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ABSTRACT
This study analysed the effects of energy balance on Nigeria’s economic growth, with specific focus on the electricity sector. The endogenous growth model complimented with an econometrics packages were adopted to determine the relationship between energy (electricity) demand, energy supply and energy balance: their stationarity and short and long run effects. The parsimonious estimate declared the relevance of electricity supply and demand to economic growth. To test the impact of electricity balance on economic growth, the second model included energy (electricity balance, this resulted to overall change in influence and significance. The implication to the study is that the energy difference caused by excess demand is a strong determinant to the diabetic economic growth in the country. Against this background this study suggests adequate funding, rehabilitation of existing power plants and construction of new ones to support the existing ones. Also recommended is the exploitation of nuclear sources of power supply, intensification of efforts to checkmate vandals and thieves of power apparatus, distilled massive private investment and incentives via multi year tariff order (MYTO) and gas sales agreement that eliminated direct government subsidies.

INTRODUCTION
World economies are heavily reliant on energy and Nigeria is not an Energy is the indispensable force driving all economic activities (Alam, 2005). And the ability of a nation to fully develop and efficiently manage its available resources in order to achieve economic development is linked to energy efficiency. Modern technologies used in production, allocation and utilization of these resources are designed and tied strictly to the use of energy.

Electric power supply is one of the basic infrastructure, prerequisite for industrialization, increase in aggregate investment, productivity and real Gross Domestic Product, growth in any economy as well as improvement in the quality of life (Ekp, 2010). This explains why one of the most disturbing economic development issues in Nigeria since 1990’s is that of inadequacy of electricity supply and distribution. Electricity problems or crisis persisted irrespective of availability of natural resources such as coal, hydropower, geothermal, solar and other renewable energy sources. Nigeria is a country with over 150 million people of which only 40 percent is linked to the national grid and this 40 percent is shot of power supply over 60 percent of the time (Kennedy-Darling, et al, 2008). The main demands for the majority of ordinary Nigerians are access to electricity, but often they are greeted with the persistent power outages, even at alarming frequencies; caused by outrageous gap or imbalance in electricity. To this end, to fill the gap, 98% of the firms use private generators and many Nigerians who rely solely on electricity for their daily businesses and survival have been pauperized and this has led to more warped economic system against the less privileged, (Iwayemi, 1991 amd Ayodele, 1998).

We must come to terms with the fact that Nigeria’s electricity is like a man suffering from multiple ailments and is in a state of coma. It is like a patient who needs multiple doctors to prevent him from dying (Opera, 2010). Indeed, electricity supply and distributions in Nigeria is facing Herculean challenges despite huge and continuous investment in the power sectors and additional power generation every year. Against this backdrop, the work is set to appraise energy balance in Nigeria’s economic growth with specific focus on the electricity sectors. We shall also examine empirically the effects of capital employed, demand and supply of electricity on economic performance (real GDP) and determine if the attainment of energy balance is myth or reality on economic growth in Nigeria.

Energy Balance (Electricity Balance) and Economic Growth
Energy balance explains the relationship between energy consumption (electricity demand) and energy production (electricity supply) throughout the life time. It is an assessment or a process of matching the demand for energy with supply of energy (the encyclopedia, 2010). Ordubu (2010) asserted that energy balance occurs
hen supply of energy is equal to or in excess of the demand for energy, or when demand for energy in excess of supply, (Ayodele, 2003); as in the case of Nigeria. While Abdullahi (2002) opined that the peak demands of energy demand on population and industrialization of a country. Therefore, if maximum supply meets the peak demand, surplus occur otherwise shortfall. The equation states that supply-Actual Needs-Losses=surplus; while losses = heat losses + wastage + Diversion.

