



Does Power Sector Reform Facilitate Informal Economy Development? A Study of Nigeria's Experience in the Southeast Geopolitical Zone

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ABSTRACT

This study examines the efficacy of the power sector reform in enhancing the development of the informal economy in the southeast geopolitical zone of Nigeria. It interrogates explicitly the effect of the unbundling of the electricity sector on job creation and livelihoods of the operators of the informal economy. Utilizing the mixed methods data approach and the Marxist theory of the postcolonial state, this study argues that the power sector reform is part of the grand strategy aimed at expanding capitalist penetration and protecting the economic interests of the advanced capitalist states. This self-serving interest of the capitalist institutions, which the power sector reform intends to protect explains the crisis in the power sector manifesting in poor electricity supply and increased tariffs for electricity consumers. Indeed, these untoward outcomes have negatively affected the development of the informal economy in southeast Nigeria. It, however, recommends a reevaluation of the market-based power sector reform in Nigeria.

Keywords

informal economy; job creation; power sector reform; small and medium enterprises; southeastern Nigeria

Citation: Chukwu, C. Q., Ojohu, R., & Nnamani, K. E. (2022). Does Power Sector Reform Facilitate Informal Economy Development? A Study of Nigeria's Experience in the Southeast Geopolitical Zone. *Unisia*, 40(1), 187–206. <https://doi.org/10.20885/unisia.vol40.iss1.art9>

ARTICLE HISTORY

Received January 25, 2022

Revised September 19, 2022

Accepted October 22, 2022

Published October 29, 2022

Publisher's Note: Universitas Islam Indonesia stays neutral with regard to jurisdictional claims in published maps and institutional affiliations.



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INTRODUCTION

While development experts have attributed the degree of socio-economic progress in developed societies to the existence of a reliable and efficient power sector, widespread electricity insecurity has been identified as an albatross to the economic growth of developing countries (Oyedepo, 2012; Falk et al., 2021). Electricity is seen as the most important commodity for national development as it empowers people to work from the domestic level and cottage industries, from small-scale and medium enterprises to employment in large-scale manufacturing complexes (Falchetta & Tagliapietra, 2022). In other words, lack of access to basic electricity stifles industrial growth and entrepreneurial spirits, thereby undermining job creation and employment opportunities in the informal sector of the developing economies. In most cases, the bane of consistent and effective electricity is often attributed to many factors, including lack of human capital and deficient technical capacity, financial obstacles, obsolete infrastructure, excess transmission and distribution losses, underpricing, bill collection failure, and overstaffing costs (Maurya, 2020). These problems are believed to be inherent in the state-owned and vertically integrated nature of utilities. Surmounting the challenge beleaguering the power sector occupies a central place in the present day public conversation, policy formulation and global development agenda as seen in the Sustainable Development Goal 7 on affordable and clean energy for all (Bayliss & Pollen, 2021; Li et al., 2022). One of the policy measures deployed towards the remediation of the power sector is the market-based reform.

In the last four decades, structural reforms (including regulatory reforms) in the power sector have been promoted as a panacea to improving access to electricity. While Chile and United Kingdom were the pioneers of this reform, it has been extended to many countries including Australia, Argentina, Russia, Mexico, China, and India (Mizutani et al., 2020). These reforms usually involve liberalization of electricity markets, privatization of market players, private sector involvement, or regulatory interventions such as changes in the pricing design (Bensch, 2019; Bayliss & Pollen, 2021). Nigeria's overhauling of its power sector in line with the neoliberal development agenda is traced to 2005. Prior to the reform, electricity generation, transmission and distribution across the federation was under a sole public entity known as the National Electricity Power Authority (NEPA).

Likewise other state-owned public utility enterprises, the operational capacity of NEPA was questioned due to institutional challenges such as corruption, paucity of funds, sabotage, moribund facilities, overstaffing, and others which hindered its capacity of meeting the energy needs of the Nigerians mostly required for the industri-

alization drives of the federal government. The outcome of these challenges manifested in the frequent power supply witnessed in that era. For instance, available statistics from the [African Development Bank \(2014\)](#) revealed that about 45% of the population had access to electricity while only 30% of their demands for power were met. The study further noted that the power sector under NEPA regime was plagued by recurrent outages to the extent that some 90% of the industrial customers and a significant number of residential and other non-residential customers relied on alternative power supply for their electricity needs.

