

CORRUPTION IN THE PRIVATIZED ELECTRICITY COMPANIES IN NIGERIA: ITS IMPLICATION ON THE SOCIOECONOMIC DEVELOPMENT OF UYO METROPOLIS

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SUMMARY

Corruption is endemic in the Nigerian society; in fact it has become a culture that portrays non-conformists as deviants. One sector where the prevalence of corruption is most felt is the power sector in-charge of electricity supply to Nigerians. Recently, the Federal Government of Nigeria privatized the power sector with the aim of improving electricity supply to Nigerians and foreigners residing or doing business in the country, but this initiative as it is, appears not to be working. Based on the foregoing, this paper sought to examine the services of these private power companies in relation to the socioeconomic development of Nigeria particularly those living in Uyo metropolis. The Conflict Theory of Karl Marx served as a theoretical guide, while the cross sectional survey was adopted as research design for the study. 150 copies of questionnaire were distributed to members of the public through systematic sampling technique. Also, the in-depth interview method was used to illicit information from a senior staff of the Port Harcourt Electricity Distribution Company (PHEDC),

Akwa Ibom State Branch. The study found out that staff of PHEDC do not read consumers' meters before issuing them monthly electricity bills; rather they derive their monthly charges from estimation which invariably leads to overbilling of most residents in Uyo metropolis. Based on this finding, the study recommends among others that the Nigerian Electricity Regulatory Commission (NERC) should do their job effectively by ensuring that accurate bills are charged the public by the Private Electricity Company in Uyo. This is necessary because, without effective supervision, exploitation and cheating of the public through estimated billing system will not stop.

INTRODUCTION

One sector that has been branded very corrupt by Nigerians is the power sector. This is because of the experiences Nigerians have had with the various power distribution companies in the country. The allegation of corruption is more intense when citizens assess the large amount of tax payers' money spent by successive governments to revamp the power sector, yet no meaningful result is witnessed in return. This failure is more prominent in the present democratic dispensation where much money is spent to provide electricity to Nigerians, yet instead of witnessing improvement, Nigerians on a daily basis have to live without adequate electricity for their socioeconomic engagements. Therefore, as observed by Akinloye (2012:1), "power generation in Nigeria over the past few decades has suffered from underinvestment, corruption and mismanagement, leading to a stagnating power supply".

An attempt at revamping the power sector began after the return to civilian rule in 1999 with an estimated \$16 billion frittered away through the awarding of dubious contracts, cronyism and a lack of oversight by Ex-president Obasanjo's administration. In 2007 for instance, a new set of power sector reforms was initiated by late President Umaru Musa Yar'adua with the objective of propelling Nigeria into an advanced industrial nation by the year 2020. Upon his death in 2010, the framework was adopted by his successor, President Goodluck Jonathan, whose government began unbundling and privatising the power utilities previously owned by the state's Power Holding Company of Nigeria (PHCN) (Akinloye, 2012). Unfortunately, since the Private Power Distribution Companies took over, it appears that, the only thing they are efficient at is the distribution of exorbitant electricity bills to their customers, mostly for services not rendered. There seems to be no hope for the helpless Nigerians who have continued to be exploited under this new power regime, even worse than they were when the government ran the power sector (Madukovich, 2014).

On a monthly basis, Nigerians are made to pay expensive bills which are not commensurate with the amount of power supplied them. According to Eboh (2014), power distribution companies in Nigeria in the year 2013 collected about ~~₦~~1.04trillion annually from households in Nigeria, ~~₦~~2.074trillion annually from Micro Small and Medium Scale Enterprises (MSMEs); ~~₦~~2.86billion from the 22 federal airports across the country and ~~₦~~3.4billion from banks and other large scale enterprises. Further investigations revealed that

households pay an average of ₦3, 000.00 monthly as electricity bill, whether there is power supply for the whole month or not; Micro Small and Medium Enterprises (MSMEs), pay an average of ₦10, 000.00 monthly; banks' branches pay an average of about ₦45, 000.00 per month, while big businesses pay an average of about ₦100, 000.00 per month. All these figures put together show that, the ₦3.41 trillion earned by the power distribution company annually is 110.5 per cent higher than the ₦1.62 trillion budgeted for capital expenditure in 2013 and 43.28 per cent higher than the ₦2.38 trillion budgeted for recurrent expenditure. This amount however is, 31.62 per cent less than the total 2013 budget figure of ₦4.987 trillion.