Endogenous Growth Model

Odularu and Okonkwo (2009) contended that before the growth theory propounded by Romar, there were other which were in vogue. But his endogenous growth model is anchored on growth engined by exogenous factors such as technology. His most prominent assumptions are the diminishing returns to labour and capital and constant saving rate. Contrastly the Solow’s model of long run capital growth is caused by rate of technology progress, exogenously determined (Udah, 2010). Romar’s endogenous growth model, has structural resemblance to the neo-classical counterparts, differs rightly by replaces neoclassical diminishing marginal turns to capital investment with increasing return to scale in aggregate production He focused on the role of externalities determining the rate of return on capital investment, and therefore investment in human capital generating external economies and production efficiency that offset diminishing returns (Todaro and Smith, 2 3). Romar’s (1986) production function is thus: \( Y = A(R) F(R,K,L) \), where \( A \) public stocks of knowledge from research and development (R); \( R \), is stock of results from the stock of expenditure on research and development, \( K \), is capital of firm, and \( L \), is labour stock of firm. In this he further stated that the aggregate production of endogenous theory is \( Y = F(C, K, L) \); where \( Y \) = aggregate real output; \( K \)= stock of capital and; \( L \) = stock of labour and \( A \) = technology ( or technological advancement).

Empirical findings

Odularu et al (2009), investigated the relationship between energy consumption and the Nigerian economy from the period of 1970-2005. He discovered that positive relationship exist between energy consumption (from oil, coal and electricity) and economic growth. However, the lagged values between energy consumption and economic growth were negative; exception of coal. Similarly, an investigation on impact of stabilization policies (monetary and fiscal policies) and electricity supply on economic development in Nigeria was carried out the result was that supply of electricity is important drive for economic growth and development (Udah 2011).

Using bonds testing approach, Babatunde et al (2008), analysed the level of relationship between residential demand for electricity in Nigeria as a function of real gross domestic product per capita, and the price of electricity, the price of substitute and population between 1970 and 2006. It was discovered that the income, the price of substitute and population are the main determinants of electricity demand in Nigeria Thus, our works is an extension, which investigated the joint impacts of energy demand and supply, and the difference (balance) on economic growth.

Methodology: Specification and Estimation Techniques


Model Specification

The model used for the study is based on the endogenous growth model used by stern 1991), Romer (1986, 1990), Sala-I-Martens (1990).

The endogenous production function is given as:

\[
RGDP = A K^{a} L^{b} \]  \(……….. (1)\)

Where \( RGDP \) = Real Gross Domestic Product

\( A \) = Total factor productivity

\( K \) = Capital

\( L \) = Labour

But since factor productivity depends on the state of technology (tools, machines etc) which in turn is a function of energy (power), we model the total factor productivity as a function of electricity demand (consumption), electricity supply and electricity balance as follows:

\[
A (Es, Ed, Eb) \] \(………………. (2)\)
Where Es = Electricity supply, Ed = Electricity demand or consumption and Eb Electricity balance. By combining equation (1) and (2) we have
\[
\text{RGDP} = F(K^{a_1}L^{a_2}Es^{a_3}, Ed^{a_4})…………………. (3)
\]
We would also note that energy balance exist when the supply of energy is equal to or in excess of the demand for energy (Orubu, 2010 and Ayodele 2003).

Then equation (3) can be further compressed as:
\[
\text{RGDP} = F(K^{b_1}, L^{b_2}, Eb^{b_3})…………………(4)
\]
As further noted by Ayodele (2003), when the demand for energy is in excess of its supply, it result to imbalance of the system which supposedly triggers a crisis situation.

**Econometric specification of the Models: I and II**

From eq. (3) we have
\[
\text{LOG (RGDP)} = a_0 + a_1\text{Log (K)}+ a_2\text{Log(L)}+ a_3 \text{Log(ES)} + \text{Log (Ed)} + \eta………………………………….. (5)
\]
Apriori expectation is \(a_0>0, a_1>0, a_2>0, a_3>0, a_4>0\)

From equation (4)
\[
\text{Log (RGDP)} = b_0 + b_1\text{Log (K)} + b_2\text{Log (L)} + b_3\text{Log (Eb)} + u (6)
\]
Apriori expectations is thus; \(b_0>0, b_1>0, b_2>0, b_3>0\)

From the above equation we take the natural Log of both the dependent and explanatory variables thereby converting it into double-Log model. The use of double-Log model is triggered by the fact that the model is a production function which appears in a non-linear form. In order to linearise it we take both the natural log of the dependent variables and explanatory variables.

Where \(a_0\) and \(a_1\) are the intercept terms in equation 5 and 6 respectively.

