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FRAMEWORK FOR HUMAN CAPITAL DEVELOPMENT IN NIGERIA: A PUBLIC-PRIVATE PARTNERSHIP APPROACH

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Abstract

This paper investigates the framework for human capital development in Nigeria through a public-private partnership (PPP) approach. No doubt, population of a country determines the subsisted human capital resources and this in turn determines the economic status of such country. Therefore, human capital development becomes a mantra for economic development. Unfortunately, government spending on education and health is so negligible as to make any meaningful impact on Nigerian economy. It is for this purpose the participation of the private sector become very crucial and relevant in the development of human capital of Nigeria. Partnership and corporate social responsibility become an elixir for the framework for private sector participation. The moribund education and health sector need total overhauling and upgrading to facilitate a positive change in our economy and the public-private sector partnership is crucial in effecting this change. The benefit of PPP cannot be overemphasized: it enhances the skills and training of the workforce of a firm and consequently increases the productivity of such firm. So there is a greater benefit in navigating PPP in increasing the national output. This paper therefore contributes to extant literature on PPP approach to human capital development.

¹ **DISCLAIMER:** This paper is entirely the views of the author; it does not represent the opinion of First Registrars limited. Any correspondence regarding this paper should be directed to the author and not first Registrars.

INTRODUCTION

Nigeria, with a population of about 150 million people, is vast in mineral resources. The huge population, no doubt, should be accorded with high potentials of human resources. As the most populated country in Africa, the country should be proud of the best latent skills and expertise of the people which is sacrosanct to the development of the country's economy. But it is paradoxical to see the same country in absolute vacuum of developmental path, and then we need to ask the question "where are we getting it wrong?" A critical assessment of this statement will bring to bear the development of human capital in Nigeria. In human capital development, education and health are essential. Education is the cultivation of "the whole person" including intellectual, character and psychomotor development. It is the human resources of any nation, rather than its physical capital and material resources, which ultimately determine the character and pace of its economic and social development. For the purpose of this discussion, human capital will be defined as a component of Education and Health expenditure because the nation's wealth creation is a function of quantity and quality of human capital formation it possesses. Human capital can therefore be regarded as those skills and expertise acquired through training to improve and increase production capacities of the economy, and in terms of health, it can be regarded as energy that enhances labour productivity. Succinctly, human capital is the term economists often use for education, health, and other human capacities that can raise productivity when increased (Todaro and Smith 2003). The concept of human capital also refers to the abilities and skills of human resources of a country, while human capital formation refers to the process of acquiring and increasing the number of persons who have the skills, education and experience that are crucial for economic growth and development of a country (Okojie 1995:44). Public expenditures on education and health sectors could be measured as the yardstick for level of human capital development in Nigeria. In fact, one of the provisions of the seven-point agenda of President Yar'Adua is to ensure the minimum acceptable international standards of education for all. With that, a strategic educational development plan will ensure excellence in both the tutoring and learning of skills in science and

technology by students who will be considered as the future innovators and industrialists of Nigeria by the year 2015. Nigeria overtime has had series of developmental programmes with education and health reforms in the center stage. The past failures of these developmental plans were due to the fact that government was left alone in financing the human capacities of the country. Therefore, most of these programmes became nostalgia without a meaningful assistance from the private sector. To make the case worse, government expenditures overtime on health and education have been negligible to give these two sectors a face lift: this is why the sectors required a bail out from the private sector through public-private sector participation. According to the Human Development Report (2009), two out of every five of Nigerian graduate student are interested in leaving Nigeria as a way of gaining social status than being gainfully employed at home. The scale and importance of the issue of education and skills development for employment and Small and Medium Scale Enterprise (SME) development is of such a magnitude that it requires the involvement of both the public and private sectors. The social ills that come with youth unemployment will not only have a negative impact on private sector growth, but also in the development of the entire nation. To rescue the sector from total collapse, private sector involvement is required through a well defined framework that creates a platform for a change.

BRIEF LITERATURE REVIEW

Empirical literature on human capital development

The concept of human capital refers to knowledge, abilities and skills of the individuals that can be used in the activities that stimulate economic growth and development (Coleman, 1988). To further enlarge the concept, Florin and Schultze (2000) pointed out the existence of different types of human capital. Firm-specific human capital refers to skills and knowledge that are valuable only within a certain firm. They are directly correlated with tradition, culture and its practice and they can be applied only within that company. Although they can represent a competitive advantage for the firm that have them, due to the fact that they cannot be transferred to other companies (Grant, 1996).

Industry-specific human capital regards the knowledge resulted from experience specific to an industry. The level in which this experience contributes to obtaining economic performances and social development was analyzed both by Siegel and MacMillan (1993), and also by Kenney and Von Burg (1999). Further researches demonstrated that this type of human capital may play an important role in generation of innovative activities only if it takes place a knowledge, personnel and technology exchange within that industry. An important correlation is represented by different types of public-private or private-private partnership: large research programs imply sometimes substantial costs which cannot be sustained only by one firm.

The third type of human capital is the individual specific human capital. This refers to knowledge that is required in firms and industries. This can include managerial and entrepreneurial experience (Pennings, Lee, Van Witteloostuijn, 1998), a certain level of education and vocational training (Hinz, Jungbauer, 1999) and the total households' income (Kilkenny, Nalbarte, Besser, 1999). It is considered that a certain level of human capital of one human being may influence the economic success at the micro and macroeconomic level.

