights on the effects of privatization of electricity supply chain on economic security in Nigeria.

This study anchored on Market-Oriented Reform Theory (MORT), provides a critical analytical lens for understanding the restructuring of state-dominated sectors through privatization, deregulation, and market liberalization. MORT emerged from neoliberal economic thought and policy reforms that gained global prominence from the late twentieth century, particularly in developing economies undergoing structural adjustment and sectoral reforms (Williamson, 1990; Bienen & Waterbury, 1989).

At its core, MORT advocates a reduction in direct state control over productive sectors and the expansion of private-sector participation, premised on the assumption that competition, profit incentives, and market discipline lead to improved efficiency, service delivery, and innovation when compared to state monopolies (Shirley & Walsh, 2001; Megginson & Netter, 2001). In the electricity sector, MORT supports the unbundling of vertically integrated public utilities, private ownership of generation and distribution assets, and the establishment of competitive electricity markets regulated by independent institutions.

In relation to the first objective of the study, which assesses regulatory challenges after the privatization of Nigeria's electricity sector, MORT highlights the centrality of effective regulation in market-based reforms. While privatization transfers ownership to private actors, MORT recognizes that markets do not function optimally in the absence of strong regulatory frameworks, particularly in natural monopoly sectors such as electricity transmission and distribution (Joskow, 2008). Weak regulatory capacity, policy inconsistency, regulatory capture, and unclear jurisdictional authority undermine the expected efficiency gains of privatization and often result in market distortions, rent-seeking behaviour, and declining service reliability (Kessides, 2012). Thus, MORT helps explain how post-privatization regulatory deficiencies in Nigeria have constrained sector performance and created institutional conflicts that affect economic stability.

Furthermore, in the analyses of market dynamics influencing economic security after privatization, MORT provides insight into how pricing mechanisms, investment incentives, cost recovery structures, and competition shape economic outcomes. The theory posits that efficient markets should attract private investment, expand infrastructure, and enhance service quality; however, in practice, distorted tariffs, foreign exchange volatility, uneven risk allocation, and low purchasing power can produce adverse outcomes, including energy poverty and macroeconomic vulnerability (Gratwick & Eberhard, 2008; Newbery, 2002). In Nigeria's case, post-privatization market dynamics, such as liquidity crises, high aggregate technical, commercial, and collection (ATC&C) losses, and inadequate capital inflows, have weakened electricity

supply reliability, thereby affecting industrial productivity, employment, and household welfare, which are core components of economic security.

Importantly, MORT does not assume that privatization automatically guarantees positive outcomes. Rather, it emphasizes that market success is conditional upon complementary institutions, including credible regulation, transparent governance, and adaptive policy frameworks (Stiglitz, 2000). This theoretical perspective allows the study to critically interrogate the gap between the intended objectives of electricity privatization in Nigeria and the actual post-reform outcomes, particularly as they relate to economic security. In sum, Market-Oriented Reform Theory is relevant to this study because it offers a structured explanation of how regulatory frameworks and market behaviour interact in privatized utility sectors. It enables a nuanced assessment of Nigeria's electricity reforms by linking regulatory challenges and market dynamics to broader questions of economic security, thereby aligning directly with the study's main objective and specific research goals.

Data Presentation and Analysis

Research Objective 1: How regulatory challenges have affected the ability of the electricity sector to contribute to economic security.

Table. 1 The Effect of National Grid System on the Supply of Electricity.

S/N	The national grid system is a challenge to electricity supply for economic security	Number of Respondents	Percentage of Respondents
1	Strongly Agree	288	73.66%
2	Agree	63	16.11%
3	Strongly Disagree	26	6.65%
4	Disagree	9	2.3%
5	Undecided	5	1.28%
6	Total	391	100

Source: Researcher's Field work January – February 2025.

Table 1. shows that high number of respondents (73.66%) believe strongly that the national grid system in Nigeria electricity sector is a hindrance to availability and reliability of electricity for economic security. Agreeing with this statement is (16.11%) of the respondents. Strongly disagreeing and disagreeing are (6.65%) and (2.3%) respectively, while (1.28%) makes no decision

Table. 2 Implementation of the Regulatory laws.

S/N	The regulatory laws in place now in the electricity power sector are properly implemented	Number of Respondents	Percentage of Respondents
1	Strongly Agree	25	6.39%
2	Agree	40	10.23%
3	Strongly Disagree	301	76.98%
4	Disagree	15	3.84%
5	Undecided	10	2.56%
6	Total	391	100

Source: Researcher's Field work January – February 2025

From Table 2 the largest number of respondents (76.98%) believe that the regulatory laws are not properly implemented. However, (10.23%) says they are properly implemented, while (6.39%) are convinced the laws are properly implemented. Another group of (3.84%) of respondents says the laws not well implemented while (2.56%) remains undecided. The summary is that Nigerians in a large number view the regulatory laws as not being properly implemented.