**Data Analysis and Interpretation of Results**

**Unit Root Test for Stationarity**: A time series process is said to be stationary if “its mean arc! variance are constant over time and the value of the covariance between the two time periods depends only on the distance or gap or lag between the two time periods and not the actual time at which the covariance is computed” (Gujarati, 2003:797). This unit root is:

\[
H_0: \partial = 0
\]
\[
H_1: \partial < \text{ Alternative hypothesis}
\]

In a bid to ascertain the position of this problem, in this work, the researcher adopted the conventional augmented Dickey Fuller Test as follows: \(H_0 = \text{Non-stationary}\)

Reject \(H_0\) if ADF test statistic is greater than the critical value in absolute terms except otherwise.

<table>
<thead>
<tr>
<th>Variables</th>
<th>ADF statistic</th>
<th>1% critical value</th>
<th>5% critical value</th>
<th>10% critical value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>D(LOG(RGDP (-1)))</td>
<td>-3.817178</td>
<td>-3.6228</td>
<td>-2.9446</td>
<td>-2.6105</td>
<td>Stationary at first difference</td>
</tr>
<tr>
<td>D(LOG)(ED (-1)))</td>
<td>-5.729876</td>
<td>-3.6228</td>
<td>-2.9446</td>
<td>-2.6105</td>
<td>Stationary at first difference</td>
</tr>
<tr>
<td>D(LOG)(ES (-1)))</td>
<td>-3.627720</td>
<td>3.6228</td>
<td>2.9446</td>
<td>-2.6105</td>
<td>Stationary at first difference</td>
</tr>
<tr>
<td>D(LOG)(K (-1)))</td>
<td>-3.942444</td>
<td>3.6228</td>
<td>2.9446</td>
<td>-2.6105</td>
<td>Stationary at first difference</td>
</tr>
<tr>
<td>D(LOG)(L (-1))2</td>
<td>-7.49409</td>
<td>3.6289</td>
<td>2.9472</td>
<td>-2.6118</td>
<td>Stationary at second difference</td>
</tr>
<tr>
<td>D(LOG)(ED (-1)))</td>
<td>-4.172157</td>
<td>3.6228</td>
<td>2.9446</td>
<td>-2.6105</td>
<td>Stationary at first difference</td>
</tr>
</tbody>
</table>

From the above table, is shows that all the variables became stationary after first difference at 5% significance level respectively except labour which is stationary at second difference. Therefore we can conclude that they are all one and two i.e 1(1) and 1(2) thereby OLS regression may not produce “spurious” results since all variables are stationary at first difference and second difference. Now we proceed to determine if the variables have long-run relationship using co-integration test.
Co-Integration Test Result for Models I & II

Reject $H_0$ if the absolute value of the ADF for statistics is greater than the absolute critical value at the chosen level of significance for the generated residual series, otherwise do not reject $H_0$.

The result is below

**Model I**

<table>
<thead>
<tr>
<th>ADF test statistics</th>
<th>1% Critical value</th>
</tr>
</thead>
<tbody>
<tr>
<td>-4.920256</td>
<td>-3.6228</td>
</tr>
</tbody>
</table>

**Model II**

<table>
<thead>
<tr>
<th>ADF test statistics</th>
<th>5% Critical value</th>
<th>10% critical value</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3.386811</td>
<td>-2.9446</td>
<td>-2.6105</td>
</tr>
</tbody>
</table>

From the result obtained, we therefore reject $H_0$ and conclude that there exist co-integration among the variables thus a long run relationship exist among the model variables.

Error Correction Model

Since from our co-integration test result, there exist a long run relationship between the dependent variables and explanatory variable ascertain if the short run relationship still exist or there is disequilibrium in the short run, make use of error correction model.

Applying the unit root test to the residuals from the regression, we found that the residual are stationary, suggesting that RGDP and the explanatory variables are co-integrated. Using this knowledge we obtained the following Error Correction Model (ECM).