In an avowed bid to reposition the electricity sector for effective and optimum service delivery, the then government of President Olusegun Obasanjo under the direction of the neoliberal agenda expressed deep commitment at addressing the fundamental setbacks crippling the energy sector through a holistic reform ([The NEEDS Secretariat, 2004](#); [Ogunleye, 2017](#)). To achieve this lofty idea, the Nigerian government enacted the Electricity Power Sector Reform Act (EPSRA) of 2005, a legal instrument for the unbundling of the electricity sector ([Federal Government of Nigeria, 2005](#)). The EPSRA facilitated the restructuring and unbundling of the National Electric Power Authority (NEPA) and the establishment of the Power Holding Company of Nigeria (PHCN) in 2005 ([African Development Bank, 2014](#)). In this restructuring, eighteen successor companies made up of six power generation companies, one transmission company; and eleven distribution companies were created and privatized. Further, the EPSRA enabled the establishment of the Nigerian Electricity Regulatory Commission (NERC) with the mandate of regulating and monitoring the Nigerian electricity industries.

Essentially, Nigeria's power sector reform was primarily designed: to reduce the cost of doing business in Nigeria in order to attract investment through provision of quality and dependable power supply to the economy for industrial, commercial and socio-domestic activities; to improve the efficiency of distribution, generation and transmission network which is in a comatose state; to provide people with basic and affordable infrastructure to enable them create employment for themselves; to create an electricity market that is private driven; to contribute to providing access to affordable and reliable electricity to all Nigerians in order to: encourage diversification of the economy, sustain growth, create jobs and alleviate poverty; support the implementation of the Government development agenda aimed at improving the electricity system in a sustainable manner and the business environment for active private sector financing in the power sector in the medium term ([African Development Bank, 2014](#); [Ogunleye, 2017](#)). Exceptionally, it is believed that the

reform will foster economic development by creating a reliable and affordable electricity supply for the operators of informal economy.

The informal economy which comprises of industrial outworkers, casual day labourers, domestic workers, undeclared workers, and part-time temporary workers without secure contracts, worker benefits or social protection, is an important aspect of Nigeria's economy. Current estimate indicates that the informal economy represents about 65% of Nigeria's total GDP (Anazonwu et al., 2021), and as such employs over 93 percent of its workforce (International Labour Organization, 2018). A further breakdown shows that 95% of women population derives their livelihood from the informal sector as compared to 90 percent of men. Despite the enormous role of the informal economy in Nigeria, epileptic power supply in the post-power sector reform era appears to have stifled the progress of the sector. Existing literature on the impact of power sector reforms in Nigeria are enormous. While, Adenikinju (2008) assessed the effect of the energy sector reform on the competitiveness of the productive component of the Nigerian economy, Aminu & Peterside (2014) examined how the deregulation of the power sector has stifled economic activities in Nigeria. In the same vein, Ogunleye (2017) studied the political economy of Nigerian power sector reform and found that the reform is fraught with several emerging challenges that tend to limit the pace of change and realization of the intended benefits.

Nevertheless, the nexus between power sector reform and informal economy development in the South-East geopolitical zone of Nigeria is yet to attract meaningful attention in the existing literature. Although, there is currently dearth of bankable regional data on the informal economy in Nigeria, it is believed that majority of the people of southeast region generate their income from the informal sector. Indeed, a study exploring the impact of the power sector reform on the informal economy development is germane.

THEORETICAL FRAMEWORK

The theoretical underpinning of this study is situated within the prismatic compass of the Marxist theory of the Post-colonial state as enunciated, developed and used by scholars such as Alavi (1972), Ake (1982), Ekekwe (1986), and Ibeanu (1998). Originally, the Marxist theory of the post-colonial state arose as counteract to the Western/Liberal paradigmatic explanation of the state, which argued that the state is an independent force and a neutral entity that cater for the welfare of its citizens. Rather, the Marxist persuasion differed from the liberal viewpoints and maintained that the state is a product and expression of the irreconcilability of class contradictions and

antagonisms. Accordingly, the state arose as a powerful force, standing above the society and saddled with the responsibility of mediating and moderating the class struggle in order to keep them within the bounds of law (Ibeanu, 1998).