Despite the huge sum generated by the power distribution company annually, the organization still complains of inadequate funding and lack of funds to carry out projects capable of ensuring steady power supply in Nigeria. This is even worse, now that the Federal Government of Nigeria has privatised the sector. Many Nigerians are crying of outrageous electricity bills charged by the private electricity distribution companies which are not proportionate with what they are consuming. This calls for explanations, given the fact that government has sunk in so much money to revamp the power sector for the benefit of Nigerians and foreigners living and doing business in the country, yet little or no positive result is yielded. Nigerians still do not have steady electricity as continuously promised by various governments at political campaigns or at the beginning of every administration. Daily, majority of citizens irrespective of their income level continue to spend money on

purchasing fuel to power generators in order to generate electricity for their socioeconomic activities. This situation is outrageous in a country that is so blessed with enormous resources to generate its own electricity and even have surplus to distribute to other neighbouring countries. Based on the foregoing, this study intends to examine the billing system employed by the power distribution companies in Nigeria and how it affects the socioeconomic development of the people. This is necessary because despite the public outcry over the alleged overbilling system used by the private power distribution companies, the incidence still continues unabated.

Objectives of the Study

This study seeks to achieve the following objectives:

General Objective: To examine the effects of the monthly electricity bills on the socioeconomic development of Uyo metropolis, Nigeria. This general objective is going to be achieved through collaboration with the following **specific objectives:**

- to find out if the electricity bills given to residents of Uyo metropolis are commensurate with their power consumption;
- to determine whether staff of the electricity company do read meters to ascertain bills before they distribute them for payment in Uyo metropolis;
- to investigate how many members of the public who consume electricity from the power company actually have electric meters in their compounds;

- to find out factors militating against effective billing system in the Nigeria Power Distribution Companies; and
- to proffer useful suggestions as remedies to the challenges of power distribution in Nigeria based on the study recommendations.

Theoretical Framework

The Conflict Theory of Karl Marx (1818 - 1883) provides a theoretical guide for this study. It is chosen because its analysis of capitalists' interest at the detriment of the poor masses is quite applicable to this paper. The theory regards the state as an instrument of extortion and exploitation of the poor masses with little or nothing given in return as wages or reward to complement their labour (Ritzer, 1996). In reference to the main thrust of this paper: 'corruption in the privatized electricity companies in Nigeria: its implication on the socioeconomic development of Uyo metropolis', the conflict theory sees the privatized electricity companies working in collaboration with the state to extort the masses in Nigeria through their monthly exorbitant bills without supplying adequate electricity in return to commensurate such bills. A clear example is the current moves to increase electricity tariff by the Nigerian government without generating adequate electricity for the masses consumption. This has been the culture over the years, and it has become worse now that the sector is privatized. Private industries are profit-driven as Marx characterised them. In their bid to make gains, they over-charge innocent Nigerian masses many of whom do not know how to read their electricity meters to determine their power

consumption. Also, for majority who do not have electricity meters, they are made to pay heavily for not acquiring one. Furthermore, for those who have purchased one particularly the prepaid meter, they are billed on fixed charges which eat deep into their finances. Marx advocated for the masses to come together against this kind of exploitation and cheating. This has severally played out in a number of protests nationwide as Nigerians on several occasions have carried out protests against over-billing by private electricity companies, but yet little or no positive result is yielded as every month they keep receiving exorbitant bills from these power firms without having adequate power supply in return to commensurate their money.