**Error Correction Model Result for Model 1**

\[
\Delta \log(RGDP) = -0.00767 + 0.17864 \Delta \log(ED) - 0.006461 \Delta \log(ES) + 0.154204 \Delta \log(K) - 0.036970 \Delta \log(L) - 0.616045 \text{RESIDUAL} - 1 + \varepsilon_t
\]

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>T-Statistics</th>
<th>P Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>D(\log(K))RESIDUAL(-1)</td>
<td>0.602705</td>
<td>0.179897</td>
<td>-3.350280</td>
<td>0.0019</td>
</tr>
<tr>
<td>D(\log(L))RESIDUAL(-1)</td>
<td>-0.308435</td>
<td>0.176517</td>
<td>-1.747387</td>
<td>0.0893</td>
</tr>
<tr>
<td>D(\log(EB))RESIDUAL(-1)</td>
<td>-0.271778</td>
<td>0.175197</td>
<td>-1.551267</td>
<td>0.1298</td>
</tr>
<tr>
<td>D(\log(ES))RESIDUAL(-1)</td>
<td>-0.288952</td>
<td>0.177990</td>
<td>-1.623414</td>
<td>0.1135</td>
</tr>
</tbody>
</table>

Suggesting that there is indeed an Adjustment between the dependent variable, and other explanatory variables the coefficient of the Residual 0.616045 means that about 62% of the discrepancy between the long term and short term RGDP is corrected within a quarter or a year. From the table of ECM model 1 and 11 below, we tested for each of the explanatory variables and dependent variable in order to properly explain the adjustment processes and corrects for any disequilibrium between the long-run and short-run relationship.

**Error Correction Model for Model 1**

Here $U_{t-1}$ is the lagged value of the error correction from the preceding period. From the above regression result, the coefficient of the residuals is negative which conforms to a priori expectation.

**Error Correction Model Result for Model 11**

\[
\Delta \log(RGDP) = 0.008461 + 0.157522 \Delta \log(K) - 0.033410 \Delta \log(L) + 0.015832 \Delta \log(EB) - 0.632360 \text{RESIDUAL} - 1 + \varepsilon_t
\]

\[
R^2 = 0.328253, \text{D.W} = 2.12166
\]

Where $U_{t-1}$ is the lagged value of the error correction from the proceeding period. From the above regression result, the coefficient of the residuals is negative which conforms to a priori expectation.

Suggesting that there is indeed an Adjustment between the dependent
variable, and other explanatory variables the coefficient of the Residual - 0.632360 means that about 63% of the discrepancy between the long term and short term RGDP is corrected within a quarter or a year. The t-statistics for the residual is -3.448798, therefore, is statistically significant.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>Std Error</th>
<th>T-Statistics</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>D (LOG (K(RESDUAL (-1)</td>
<td>0.602705</td>
<td>0.179897</td>
<td>-3.350280</td>
<td>0.0019</td>
</tr>
<tr>
<td>D(LOG (L)RESDUAL (-1)</td>
<td>-0.308433</td>
<td>0.176517</td>
<td>-1.747387</td>
<td>0.0893</td>
</tr>
<tr>
<td>D(LOG)(EB)RESDUAL (-1)</td>
<td>-0.281194</td>
<td>0.177794</td>
<td>-1.581571</td>
<td>0.1227</td>
</tr>
</tbody>
</table>

Error Correction Model Result for Model 11

Here UT1 is the lagged value of the error correction from the proceeding period. From the above regression result, the coefficient of residuals is negative which conforms to a priori expectation. Suggesting that there is indeed an Adjustment between the dependent variable, and other explanatory variable. For the variable labour(L) the coefficient of the 0.602705 means that about 60% of the discrepancy between the long term and short term RGDP is corrected within a quarter or a year. For capital(K) the coefficient 0.308435 means that about 31% of the discrepancy between the long term and short term RGDP is corrected within a quarter or year. For energy balance(EB) the coefficient 0.28 1194 means that about 28% the discrepancy between the long term and short term RGDP is corrected within a quarter or a year.