Overtime, the state has absconded from this assumed role and, rather, positioned itself as a committee for managing the common affairs of the bourgeoisie and dominant class while subjugating the working class (Marx & Engels, 2022). Here, the state expressed its preference for the dominant class over the subjugated class by enacting, executing and adjudicating laws that sustains and intensifies the oppression, subjugation and exploitation of the latter. Little wonder, Ake (1985) noted that:

The state is a specific modality of class domination, one in which domination is mediated by commodity exchange so that the system of institutional mechanisms of domination is differentiated and disassociated from the ruling class and even the society appears as an objective force standing alongside society.

The central focus of the theory is to explain the nature, structure, history, composition and character of the post-colonial state in order to ascertain the dynamics of socio-economic and political development in the periphery and its implications on the public policy. The theorists argued that the post-colonial state is a creation of imperialism. As such, it has followed the developmental strategies dictated by the interest of imperialist and its local allies, not by those of the majority of the indigenous population. Contributing, Alavi (1972) noted that “the post-colonial states and its apparatus are instruments of primitive accumulation by the dominant class and their collaborators”. In the same vein, Ekekwe (1986) argued that the post colonial states rest on the foundation of the colonial state, this, in turn, had incorporated some important elements of the pre-colonial rudimentary state structures. The main goal of the colonial state was to create conditions under which accumulation of capital by the foreign bourgeoisie in alliance with the local elites would take place through the exploitation of local human and other natural resources. It was on this basis that the post-colonial state emerged.

Meanwhile, Ake (1985), Ekekwe (1986) and Ibeanu (1998) summed the fundamental characteristics inherent in the post-colonial states as follow: weak institutions giving rise to the emergence of some powerful notables who are stronger than the state; the state is nothing but an instrument in the hands of the ruling class for primitive capital accumulation; the post colonial states are replete with political instability arising from the crisis of relevance among politicians; selfish interest rather than national interest is the driving impulse of politicians in the post colonial states; ambition rather than inspiration is the guiding principle in the quest for power among politicians in the post colonial states.

Also, the nature and character of Nigerian state has been variously described as exploitative, cruel and irresponsible (Ake, 1982; Alemika, 1993; Okowa, 2005; Kure, 2020), weak, captured, dependent and hegemonic (Orugbani, 2002; Paki & Ebienfa, 2011), illegitimate oppressive and repressive (Okolie et al., 2022), privatized and lacks autonomy (Ake, 1996). Lastly, the Nigerian state is a failed state, due to the glaring contradictions that defines the character of the Nigerian state. And just because the state lacks autonomy, it is been privatized and used as an instrument for the pursuit of parochial interests, against the pursuit of the public good. The idea is that, corrupt elements and amoral personalities in the state capitalize on the non-autonomous and weak nature of the state to wickedly direct state resources and policies to their selfish interest cum aggrandizement. That is, in most cases, state reform in the civic public are diverted to infamous channels in the primordial public which benefits only a few categories of people in the society (Abada & Okorie, 2016).

The linkage between the Power Sector Reform in Nigeria and the development of the informal economy in the South East Nigeria is explained within the perspective of the Marxist theory of the post-colonial state. As a post-colonial state, we argue that the Nigerian state has constantly followed the development path dictated by the interests of the imperialist like the World Bank with the connivance of the local surrogates or allies. This was largely responsible for the pursuit of economic reforms and the enthronement of the sovereignty of market forces expressed through concrete policy preferences such as the privatization of state enterprises, deregulation of state controls, liberalization of trade, elimination of restrictions to the free movement of capital and labour, encouragement of foreign investment, withdrawal of subsidies, and reduction of welfare programs. On account of this ideological shift, state-centered programmes hitherto implemented by the Nigerian government in the power sector have been replaced by market-oriented reforms (Chidozie et al., 2015).

This theory is crucial to appreciating that the recourse to intervention mechanism such as power sector reforms by the Nigerian government was not necessarily an attempt to pursue welfare programme but rather an intrinsic feature of a populist protest orchestrated by the dynamics of the struggle between the Nigerian government as an agent of local capital in its conflict with international capital arising from the re-composition of capital attendant on global capitalist crisis (Okolie et al., 2022). The reform programme rather nurtured the impression that the Nigerian government was moving away from the dogmatic application of the doctrine of unregulated economic liberalization to one of interfering in business for the benefit of the masses.

