

## **A Critique of the Neo-Liberal Model of Economic Governance and Its Application to the Electricity Market Industry: Some Lessons and Learning Points from Nigeria**

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**Abstract :** The Nigerian electricity industry was deregulated and privatized in 2005 and 2014 in line with global trend and practice. International and multilateral lending institutions advised developing countries, Nigeria inclusive, to adopt deregulation and privatization as part of reforms in their electricity sectors. The ideological basis of these reforms are traceable to neoliberalism. Neoliberalism is an ideology that believes in the supremacy of free market and strong non-interventionist competition law as against government ownership of the electricity market. This ideology became a state practice and a blue print for the deregulation and privatization of the electricity markets in many parts of the world. The blue print was used as a template for the privatization of the Nigerian electricity industry. In this wise, this paper, using documentary analysis and review of academic literatures, examines neoliberalism as an ideology and model of economic governance for the electricity supply industry in Nigeria. The paper examines the origin of the ideology, its features and principles and how it was used as the blue print in designing policies for electricity reforms in both developed and developing countries. The paper found out that there is a gap between the ideology in theory and in practice because although the theory is rational in thinking it is difficult to be implemented in practice. The paper argues that the ideology has a mismatched effect and this has made its application in the electricity industry in many developing countries problematic and unsuccessful. In the case of Nigeria, the article argues that the template is also not working. The article concludes that the electricity sectors in Nigeria have failed to develop into a competitive market for the benefit of consumers in line with the assumptions and promises of the ideology. The paper therefore recommends the democratization of the electricity sectors in Nigeria through a new system of public ownership as the solution to the failure of the neoliberal policies; but this requires the design of a more democratic and participatory system of ownership with communities and state governments in charge of the administration, running and operation of the sector.

**Keywords :** electricity, energy governance, neo-liberalism, regulation

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