Corruption: Its Conceptualization

The word “corruption” is susceptible to varying definitions. It connotes moral deterioration, deprivation, perversion of integrity through bribery or favouritism. According to Adegbite (1991), corruption implies perversion of something from an original state of purity, a kind of infection or infected conditions. Furthermore, Adegbite linked corruption to an act of inducement with the intent of improperly securing an advantage for oneself or for another person. He further pointed out that corruption is the conscious and well planned act by a person or group of persons to subvert known procedure. Similarly, Adams (2003) argued that corruption is a behaviour of public officers, which deviates from acceptable norms in order to serve private ends. The Anti-Corruption Law of the Federal Republic of Nigeria (2000), identified corruption as a

negative index in the developmental strides of Nigeria as a nation, Charles, Ikoh, Iyamba and Charles (2005) noted that corruption covers a wide range of conduct patterns. They maintained that several local jargons serve to describe corruption in Nigeria. Among policemen and women, it is named roadger. In government bureaucracy, it is often called kola, kickback, ten percent or lobby, depending on the subject matter of interest. This behaviour has become a cankerworm and has eaten deep into the fabrics of our society to an extent that almost every ethnic group in the country has names for corruption. The Yorubas' for instance call it "*egunje*" that is (free food) while the Ibibios' call it "*Ubokedem*" (money given through the back) as an inducement. In addition, corruption can also be seen as act of exploiting and cheating members of the Nigerian public, especially as it involves charging excessive electricity bills that are not commensurate with their monthly power consumption.

Factors responsible for Corruption in Nigeria

Many factors have been put forward as probable causes of corruption in the Nigerian society. Adegbite (1991) lists the causes to include; non-conformity to religious tenets, imported values and ideas alien to our culture, ethnicity which tends to encourage favouritism and nepotism, weak legal system, and excessive materialism generated by our individualized capitalist order which emphasizes personal wealth without regard to the collective interest and welfare of larger society. The excessive financial burden attendant upon the responsibility of a well-placed African family man is also recognized by Adeyemi, (1991:3) as a strong factor in the etiology of corruption. Such a person according to him is

expected to among other things, “help to pay for the education of the children of his poorer relatives, provide feast and to defray the cost of sacrifices and funerals.” Since he cannot meet such extensive obligations with his salary, he may be compelled to engage in behaviours uncomplimentary to civil service rules and regulations.

Akin-George (1991) identifies the social and economic causes of corruption in lack of social services, population pressure, praise singing, unemployment and underdevelopment, poor leadership, political instability and unjust and inequitable application of the law. In Nigeria, government is yet to devise the appropriate mix of social services that could guarantee an average worker a comfortable life at old age or on retirement. The Nigerian worker is expected to build and own a house, look after his health and that of his family members, find his means of transport, train his children etc. In discharging these functions, he hardly receives any assistance from the government or his employer. Yet, his income level is very low to meet his day-to-day requirements let alone have anything to set aside for the rainy day or to provide these at his retirement. These expectations are not without consequences. The thought of the future when he is too old to work or has to contend himself with only a small fraction of his retiring incomes as pension ordinarily drives him to engage in corrupt and other fraudulent practices if and when the opportunity occurs.

Population pressure would be explained in social habit of having several wives and children whether or not one is able to properly cater for them. This habit is cited as compelling pressure that could tempt one to commit economic crimes in order to meet the challenges posed by the many mouths he has to feed. In other words, the demands of a large family and the pressures from the

extended family can drive the weak-hearted to crime commission. Since our culture imposes on us the responsibility for the extended family in addition to those of our immediate families, some people tend to find unorthodox means of discharging such responsibilities (Akin-George, 1991).