Most fundamentally, this theory helps us to understand that the Nigerian state is replete with the features intrinsic in the post-colonial state and as such, exhibit capitalist rent seeking behaviour, prebendalism, parochialism and patrimonialism (Anugwom, 2014). This attributes manifested in the round of activities leading to the unbundling of the power sector. Apart from shrouding the process in secrecy, it was revealed that the government officials that championed the unbundling exercise used the opportunity to divert the ownership of the emerging companies to their foreign allies, cronies and family members, thereby serving parochial interest rather than the interest of the majority of Nigerians. No doubt, the failure of the power sector reforms to develop the informal economy of the South East Nigeria unfolded from this scenario.

METHOD

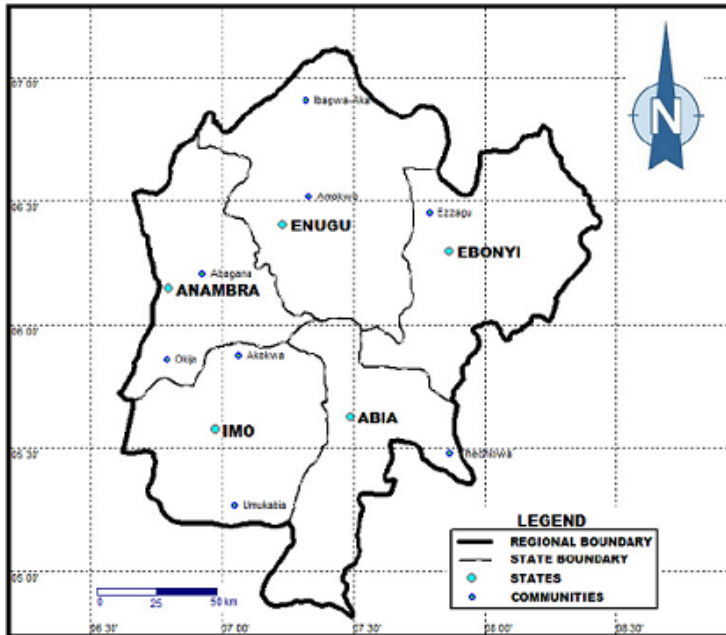
The Study Context

The study focus is South East, one of the six geopolitical zones in Nigeria recognized by the 1999 Constitution as amended. With a population estimated at 22 million, the region stretches across the five eastern states of Abia, Anambra, Ebonyi, Enugu, and Imo (Okali et al., 2001; Merem et al., 2019). Most importantly, the southeast is known as the hub of commercial and industrial activities due to the volume of exchange of goods and services in zone. According to an official data released by the National Bureau of Statistics in 2012, an average of 75 percent of the entire population of the South East geopolitical zone of Nigeria are productively engaged in the informal economy due to their entrepreneurial spirits and skills (Kanayo et al., 2013). Figure 1 shows five states in the south eastern Nigeria as location of this study.

Data for the study were collected through purposive sampling used to select six commercial cities of Aba, Abakiliki, Enugu, Nnewi, Onitsha, and Owerri. Each of these cities has large population of dwellers who derive their living from the informal economy. Further, the study utilized qualitative dominant mixed methods comprising Key Informant Interviews with 40 executives of the Small and Medium Enterprise Associations in the study area and a survey of 400 sampled members of the informal economy in the selected cities. It also relied on policy appraisal and secondary literature to generate relevant data to augment the field information. Consequently, the analyses of volume of data generated were done through simple percentages, descriptive measures and content analysis.

Figure 1

Map of south east states in Nigeria



Source: Nigerian Finder (2020)

Data Presentation and Analysis

Given the success in identifying and recruiting the targeted participants of the study together with the positive response rate, we presented and analyzed the socio-demographic characteristics of the respondents in [Table 1](#).

Table 1

Analysis of socio-demographic profile of the participants

Socio-Demographic Profile of the Participants	Frequency	Percentage
Gender		
Male	171	51.9
Female	158	48.1
Total	329	100
Age Bracket		
18–29	172	52.4
30–45	108	32.7
46 and above	49	14.9
Total	329	100
Educational Qualification		
First School Leaving Certificate	103	31.2
Senior Secondary School Certificate	150	45.7
OND/HND/BSC	64	19.6
Postgraduate Certificates	12	3.5
Total	329	100

Socio-Demographic Profile of the Participants	Frequency	Percentage
Marital Status		
Single	203	61.7
Married	114	34.8
Widowed	12	8.8
Total	329	100
Occupation		
Welding	45	13.7
Shoe Making	28	8.4
Furniture & Upholstery Making	46	13.9
Tailoring	50	15.2
Sachet/Table Water/Ice-Block Production	44	13.4
Computer Business Centre/ Cyber Cafes	16	4.9
Barbing/ Hair-making	71	21.7
Technicians	29	8.8
Total	329	100

Source: Primary data.