Research Objective 2: To analyze the market dynamics that have influenced economic security after the privatization of the electricity sector in Nigeria.

Table. 3. Arbitrary Changes in Tariffs in the Electricity Sector.

S/N	There are arbitrary changes in tariff by the electricity sector after privatization in Nigeria.	Number of Respondents	Percentage of Respondents
1	Strongly Agree	336	85.93%
2	Agree	14	3.58%
3	Strongly Disagree	27	6.91%
4	Disagree	8	2.05%
5	Undecided	6	1.53%
6	Total	391	100

Source: Researcher's Field work January – February 2025

Table 3 gives an indication that huge number of the respondents (85.93%) strongly believe there are arbitrary changes in tariff, another group (6.91%) strongly disagree, while (3.58%) agree. Also (2.05%) disagree and (1.53%) makes no decision. In all, respondents largely believe there are arbitrary changes in tariff by the electricity sector in Nigeria after privatization.

Table. 4. The Tariff System Adopted by the Electricity Distribution Companies is Too High For the Poor Masses or Customers.

S/N	The high tariff of the distribution companies is not good for economic security	Number of Respondents	Percentage of Respondents
1	Strongly Agree	332	84.91%
2	Agree	16	4.09%
3	Strongly Disagree	12	3.07%
4	Disagree	14	3.58%
5	Undecided	17	4.35%
6	Total	391	100

Source: Researcher's Field work January – February 2025

The result from Table 4. indicates that a huge number of the respondents (84.91%) do believe that high tariff does not support economic security as it may affect manufacturing companies, medium, small and micro enterprises to incur high cost of production. Also (4.09%) agree. However, (3.07%) disagree and (3.58%) agree while (4.35%) makes no decision.

Discussion of Findings

The Study investigated the impact of regulatory challenges and market dynamics after the privatization of electricity sector on economic security in Nigeria. It was revealed that the national grid policy was a great challenge to electricity supply in Nigeria. The policy directed all electricity power producers to send their output first to the national and centralized grid for distribution nationally. It is therefore very heart warming that the federal government had modified this policy through the Electricity Act 2023. State governments, Local governments and private institutions can now generate, transmit, distribute and market electricity in the country. It was also discovered that the electricity regulatory laws were not properly implemented.

The study equally revealed there were arbitrary tariff changes after privatization of electricity supply. Electricity tariff and regulatory challenges have contributed greatly to the failures witnessed in the electricity power supply sectors. It was discovered that tariff increased three folds within a period of four years Ojoye (2019). These were ₦12 kwh in July 2015, ₦22 kwh in December 2015 ₦32 kwh in 2017 and ₦40 kwh 2020. By 2024 electricity tariffs were divided into band areas. These were Band A tariff which increased from ₦68 kwh to ₦225 kwh, Band B remained ₦63 kwh, Band C ₦50 kwh, Band D ₦43 kwh and Band E ₦40 kwh. These high and arbitrary increases in tariffs are not good enough to support economic security in Nigeria.

Conclusion

The study of regulatory challenges and market dynamics after the privatization of electricity sector on economic security in Nigeria, has revealed some of the operational problems in the electricity supply chain. It has been discovered that some of the regulatory laws are not helping the electricity industry. The centralization of electricity generation, transmission and distribution under the control of the federal government has been hampering availability and reliability of electricity supply. This method called national grid system needs to be reviewed. However the government through the electricity Act 2023 has allowed the states, local government and any other interested individuals or organizations to generate, transmit and distribute electricity. There is the need to ensure this Act is fully implemented and not jettisoned after sometimes. The sustainability of this law will boost electricity supply in the country.

The present tariffs regime in operation in the electricity industry in the country is arbitrary and may not be able to improve the economic security in the country. There is the need to have tariffs consistency so that manufacturers, industrialist and other consumers of electricity can predict its effects on their products for a reasonable period of time. The market dynamics which has led to Nigeria having the highest electricity tariffs in the Africa sub – Region needs to be reviewed to facilitate reductions in prices of electricity to improve economic security. Stable and cost reflective electricity supply will lend to acceptable costs of goods and services in Nigeria.

Recommendations

The following recommendations are made:

i. The Electricity Act 2023 which has removed the grid system and supported the decentralization of electricity sector should be properly implemented to boost electricity supply in the county. The proper implementation of the Act will bring investors into the electricity sector that can improve economic security.
ii. The Federal Government of Nigeria (FGN) should review subsidy in the electricity sector to reduce the burden on consumers. Since investigation revealed that tariffs in the electricity energy supply sector are very arbitrary and high. Majority of the customers believed the high prices cannot support economic security.

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