The culture of praise singing is also to be blamed for corruption. In Nigeria, the rich is given a higher status in the society not minding how he/she acquired his/her wealth. In the society, he is singled out for praises, honour and recognition. He is hailed when he donates large sums of money at social gatherings or when he lavishes money at the public place. He is the one selected for a string of chieftaincy titles, important street, schools, hospitals and other public institutions are named after him. Such recognitions often send wrong signals to the not-too-well but honest citizen that “even hard work does not pay” (Akin-George, 1991; Charles, Ikoh, Iyamba and Charles, 2005). A culture which perverts honesty in this way can only actively promote corruption and fraud. Unless there are adequate social sanctions for misbehaviour in any society, social values will be devalued for people to join the band wagon of criminals.

Lastly, poor leadership is perhaps the greatest factor that influences corruption. As Akin-George (1991), argues; a society mirrors its leaders. Bad leaders therefore will definitely breed bad followers. In a situation where the leaders themselves are corrupt, it becomes extremely difficult, if not impossible to cleanse the followership of corruption. In fact, there will be no moral justification for the leaders to take actions against erring members of the population. This unfortunate situation has persisted for very long in Nigeria.

Historical Analyses of Nigeria Electricity Companies

The first electricity generating plant in Nigeria was installed in Lagos in 1896. The Plant was also installed at isolated units owned and operated by either Native Authorities in Ibadan and Kano, or by the public works departments in Warri and Port-Harcourt. The isolated units were merged together when Nigerian Colonial Government passed the ordinance No.15 of 1950 which set up the Electricity Corporation of Nigeria (ECN) (Uwaifo, 1994 cited by Sule, 2010:2). A decade later, Niger Dams Authority (NDA) was set up by an Act of Parliament in 1962 to develop hydro electricity which was merged with ECN to form National Electric Power Authority (NEPA) in 1972 through the Federal Military Government Decree No. 24 of June 27, 1972 (Koledoye, Jumah and Philips, 2012).

During the era of NEPA there was a decline in electricity generation capacity in an ever increasing population, with no visible plan to commensurately increase generating capacity. This caused electric power demand to increasingly overshoot available supply. By the year 2000, the problem sent Nigeria into electricity supply crisis, which caused the Federal Executive Council (FEC) in year 2001 to approve the National Electric Power Policy (NEPP) that eventually called for fundamental changes to ownership, control and regulation of the power sector. The 2001 NEPP actually set the roadmap for Nigeria's power sector privatization, but due to the bureaucracy in government, the policy could not be signed into law until 2005. The signed document became the Electric Power Sector Reform (EPSR) Act of 2005. The EPSR Act 2005 translated NEPA into the newly incorporated Power Holding Company of Nigeria (PHCN) Plc – comprising of 18 separate successor companies that took over the

assets, liabilities and employees of NEPA, and responsible for the generation (6 companies), transmission (a company) and distribution (11 companies) (Koledoye, Jumah and Philips, 2012).

The PHCN was not free from problems that characterized previous electricity companies in the country. In fact, during its era, Nigeria had an installed generating capacity of about 6,000 megawatts but actually the available output was less than 2,000 megawatts (Adewumi, 2010). This contributed immensely to the epileptic power supply that rocked the country. Consumers were over-charged to pay electricity bills they did not actually consume. In affirmation to this assertion, Eboh (2014) noted that the Federal Government through the Power Holding Company of Nigeria, PHCN, fleeced Nigerians of about ₦3.41 trillion (\$19.6 billion) annually through outrageous electricity bills, which is not commensurate with the amount of power supplied to consumers. This, together with the need to make electricity available to all Nigerians and foreigners doing business in the country at all times made the federal government to privatize the power sector for efficient power supply in October 1, 2013, unbundling the PHCN into five Power Generating Companies, one Transmission Company and ten Power Distribution Companies. Again, one would have thought that with the privatization of the power sector, things will begin to be good for Nigerians in terms of amount of electricity generated, transmitted and distributed, just like what we witnessed in the telecommunications sector, but it appears that the behaviour of inefficiency, recklessness and corruption for which the power company was known for under government control is still continuing in a coarser dimension. Madukovich (2014) observed that,

vandalization of power infrastructure is now on the increase and that the Distribution Companies appear to be the tool with which the Power Companies sodomise Nigerians. Their stock in trade involves charging and accepting payment for services not rendered.