Table 1 reveals that of the 329 respondents, 52.4% (172) were males and 48.1% (158) were females, indicating that the informal economy in the South East Zone is male dominated. Majority (52.4%) of the participants were aged 18-29 years old as 32.7% of the rest participants were aged 30-45 years while 14.9% were between 46 years and above. In terms of the educational status of the participants, 31.2% obtained First School Leaving Certificate, 45.7% had Senior Secondary Certificate Examination, 19.6% had Ordinary National Diploma, Higher National Diploma or Bachelor Degree while 3.5% had various postgraduate certificates. Also, the marital profile of the participants indicates that 61.7% of the participants were single, 34.8% were married and 3.5% were widowed. Primarily, 13.7% of the participants were welders, 8.4% were shoe manufacturers, 13.9% were engaged in furniture and upholstery making, 15.2% were tailors, 13.4% were involved in sachet/table water/ ice block production, 4.9% owns business centers and cyber cafes, 21.7% were into barbing and hair making while 8.8% were artisans.

RESULTS AND DISCUSSION

Unbundling of the Power Holding Companies of Nigeria and Job Creation in the Informal Economy of the South East Geopolitical Zone of Nigeria

Across the globe, countries are implementing market-based reforms in the power sector mainly to improve access to affordable and reliable electricity in order to scale-up the capacity of informal economies to create job opportunities. These re-

forms involve privatization of state-owned utilities, dismantling of state monopolies, the introduction of wholesale electricity markets, and the incentive regulation of networks (Morrison, 2022). As a corollary, the Nigeria government embarked on a comprehensive reform of the power sector through the privatization of the defunct state-owned National Electric Power Authority (NEPA) and subsequent unbundling of the successor Power Holding Companies of Nigeria (PHCN) into distribution, generation and transmission units.

Generally, the privatization in the electric sector was expected to boost employment, improve income and enhance economic growth of any state (Bouille et al., 2001). Despite the unbundling of the PHCN, the state of power sector in the southeast Nigeria has remained poor. In the field survey of the study, as in Table 2, 266 participants representing 80.9% of the entire respondents believe that the electricity supply has not improved since the unbundling of the Power Holding Companies of Nigeria while 63 people representing 19.1% of the participants maintained that the exercise has positive impact on the reliability of electricity in the study area. Concerning the second item, 259 participants posited that their businesses have consistently witnessed decline in the quantity of goods produced due to the incessant power supply whereas 70 respondents agreed that productivity has increased remarkably. In the third item, the researchers sought to understand whether the rate of power supply has influenced the employment of workers. Accordingly, 240 entrepreneurs were of the opinion that the constant power failure which decreased output has led to the retrenchment of workers in their firms as well as undermining their capacity to employ new ones. Conversely, 89 participants agreed with the question posed.

Consequently, in the fourth item, 254 respondents believed that electricity failure in the post-power sector reform resulted to decreased investment which undermined job creation while 75 participants were of the view that they have experienced increased investment which translated to job creation. Moreover, in item five 268 participants accepted that the power failure has discouraged new entrants into small scale businesses, 61 respondents differed and agreed that stable power supply has encouraged new entrants into small scale businesses. Finally, 310 observed that electricity tariff has increased in the post-power sector reform era, while 19 participants responded the other way round.

Table 2*Participants' response to unbundling of the power holding companies of Nigeria*

Item	Response	Percentage
Electricity supply has increased since the unbundling of the PHCN	Yes	63
	No	266
	Total	329
Our businesses have experienced increased output since the unbundling of PHCN	Yes	70
	No	259
	Total	329
Our small scale businesses have employed more workers due to increased productivity	Yes	89
	No	240
	Total	329
Increased investment due to power supply has led to massive job creation	Yes	75
	No	254
	Total	329
Stable power has encouraged new entrants into small scale businesses	Yes	61
	No	268
	Total	329
Tariff charges by NERC is affordable	Yes	19
	No	310
	Total	329

Source: Primary data.

