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An ocean of gold but no water to drink

Privatisation was once heralded as the key to Africa's economic revitalisation. Decades later, the reality looks very different

Privatisation was once heralded as the key to Africa's economic revitalisation, a promise that essential services would become more efficient, widely available and cost-effective under private ownership. Several decades later, the reality looks very different.

Across the continent, the privatisation of electricity and water services has failed to deliver on these promises, instead deepening social inequalities, burdening citizens with exorbitant costs, leaving millions in darkness and without clean water and attracting no significant investments into the sectors.

A decade of failure

In 2013, Nigeria embarked on an ambitious privatisation initiative, transferring ownership of 13 power distribution companies (DisCos) and six generation plants to private investors. The goal was to increase efficiency, attract foreign investment and improve service delivery. However, more than a decade later, this promise remains unfulfilled. The national grid collapsed 12 times in 2024 alone, and by early 2025, it had already failed twice. Citizens and businesses alike are suffering in darkness, with small and medium enterprises bearing the brunt of the crisis.

Rather than fulfilling the promise of reliable electricity, privatisation has exacerbated issues that previously plagued the sector. Consumers now pay exorbitant tariffs – some as high as ₦206 per kWh (approximately $0.14), compared to just ₦10 per kWh ($0.06) in 2011 – while enduring widespread billing fraud and persistent blackouts. Instead of expanding access, the privatised system has created an energy divide, where only the wealthy and elite can afford stable power while low-income communities remain in darkness.

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The introduction of the 'band' system in 2024 further entrenched this inequality, with electricity supply now being rationed based on consumers' assigned categories. This model effectively institutionalised a form of apartheid in electricity distribution, where those in wealthier districts enjoy near-constant supply while the majority of Nigerians receive little to no electricity.

Nigeria's minister of power, Chief Adebayo Adelabu, admitted during the 2024 Nigeria International Energy Summit that the country only generates and distributes about 3 000–4 000 MW of grid electricity for over 200 million people. This chronic underperformance underscores the complete failure of electricity privatisation.

This failure has been met with widespread frustration across the country. In December 2024, Adams Oshiomole, current lawmaker and former president of Nigeria's National Labour Congress (NLC), in a passionate speech on the senate floor regretted his earlier support for the privatisation initiative and decried the failure of the initiative, stating that 'this privatisation is not working, and I hope that this senate will find the courage to stop the extortion, abuse of power, lack of consumer protection and barefaced stealing by various DisCos'. Recently, the Manufactures Association of Nigeria also condemned the electricity privatisation in the country as 'unfruitful' in a public statement.

From electricity to water

Unfortunately, electricity is not the only essential service being swallowed by privatisation. Across Africa, governments are rapidly commercialising water supply, a chilling reminder that Africa has not learnt from the failures of the power sector, raising alarm over the commodification of a fundamental human right.

In Kenya, amendments to the country's water law in 2023 allowed the government to enter into bulk water purchase agreements with private investors, effectively paving the way for widespread water privatisation. Zimbabwe has followed suit, with the minister for local government announcing in January 2025 that all urban water services – sourcing, treatment, distribution and billing – would be entirely privatised.

Nigeria has also flirted with water privatisation. The controversial 2020 National Water Resources Bill proposed an additional licensing framework that critics argue was designed more to generate revenue than

to ensure equitable access. Subnational governments across Nigeria, such as Lagos, Ekiti and Kaduna, have proposed commercialising their water sectors at one point or another. Countries like South Africa, Gabon and Tunisia are undergoing similar experiments, often at the urging of international financial institutions like the World Bank and the International Monetary Fund (IMF).

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The World Bank and IMF have long been proponents of privatisation as a development strategy, promoting structural adjustment programs (SAPs) across Africa in exchange for financial assistance. Nigeria's electricity privatisation was implemented as part of such economic restructuring policies — with disastrous results. Neoliberal economic policies promoted by these institutions – sometimes even non-profit-style organisations funded by Global North governments – have driven and catalysed the transformation of public utilities into profit-driven enterprises, with the burden of increased costs and declining quality falling squarely on the citizens, especially the poor.

The fundamental flaw in privatising essential services is the assumption that market mechanisms will automatically drive efficiency and affordability. But electricity and water do not function in competitive markets; they are natural monopolies. Once a private company gains control over distribution or other subsets along the value chain, consumers have no alternative providers to turn to.

This lack of competition means that private firms have little incentive to lower prices or invest in infrastructure that benefits marginalised communities. Instead, privatisation has led to rent-seeking behaviour, where companies maximise profits without making meaningful improvements. The experiences of Nigeria's power sector and Kenya's and Zimbabwe's water privatisation efforts highlight these systemic failures, demonstrating that privatisation often worsens, rather than resolves, service delivery issues.

Alternative models

Privatisation has consistently failed to deliver its promised benefits. However, alternative models that prioritise human dignity over corporate profit are proving effective across Africa.

One promising example is the remunicipalised water management model in Mboro, a rural community outside of Dakar, Senegal. Since reclaiming its water from Aquatech, Mboro has maintained public ownership of its water services while implementing efficiency improvements. This approach has led to more reliable and affordable water access without reliance on private corporations. Similar success stories have followed the remunicipalisation of water services in several countries across the world.

Similarly, community-controlled electricity initiatives in parts of the US have demonstrated that decentralised energy production can be more efficient and equitable than privatised national grids. Local cooperatives and renewable energy projects have allowed communities to take control of their electricity needs, reducing dependence on profit-driven utilities and expanding access to sustainable power sources.

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These cases challenge the narrative that privatisation is the only path to efficiency. They show that when public institutions are properly funded, managed with transparency and held accountable, they can deliver high-quality services that prioritise people over profit.

The privatisation of essential services in Africa has led to devastating consequences, exacerbating inequalities, undermining universal access and illustrating the dangers of prioritising corporate interests over public welfare.

Rather than treating essential (public) services as tradeable goods, African governments must embrace a human-centred approach that guarantees electricity, water and other essentials as fundamental rights. Public-public partnerships, community-led service models and robust government oversight provide more sustainable and equitable alternatives. The path forward must place *people before profits*, ensuring that no citizen is left in the dark or without access to clean water.



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