Incidences of Corruption in Nigeria's Power Sector

As noted by Koledoye, Jumah and Philips (2012), the following corruption incidences are identified with the Nigeria power sector in recent times:

First, the Sixteen (16) billion naira corruption scam that rocked the power sector during Obasanjo's government; this incidence up till date has not been probed and the offenders are not prosecuted, so no effort at the recovery of loots. This laxity in justice administration is largely due to high level corruption and ineptitude of the Nigerian government and that of the criminal justice system.

Second, there is the alleged ~~N~~5.2 billion fraud involving top management staff of Rural Electrification Agency (REA); the officials of the Ministry of Power and some members of the National Assembly. This offence led to the suspension of REA in 2009 three years after it was formed through the Power Sector Reform Agenda in 2006.

Third, the case surrounding the ~~N~~88 billion PHCN workers pension fund that accrued from the 7.5% deductions from workers salary which caused distortion in the power reform process;

Fourth, the act of pumping so much of tax payers' money into the power sector in the name of reforms by the Federal government for 2 decades now without any reasonable improvement in the sector amounts to corruption. As noted by Koledoye e' tal(2012) , the Federal Government claimed to be spending an average of \$2

billion annually to sustain the power sector with an average generation capacity stuck at 2000MW over the period. If such amount as \$40 billion was truly committed to the state-owned power sector over the two decades, there should be a definite growth in the sector, and the current set of \$3.5billion investment per year for the next 10 years would raise the generation capacity to 40,000MW, as projected in the reform agenda.

Fifth, the alleged corruption against Prof. Barth Nnaji (former Minister of Power) which includes the collection of ₦395 million from PHCN (allegedly for the media for 3 months), collection of ₦280 million from PHCN (allegedly for the Nigerian Army), collection of ₦200 million from PHCN for an unknown project in the Power Ministry, collection of ₦86 million from PHCN for a bullet-proof car, etc. All these are indications of entrenched corruption mix among arms of government and top power brokers.

Sixth, is the contentious belief in many quarters that the bidding process that led to the selection of preferred bidders for the privatization of 10 power distribution and 5 power generation companies in October, 2013 was characterized with fraud and malpractice. This belief took a strong dimension when Governors of Delta, Edo and Ekiti states publicly criticized the choice of Vigeo Power Consortium as the preferred bidder for the Benin Electricity Distribution Company over other companies that were more qualified and have a good knowledge of the area (Wunmi, 2013).

Methodology

The Research Design adopted for this study is the Cross Sectional Survey Design. It is chosen on account of the exploratory nature of the study. The design is directed

at collecting data using the questionnaire and interview responses. Other secondary data were obtained through journals, books and related literature from the library.

There are five major roads in Uyo metropolis. These are: Ikot Ekpene road; Oron road; Abak road; Aka road; and Nwaniba road. Houses along these roads are either identified with an even or odd number. A systematic random sampling was adopted to select 150 respondents representing members of the general public who were then administered copies of the questionnaires. This method included every second house identified with an even number on the right lane of every road. In each of these roads, 30 eligible respondents who could read and write were given copies of the questionnaires to fill. Where the respondents could not read and write, the oral interview method based on items on the questionnaire was adopted, until the required number of respondents was interviewed. Also, a senior staff of the Port Harcourt Electricity Distribution Company (PHEDC) in the Marketing Department was among those interviewed. At the completion of the data collection, all responses were captured in figure tables. This helped to show at a glance the trend of the data and related variables.

Data Analysis and Discussion of Findings

150 copies of the questionnaire were given to members of the public in Uyo metropolis to find out their experiences with the private electricity company precisely, the Port Harcourt Electricity Distribution Company (PHEDC) and how the company's billing system affects their socioeconomic development. However, only 147 copies of those questionnaires were retrieved, constituting 98 % percent of the sample size (see table 1 for details).