The inference to be drawn from the foregoing analysis is that the reform in the electricity sector has not translated to steady power supply which normally, would have boosted the growth of industrial sub-sector of the informal economy in the South East Nigeria. The annual average electricity supply received by the industrial estates across the country fluctuates between approximate values of 31% to 42%, indicating that none of the industrial locations in Nigeria had up to 50% of the electricity supply in 4 consecutive years (Aderemi et al., 2022; Chanchangi et al., 2022). In the same vein, Joseph (2014) noted that despite the privatization of the power sector in Nigeria, the electricity generation capacity has declined from the peak generation level of about 4,517.6 mega-watts (MW) recorded in December, 2012 to about 3,670 MW in January, 2014. Also, a recent poll conducted by the NOIPolls Limited revealed that the electricity supply in Nigeria worsened in the fourth quarter (Q4) of 2013, at the peak of the privatization process. The report further indicated that an average of 46 percent of Nigerians received between 1-4 hours of continuous power supply daily, while 17 percent said they have received absolutely "No Light" in their areas.

The continuous depreciation in the electricity supply was directly responsible for drastic decline in the quantity of goods and services offered by the small scale busi-

nesses in the South East Zone of Nigeria. Accordingly, [Obitayo \(2001\)](#) submits that the incessant power outage could cause under-utilization of factory capacity which adversely affects small scale industries. Aligning with this perspective, [Cissokho & Seck \(2013\)](#) shows that there is the efficiency channel, through which discontinuous power provision is synonymous with the disruption in the production process, causing productive resources to lie idle, resulting in low output level. Again, [Moyo \(2012\)](#) argued that electricity insecurity tends to negatively affect the total factor productivity and labour productivity of manufacturing SMEs. The study further argued that power outages seem to affect small firms more than large firms ([Moyo, 2012](#); see also [Page & Söderbom, 2015](#); [Cole et al., 2018](#)).

Naturally, when a firm experiences increased productivity, there is tendency for increased investment and expansion which will ultimately led to employment and job creation opportunities ([Friedman, 2008](#)). In the case of our study, it was found that the inconsistent electricity supply in the post-privatization of the power sector culminated into decreased productivity which ultimately discouraged investment and as well, hampered the capacity of the small scale business owners from creating jobs and employing workers in the study area. Similarly, the outcome of the questionnaires distributed also revealed that the hike in electricity tariffs by the Nigerian Electricity Regulatory Commission (NERC) has increased the cost of production, thereby reducing output as well as undermining job creation.

Frequent Power Outage in the Post-Power Sector Reform and the Livelihood of the Small Scale Entrepreneurs in the South East Nigeria

The major push for electricity sector reforms in the many countries stemmed from the need to enhance the affordability, availability, and accessibility of power supply which previously was characterized by consistent power outages. The experience of Nigeria's power sector reform has been unpleasant as the country has continued to wobble in persistent power outage. The power crisis in the country worsened on 31st March 2016 when the power generation collapsed totally at exactly 12:58pm, to zero megawatt, and remained at that point for about three hours ([Oluwagbemi, 2016](#)). In the same vein, a report from the Vanguard Newspaper of 31st March 2016 revealed that the nation's electricity sector went to ground zero with all the Distribution Companies receiving zero mega watt allocation due to the incapacity of the generation company to produce a single megawatt of electricity ([Eribake, 2016](#)).

On 25th December 2016, an official data from the Nigeria Electricity Supply Industry (NESI) showed that the power situation in the sector further deteriorated when about 12 power stations could not produce electricity off-peak period. Report from the Na-

tional Control Centre Oshogbo showed power stations such as Afam IV-V, Geregu Gas, Alaoji National Integrated Power Project (NIPP), Olorunsogo Gas plants, Odukpani NIPP, Okpai, Ibom Power, ASCO, AES, Omoku, Rivers NIPP and Gbarain power plant could not produce a single megawatt (MW) on December 25th, 2016 due to the operational incapacity and inefficiency (Anyaoogu, 2017).

Consequently, it was on record that the national grid collapsed more than 10 times in 2019 and reoccurred on January 16, 2020 (Cholteeva, 2020). The consistent blackouts resulting from the regular national power grid collapse impose additional operational cost on the value chain: from low output, spoiled materials and equipments, idle workers, low demand coupled with the costs of affording alternative power. Report from the Organized Private Sectors suggests that power outages now average 10 hours per day with expenses from alternative power sources gulping about 40 per cent of the total cost of producing goods and services in the industrial sector (Olubiyi, 2020). Between 2019 and 2020, small and medium scale businesses in Nigeria spent an average of 143 billion on alternative electricity supply (Olatunji, 2021). Instructively, the cost of using alternative power source remains a major impediment to the survivability and sustainability of SMEs in Nigeria. This is because 86 percent of the operators of the SMEs in Nigeria rely on generator to produce goods and services.