Model 1. REGRESSION RESULT

Dependent variable: log (RGDP)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>Std Error</th>
<th>T-Statistics</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>13.46461</td>
<td>0.722370*</td>
<td>18.63950</td>
<td>0.000</td>
</tr>
<tr>
<td>LOG (Ed)</td>
<td>-0.002088</td>
<td>0.150054*</td>
<td>-0.013912</td>
<td>0.989</td>
</tr>
<tr>
<td>LOG (Es)</td>
<td>-0.154573</td>
<td>0.131964*</td>
<td>-1.171324</td>
<td>0.2496</td>
</tr>
<tr>
<td>LOG (K)</td>
<td>0.172789</td>
<td>0.013328*</td>
<td>12.96462</td>
<td>0.000</td>
</tr>
<tr>
<td>LOG (L)</td>
<td>-0.064248</td>
<td>0.035312*</td>
<td>-1.819430</td>
<td>0.0777</td>
</tr>
</tbody>
</table>

R² = 0.914170    F-Statistic =90.53318
R² = 0.904073    D- W statistics = 1.278667

Where* denote HAC standards error

We should note that in the above empirical results in order to correct the presence of autocorrelation and heteroscedasticity we make use of Newey-West HAC standard errors and covariance, we applied this procedure because the sample size is relatively large (39).

Evaluation Based on Econometric(A Priori Criteria)

In this section, we present the economic interpretation of the regression result and verify whether parameter estimate in each model conforms to a priori expectation.

Constant (c) = the constant measure the intercept of the regression result from the above empirical result, keeping all other variable constant (ED, ES, K, L) = 0 Real gross domestic product increases by the proportion of 13.46%

Electricity Demand (ED): The sign of its coefficient is negative, which does not conform to a priori expectation which postulates that the higher the demand for electricity, the higher the real gross domestic product. Since the coefficient appears negative, it means the demand of electricity is higher than the supply which certainly leads to imbalance experienced hitherto in the system. To this end, the decrease in power supply is the cause of the poor performance of the gross domestic product. The coefficient -0.002088 implies that over the study period, an average, a one percentage (1%) increase in the electricity demand leads to approximately about (0.002088 x 100) 0.2 1% decrease in real gross domestic product. This utterly is counterproductive and diabetic in guaranteeing industrial and insatiable economic development, consequently plunging the economy into deficient generator demand economy". Why the result is shamefully so is due the fat t1 the bulk of electricity consumed in Nigeria during the period under review (1970-2010) were not from public source, but privately generated through personal electric generating sets- "I better pass my neighbor generator economy".

Electricity Supply (ES)

The sign of the coefficient is negative which does not conform to a priori expectation since the higher the electricity supply the greater ii e output and that would lead to increase in the real gross domestic product. The coefficient -0.154574 shows that during the study period, a 1% increase in electricity supply leads to an average approximately about 15.46% (0.154573 x 100) decrease in real gross domestic product.
Capital (K)
The sign of the coefficient of capital is positive which conform to a priori expectation. The higher the capital, the higher the output level and the higher the real gross domestic product, the coefficient 0.172789 means that over the sample period, a 1% increase in capital on average leads to approximately 17.2 (0.1727x 100) increase in real gross domestic product.

Labour (L)
The sign of the coefficient of labour is negative which does not conform to a priori expectation because it is expected that the higher the labour the higher the output (RGDP). The coefficient -0.064248 thus shows over the sample period, a 1% increase in labour on the average, will lead to approximately 6.42% decrease in Real Gross Domestic Product (RGDP).

Model II

<table>
<thead>
<tr>
<th>Dependent Variables</th>
<th>Coefficient</th>
<th>Sts Error</th>
<th>T-Statistics</th>
<th>Prob</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOG (RGDP) variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>11.50472</td>
<td>0.480203*</td>
<td>32.95803</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG (K)</td>
<td>0.152849</td>
<td>0.022095*</td>
<td>6.917842</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG (L)</td>
<td>-0.101415</td>
<td>0.039875*</td>
<td>-2.543032</td>
<td>0.0156</td>
</tr>
<tr>
<td>LOG (EB)</td>
<td>-0.060071</td>
<td>0.025706*</td>
<td>-2.336830</td>
<td>0.0253</td>
</tr>
</tbody>
</table>

R2= 0.899772  F=104.7345
R2= 0.891181 D.W=1.198399

Where* denotes HAC standard errors
Just like we applied in model 1, in order to correct the presence of autocorrelation and heteroscedasticity, we make use of Newey-West HAC standard errors and covariance. Wherever the above empirical result, the sample is relatively very large (39).