Table 1:Percentage distribution of respondents by data generating procedure

Respondents	Copies of questionnaire administered	Percentage	Questionnaire Retrieved	Percentage of Questionnaire Retrieved
Aka Road	30	20	29	19.3
Abak Road	30	20	30	20
Ikot Ekpene Road	30	20	30	20
Nwaniba Road	30	20	28	18.7
Oron Road	30	20	30	20
Total	150	100	147	98

Source:Field Work (2015)

The first objective of this study was to find out if the electricity bills given to residents of Uyo metropolis are commensurate with their power consumption. This objective was plotted using question 21 on the questionnaire for members of the general public. Responses from this question as indicated in table 2 below show that: out of a total of 147 respondents, only 8(5.4%) strongly agreed that the monthly bills given to them by PHEDC commensurate with the amount of power supplied to them; 20(13.6%) also agreed to this assertion; while 49(33.3%) disagreed, 70(47.6%) strongly disagreed as well.

Table 2: Respondents' responses on their monthly electricity bills against their monthly consumption

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agreed	8	5.4	5.4	5.4
Agreed	20	13.6	13.6	19.0
Disagreed	49	33.3	33.3	52.4
Strongly Disagreed	70	47.6	47.6	100.0
Total	147	100.0	100.0	

Source: Fieldwork (2015)

To buttress the above information, responses to question 19 on the aforementioned questionnaire which was plotted to address the second objective of this study, indicates as shown in table 3 below that; out of 147 respondents, 7(4.8%) respondents strongly agreed that staff of PHEDC do read their metres monthly before they issue them bills, 23(15%) also agreed, 23(15.6%) disagreed, while 61 (41.5%) strongly disagreed to this hypothesis.

Table 3: Respondents' responses on meter reading by PHEDC staff

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agreed	1	.7	.7	.7
Agreed	7	4.8	4.8	5.4
Disagreed	23	15.6	15.6	21.1
Strongly Disagreed	55	37.4	37.4	58.5
Total	61	41.5	41.5	100.0
	147	100.0	100.0	

Source: Fieldwork (2015)

This finding as seen in table 3 is a strong indication of corruption in electricity companies in Nigeria, the reason being that, it is expected that before bills are distributed for subsequent payments, metres should be read to ascertain the amount of power consumed by electricity consumers. However, this is not the case in Uyo metropolis as majority of members of the public have indicated that staff of PHEDC don't read their meters before bills are distributed to them for subsequent payments. In addition, findings from the in-depth interview with PHEDC staff reveals that

complains over exorbitant bills emanates more from members of the public who do not have meters and are allowed by the law to be charged based on estimation. According to him,

Members of the public actually consumed what they are charged. The problem is, those who do not have meters are billed based on estimation which is allowed by the law. This is done via a fixed price billed and distributed to all consumers without meters. It is through this process that some members of the public are cheated while others are blessed. This is so, because a man without meter who has an air conditioner in his house alongside other electrical appliances that consumed energy will be given the same bill based on estimation with others who do not have such appliances and also do not have meters as well. This contributes largely to those complains heard when bills are distributed to customers. So, it is not all about reading of meters, because some consumers do not actually have meters that should be read, thus, we billed them the same amount irrespective of their differences in consumption (Marketing Manager, 21/8/2015).

The third objective of this study sought to find out how many members of the public who consumed electricity from PHEDC actually have electric meters in their compounds. This was done through question 11 on the questionnaire distributed to members of the public and the result is presented below in table 4.