Indeed, the effect of the epileptic power on the livelihood of the operators of informal economy is discernible. From the responses generated in Table 3, the study found that an average of 16.6% of the total respondents averred that they enjoyed relative power supply and as a result, the economic consequences of the minor power outages experienced in the region within the period under study did not affect their household expenditure. On the other hand, an average of 274 participants representing 83.4% of the entire respondents lamented that the consistent power outage has negatively impinge on their capacity to eke out means of livelihood. Specifically, they noted that the power outage-induced low output in their various firms has inexorably exposed them to untold hardship manifesting in low saving, lack of decent accommodation, poor feeding, inability to access quality health care services, and poor education.

One of the participants in the KII decried the collapsed state of power industries in the region which has concomitantly affected his capacity to meet up with the basic needs of the family. He observed that the low income generated from his tailoring business accounted for his inability to rent or erect a decent apartment, give the kids proper feeding and quality education. As seen in the picture below, a respondent with a family of 5 children and one wife is managing a one room apartment at the outskirts of Enugu Metropolis and barely feeds twice a day. In the same vein, a computer oper-

ator based in Owerri Imo state also complained how the frequent power outages have negatively affected her livelihood as well as that of the family. According to the operator, the inconsistent power supply together with the high cost of fuel and other materials has led to drastic decline in the monthly turnover of the business. Also, a respondent from Abakiliki, who owns a hair salon, complained that the meager money she makes from her business is no longer enough for her sustenance. She lamented that the horrible state of power supply together with outrageous electricity bills has negatively affected her capacity to meet essential family needs.

Table 3

Respondents' response to frequent power outage in the post-power sector reform

Item	Response	Percentage
The frequent power blackout has increased cost of doing business thereby reducing the quality and quantity of food consumed by my family	Yes	272
	No	57
	Total	329
The epileptic power outage has negatively affected the quality of education offered to my children	Yes	274
	No	55
	Total	329
High cost of production arising from reliance on generator has robbed my family of befitting housing	Yes	297
	No	32
	Total	329
The poor power supply has undermined savings	Yes	260
	No	69
	Total	329
Decreased output due to poor power supply has made my family to rely on roadside chemist to meet our health needs	Yes	265
	No	64
	Total	329

Source: Primary data.

Indeed, the foregoing presentations reinforce the belief that the power sector reform has not enhanced the development of the informal economy. Specifically, the study notes that power sector reform has failed to generate more job opportunities and maximize income in the informal sector. As a corollary, this study aligns with the position of [Ogunleye \(2017\)](#) that the failure of the power sector reform to catalyze the development of the informal economy cannot be divorced from the established fact that the Nigerian state has been perpetually dependent on the development initiatives dictated by the purveyors of capitalist ideology such as the World Bank and the International Monetary Fund (see also [Chete et al., 2014](#); [Hilson et al., 2018](#)).

CONCLUSION

Given the enormous challenges facing the power sector in the post-reform era which has largely undermined the growth of the informal sector of the Nigeria's economy, it is apposite at this juncture to unravel the impediments to the realization of the assumed benefits from the liberalization of the Power Holding Company of Nigeria. First, the study found that the World Bank-induced power sector reform that manifested in the privatization of the National Electric Power Authority is nothing but a mere ploy of the western capitalist institutions to deepen the crisis in the electricity sector which will concomitantly affect the overall development of Nigeria. Notably, Nigeria provides a veritable market for the selling of generator sets produced in the developed countries. Thus, a reform championed by the World Bank would undeniably, tend towards protecting the interest of the developed countries and the local surrogates while undermining the economic growth of the South East Nigeria. Secondly, the study found that the continued crisis experienced in the post-power sector reform has inexorably lowered productivity and greater reliance on alternative power supply with the attendant consequences on the income and job creation in the informal economy as well as relocation of many firms to some neighbouring African countries.

To address the challenges that currently plagued the electricity sector in Nigeria, the present study calls for the reversal of the current power reform and evolve a nationalistic approach that will give the state the control over the management of energy considering its sensitivity and vitality to the development of Nigeria. To reposition the state for effective service delivery, we recommend for a strong state institution that will checkmate corruption, ensure accountability, and uproot the vestiges of colonialism in Nigeria which primitive capital accumulation and nepotism are part of.

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