Constant (c): The constant measures the intercept of the regression result, from the above empirical result, keeping all other variable, constant (K, I, EB) = 0, Real Gross Domestic Product increases by the proportion of 11.5%.

Constant (K): The sign of the coefficient from the regression result is positive which conforms to a priori expectation. The coefficient value of 0.152849 means that over the sample period, a 1% increase in capital on average leads to approximately 15.28% (0.152849 x 100) increase in real gross domestic product.

Labour (L): The sign of the coefficient of labour is negatively signed which does not conform to a priori expectation because, it is expected that the higher the labour, the higher the output (RGDP). The coefficient value of -0.1014 this shows over the sample period, a 1% increase in labour on the average will lead to 10% decrease in RGDP.

Electricity Balance
The sign of the coefficient is negative thus showing the demand for electricity is greater than the supply of electricity and this could cause disequilibrium in the system. The coefficient value of -0.060071 means that over the sample period, a 1% increase in electricity balance on the average will lead to approximately 6% decrease in RGDP.

Summary of the t-statistics: Model I

<table>
<thead>
<tr>
<th>Variables</th>
<th>t. Statistics</th>
<th>Critical t</th>
<th>Decision</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>18.63950</td>
<td>2.042</td>
<td>/t&gt;t reject</td>
<td>Statistically significant</td>
</tr>
<tr>
<td>ED</td>
<td>-0.013912</td>
<td>2.042</td>
<td>/t&gt;t * do no reject H&lt;sub&gt;0&lt;/sub&gt;</td>
<td>Statistically significant</td>
</tr>
<tr>
<td>ES</td>
<td>-1.171324</td>
<td>2.042</td>
<td>/t&gt;t * do no reject H&lt;sub&gt;0&lt;/sub&gt;</td>
<td>Statistically significant</td>
</tr>
<tr>
<td>K</td>
<td>12.96462</td>
<td>2.042</td>
<td>/t&gt;t reject</td>
<td>Statistically significant</td>
</tr>
<tr>
<td>L</td>
<td>-1.819430</td>
<td>2.042</td>
<td>/t&gt;t * do no reject H&lt;sub&gt;0&lt;/sub&gt;</td>
<td>Statistically significant</td>
</tr>
</tbody>
</table>
Summary of the t-statistics: Model 11

<table>
<thead>
<tr>
<th>Variables</th>
<th>t. Statistics</th>
<th>Critical t</th>
<th>Decision</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>32.95803</td>
<td>2.042</td>
<td>./t/&gt;t reject</td>
<td>Statistically significant</td>
</tr>
<tr>
<td>K</td>
<td>6.917842</td>
<td>2.042</td>
<td>./t/&gt;t * reject</td>
<td>H&lt;sub&gt;0&lt;/sub&gt; Statistically significant</td>
</tr>
<tr>
<td>L</td>
<td>-2.543032</td>
<td>2.042</td>
<td>./t/&gt;t * reject</td>
<td>H&lt;sub&gt;0&lt;/sub&gt; Statistically significant</td>
</tr>
<tr>
<td>EB</td>
<td>-2.336830</td>
<td>2.042</td>
<td>./-t/&gt;t reject</td>
<td>Statistically significant</td>
</tr>
</tbody>
</table>

F-Test
This measures the overall significance of the regression model
F- Statistic 90.53318 (For Model I)
F- Statistics=104.7345 (For Model II)

At a = 0.05 = n= 39 Fa (k-1, n-k) DF= F0.05 (4, 39) = 2.69 and F( )5 (3, 39) = 2.49 Since F- statistics = 90.53318 is greater than the critical F 2.69. We thereby reject H<sub>0</sub> and conclude that the model has a robust fit and is statistical significant. Alternatively it also means there exist a true relationship between the regress and the regressor. In addition, the F-test in Model II is 104.7345. also greater than critical F= 2.49. The overall significance of Model II showed improved results, based on exclusion of Es and Ed. All the variables have an enormous influence on GDP.

Goodness of Fit Test ($R^2$)
$R^2$ (Coefficient of determination) measures the proportion of total variation of the regressand that is explained by the explanatory variables. The $R^2$ coefficient is 0.914170 while the adjusted $R^2$ = 0.904073 in model I and 11 has 0.899772 with adjusted $R^2$ of 0.891 181. This implies that about 91% and 89% of the total variation in the Dependent Variable (RGDV) is explanatory variables in model 1 and model 11 respectively.