Table 4: Respondents' responses on types of meter used in their houses

	Frequency	Percent	Valid Percent	Cumulative Percent
	1	.7	.7	.7
Old Meter	101	68.7	68.7	69.4
New Prepaid Meter	7	4.8	4.8	74.1
No Meter	24	16.3	16.3	90.5
Applied, but yet to received one	14	9.5	9.5	100.0
Total	147	100.0	100.0	

Source: Fieldwork (2015)

The result in table 4 shows that majority of residents in Uyo metropolis have metres. 101(68.7%) respondents said they have old meters in their houses, 7(4.8%) claimed they have the new prepaid meters, 24(16.3%), said they have no meters and 14(9.5%) claimed that they have applied for one, but not yet given. For those who had applied for a meter and are yet to receive one, 42.9% of them said their application is up to a year or more, 28.6% said theirs is up to four or six months, while the same percentage (28.6%) claimed theirs is between one to three months since they applied. The argument here is, why should it take so long for one to acquire a meter? Findings from the in-depth interview revealed that; government does not allow private companies to import meters into Nigeria, thus, authorizing them to patronise local producers of meters within the country. These local producers as alleged are not producing to meet the demands of the public, so they put the private electricity companies in a fix which causes delay in providing members of the public meters they have applied and paid for. The

implication of this delay is that, such members of the public will continue to pay estimated bills even when they do not consume what they pay for.

The fourth objective of this study was to find out factors militating against effective billing system in Nigeria Power Distribution Companies. A question on this was directed to staff of PHEDC who gave the following as responsible factors to this problem:

Government Interference

According to him, “government cannot say they have privatized the power sector and they are still funding it. They still own 60% of the company while only 40% is given out to the private sector. They keep loaning money to the private power firms particularly for the purchase of gas used for generation of electricity and this same money is channeled back to the government purse via the purchase of gas from government-owned agencies like the Nigerian National Petroleum Cooperation (NNPC). Also, these private power firms are expected to pay back this money within a stipulated period of time with interest. It is worthy of note that, since the present power companies in Nigeria are private companies, they need to make profit. They cannot be as generous as government that used to supply electricity almost free to the masses without charging them what they actually consume. One of the ways to recoup such money is through the tariffs charged members of the public as monthly electricity bills (Marketing Manager, 21/8/2015)”.

Corruption

On this factor, he said that both government and the public are culpable. On the part of the government, the interviewee said that the masses are

indirectly exploited through exorbitant charges billed the private power companies by the government. Consequently, the private power firms are left with no option than to overcharge members of the public through estimated bills to recoup their expenses. He however, blamed the public for their irregular or non payment of bills attitude. According to him, the following reasons accounts for such attitude by the public;

- I. Some rural communities are not easily accessible, and people living in such areas are difficult to track for electricity bill payments. In this regard, areas or communities that are accessible particularly in the urban centres are made to pay for electricity enjoyed by those in inaccessible communities. This problem is even compounded by inadequate staff that characterized the private power firms, since about 70% of government employed staff who would have been deployed to remote areas were paid off as part of the privatization process.
- II. Many members of the public who used prepaid meters most times by-passed the electricity supplied them through such metres. They rather tap light free and directly from customers with old metres. This attitude affords them the opportunity of not paying bills for electricity they actually consumed, while at the same time they rob the electricity suppliers. This illegal behaviour also contributes to the high bills charged customers in such areas, since the power firms will be left with no option than to charge bills based on the general consumption indicated in the electricity transformer.

Vandalization

This is another major problem that affects the billing system in Nigeria Power sector. According to the interviewee, “when electricity equipment are vandalized in an area, it does not stop bills from running, customers will still have to pay even when they do not have electricity. At least, they will pay for reinstallation or repairs. They will still be charged through estimated billings for energy they are not consuming”. The implication of this is that, prices of goods and services operated with generators will increase and the bulk of the burden will fall on the shoulders of the public who will be forced to buy these goods and services with the hiked prices charged.

Furthermore, other salient issues discovered in the study show that out of 147 respondents, 62(43.5%) spend between 1,000 - 4,000 naira monthly on bills paid to PHEDC for the electricity supplied them, 49(33.3%) claimed that they pay between 5,000 – 8,000 monthly, 23(15.6%) said they spend between 9,000 – 12,000 naira, while 9(6.1%) spend between 17, 000 – 20, 000 naira, and 2(1.4%) spend up to 21,000 naira and above. Meanwhile, majority of them 131(89%) claimed that after paying the aforementioned sum for electricity, they still do not have sufficient electricity to engage effectively in their socioeconomic activities. Alternatively, 122(83%) respondents claimed they have another source of electricity such as; generator, solar power, and inverter in their houses, since they cannot totally depend on PHEDC for the services it fails to provide optimally. To maintain the alternative source of power outside PHEDC’s monthly bills, 84(57.1%) respondents said they spend between 10,000 – 19,000

naira monthly, 23(15.6%) claimed they spend 20,000 – 29,000 naira, 7(4.8%) said they spend between 30,000 – 39,000 naira monthly, while 4(2.7%) spend 40,000 – 49,000 naira, 2(1.4%) spend 50,000 – 59,000 naira, and only 1(.7%) spend up to 60,000 naira and above. From this population of respondents, only 19(12.9%) earn up to 60,000.00 naira and above monthly, this implies that, the people of Uyo spend much money from their monthly earnings to provide electricity for their socioeconomic activities. Consequently, the impact is felt on the socioeconomic hardship bestowed on the masses as prices of goods and services are constantly on the increase to make up for the expenditure on electricity.

Conclusion

The act of exploiting and cheating from the public through electricity tariff that is not proportionate to their monthly consumption has serious implications both to the masses and the state. This research has focused on identifying the causal factors that lead to this menace, it has also been realized that the corrupt act of overbilling the masses in the power sector, did not just emerged within the sector, but has a link to what is obtainable within the larger society. Therefore, to achieve a good and reputable power industry, the government and other relevant authorities should try and follow the various recommendations stated in this research work. It is hoped that the findings of this study will make a modest contribution to the government and policy makers, who may wish to extend the frontier of this research. Note that the research recommendations here are necessary, but not sufficient to the problems

of corruption in the privatized electricity company in Uyo metropolis.

Policy Implications

Based on the findings of the study, the following recommendations have been put forward.

- I. The Nigerian Electricity Regulatory Commission should do their job effectively by supervising the bills charged the public by Private Electricity Company in Uyo metropolis. This is necessary because, without effective supervision, extortion of the public through estimated billing system will not stop.
- II. Members of the public in Uyo metropolis should always ensure that staff of the private electricity company read their meters before they issue them the regular monthly bills. Apart from this, they should also seek to be involved in the reading process in order to check over estimation and subsequent overbilling.
- III. Government should totally privatize the power sector if they really mean to do so. They should not claim that the power sector has been privatized while they are still funding it and are in control of 60% of the industry. This interference will not allow the private electricity companies to independently develop the power sector and improve electricity supply in Uyo metropolis.
- IV. The National Assembly should amend the section of the Law that allows billing on estimation or totally discard it. This is necessary to check the excesses of the private power firms from extorting the general public in Uyo metropolis based on the premise of this law.
- V. If government wants the local companies that manufacture electricity metres in Nigeria to be

patronized, they should ensure that such companies have the capacity to produce meters that can meet the demands of the Nigerian populace. This is to check the unnecessary delays in application and receipt of metres by customers who need them in Uyo metropolis.

- VI. The private power firm should step up in its services to people in Uyo metropolis. They should make sure that Nigerians and foreigners residing and doing business in Uyo metropolis enjoys maximum electricity supply that commensurate the bills they pay monthly.
- VII. Fixed service charges should be removed in the prepaid meter charges. This is because the prepaid meter was developed to end estimated charges that are not favourable. Thus, with fixed charges, such goal will not be achieved as the public will continue to pay more money for what they do not consume.
- VIII. Uyo residents should develop the attitude of conserving energy. This will go a long way in reducing the amount of electricity used daily and it will as well reduce their monthly electricity bills to a manageable price. To achieve this, the National Orientation Agency (NOA) and the media sector should embark on massive enlightenment programmes since it appears that majority of Uyo metropolis residents do not know what energy conservation means.

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