In other to test whether this $R^2$ is statistically significant for the true goodness of fit in a model lets subject it to test.

Observed $R^2_1$ = 0.914 170 and $R^2_2$=0.899772
Critical $R^2 = 0.097$
Since observed $R^2_1$= 0.914 170 and $R^2_2$=0.899772 are greater than critical $R^2 = 0.097$, we thereby reject H<sub>0</sub> and concluded that the coefficient of determination $R^2_1$ and $R^2_2$ are statistically significant and a true goodness of fit for the models.
The need for Unit Root and other econometrics test is due to Durbin-Watson statistics of 1.29 and 1.2, indicating the presence of serial correlation.

Conclusions
This paper examine the issue of energy balance to Nigeria Economic Growth with focus on the electricity sector. The electricity sector has remained veritable sources of rapid economic growth and development of the country. From the study, it is established that imbalance exist between electricity supply and demand. The electricity demand in excess of supply, evidenced by overstretched electricity demand in Nigeria is authenticated with the overall significance of model 11 that showed a robust fit Capital investment exerted a positive and significant influence on the economy, this may not be far from the government effort to the sector.

However, the inverse relationship between labour and real Gross Product typified the laxity and complacency, complicated with mammon (god of money) worship, unbridled corruption influenza and quacks found in the power sector. The models variable, displayed short and long run equilibrium which portend that electricity supply, electricity demand, capital employed and electricity balance are important determinants of economic growth. It is quite obvious that the unbalance in the demand and supply of electricity is responsible for the stunted and the state of coma of electricity sectors that required multiple doctors. Electricity condition had had devastating and cancerous effects on the Nigerian economy.

Policy Implications and Recommendations
The policy implications and recommendations are based on the major findings of this study. They are as follows:
(i) This study shows that a wide gap exists between electricity demand and electricity supply in Nigeria. This suggests that policy makers should place much emphasis on ways to narrow this gap. This calls for
adequate funding for investment in new power stations and, the maintenance and supply of infrastructure as well as the rehabilitation of existing power plants. Also, Nigeria has not explored the nuclear sources of power generation. This should be properly harnessed.

(ii) The study shows empirically that the electricity supplied does not transform to meaningful economic growth. This implies that electricity supplied does not lead to greater output thus, the decrease in real gross domestic product. The policy implication is that the power sector needs to be overhauled. Complete reformation of the power sector is paramount at this point.

(iii) The privatization move of the electricity sector by the government should be encouraged to allow for genuine independent power producers and private investors; The company should not be handed over to moneynets, those who are in business because they are business (political quasi-businessmen) but to paternal corporate capitalists which primary aim is skewed or centred on satisficing or social responsibility.

(iv) The license tenor of 10years that does not give sufficient means for an investor to recoup his investment, should be stamped out by the government. These will help to reduce the inefficiency and corruption in the sector thereby transforming better performance. In addition, incentive based regulatory regime using weighted average tariff via Multi-Year Tariff Order (MYTO) and Sales Agreement should be pushed rigorously. This tariff takes account of fuel subsidies to power station operators. The review of it should be in such way as to attract private investors.

(v) The issue of vandalism and theft of power apparatus should be checked, because this causes unnecessary disturbances in power transmission.

(vi) Drastic reduction of high technical and non-technical losses, transmission losses, poor voltage stability due to poor planning and apropos maintenance regime are required to heal the distressed electricity condition in Nigeria.

(vii) This study also shows that capital investment has a positive influence on Real Gross Domestic Product. This implies that attempt to reduce capital in this sector, has adverse effect on real gross domestic product.

(viii) Drive for domestic use of gas, putting on ground all the processing capacity and transportation of infrastructure that would supply gas to all available gas fired station.

(ix) Widening Prepayment Meter Installation-GSM approach; the distribution companies will make notable progress in revenue collection efficiency. On the other hand, the tricks and undue extortion, gnashed with shameless corrupt practice, unethically performed by staff will be eradicated, given room for proper utilization, distribution and consumption of electricity in Nigeria.

REFERENCES
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