In another development, Kilkenny, Nalbarte, Besser (1999), in reference to the success of human capital model, suggests the fact that the economic performance is positively correlated with the experience, level of training and total income.

Experience, adaptation and specialization on a certain field is a prerequisite in achieving the best results in our chosen field and these can consequently increase the quality of human capital. Considering the presumption that human beings possess skills and abilities that can be improved and so they can change the way they act (Becker, 1964), human capital is seen as an important source of competitive advantage of the employees, companies and even of societies (Gimeno, Folta, Cooper, Woo, 1997). It was proved that there is a positive correlation between the general level of human capital, measured by level of education, quality of life (health) and work experience, and the economic performance, both at the individual's level and at the firm's level (Pennings, Kyungmook, Van Witteloostuijn, 1998).

Maskell and Malmberg (1999) argue that the overall stock of knowledge and skills of a society or region may increase its global competition. So, if the investment in human capital, through professional trainings, may raise the competition of a firm (Black, Lynch, 1996), in the same way human capital may increase the global productivity at the societal level, improving the physical and intellectual effort of all the individuals (Cannon, 2000).

Empirical literature on Public- Private Partnership (PPP)

Public Private Partnerships (PPP) is not a new phenomenon having made its introduction in 1992 by the UK Conservative government under the title of the Private Finance Initiative (PFI). Since then, PPP have been adopted by governments worldwide. There is no one authoritative definition of PPP. For example, the Department of Treasury and Finance (Victoria) defines PPP as:

'... a contract for a private party to deliver public infrastructure-based services' (DTF 2001, p. 3).

Whereas Broadbent and Laughlin (2003, p. 334) refer to PPP as:

'...an approach to delivering public services that involves the private sector, but one that provides for a more direct control relationship between the public and private sector than would be achieved by a simple market-based and arms-length purchase.'

It appears that PPP allow for much greater participation by the private sector for the delivery of services.

PPPs emerged as a result of five contextual shifts:

- An ideological shift in the 1990s from “freeing” the market (i.e., liberating business from restrictive bureaucracy) to “modifying” the market (i.e., creating a facilitating environment);
- A growing disillusionment with the UN and its agencies and their overlapping mandates, parallel programs, and interagency competition;
- An increasing recognition that the health and education agenda are so large that no single sector or organization can tackle them alone (Buse and Walt, 2000a);

- A realization that the market alone cannot solve the problems of the world's poorest. Public involvement is needed if health and education services are to reach the poor (Widdus, 2001); and
- A growing interest among private players to enhance their involvement in social issues and to be seen as ethically and socially responsible. This why today, many organization are socially responsible as this form the basis of their mission statement.

Some managers are also motivated by the desire for respect in the community and to contribute to improving the quality of life—investing in products and alliances to meet public health objectives appeals to some sensibilities (BASICS, 1999; Slater and Saade, 1996). Private markets often do provide goods and services that are affordable for all (Widdus, 2001).

PPP are used worldwide and their use is increasing. PPP utilize private sector finance to design, construct, maintain and operate the infrastructure. They normally involve a capital component and an on-going service delivery component, which is paid for over the long term by a series of payments from the government similar to lease payments and/or in combination with a user pays regime (Malone, 2005). Watson (2003) identified two main reasons for their increased use. The first is for government to reduce debt, and the second is to attain value for money (VFM) from these large projects. Lilley and De Giorgio (2004) identify VFM and the timely delivery of new infrastructure as the main reasons for their increased use. Examples of infrastructure that has been developed using the PPP model include but are not limited to hospitals, roads, convention centres, schools, prisons and police stations.

HUMAN CAPITAL DEVELOPMENT IN NIGERIA

The National Economic Empowerment and Development Strategy (NEEDS), a blue print for poverty reduction strategy document, target a goal of increasing government's budgetary allocation to health and education from 8% to 10%

between 2004 and 2007. In the document, attention was drawn to education and health.

NEEDS document also unveils the crucial role education plays in bridging the future gap of economic development in Nigeria. In this regard, NEEDS documents provide the strategic aims of empowering the citizenry to acquire skills and knowledge that would prepare them for the challenges ahead. The following are the fundamental issues it addresses:

- Faithful implementation of the free, compulsory Universal Basic Education which includes:
 - Improvement of education Infrastructure.
 - Expansion of institutional capacity to produce quality manpower.
 - Expansion of total school enrolment.
- Re-tooling and repositioning of technical schools to be able to address the technical manpower needs of the economy.
- Establishment of more vocational centers to encourage Nigerians to embrace vocational education.
- Review of school curricular at all levels to incorporate the study of information and communication technology (ICT).
- Review of school curricular from primary to tertiary to incorporate vocational and entrepreneurial skills. .
- Expand existing special education programs including the virtual library project, the distance learning program and the Nomadic education program.
- Sustain existing vocational/on-the-job training programs of the Federal government and encourage the states to do the same.
- The National Youths Service Corps will be reviewed with a view to using a good part of the service year to develop entrepreneurial and basic business skills in corps members.

To improve the health situation of every citizen, NEEDS document detailed necessary issues that need to be addressed and among these are:

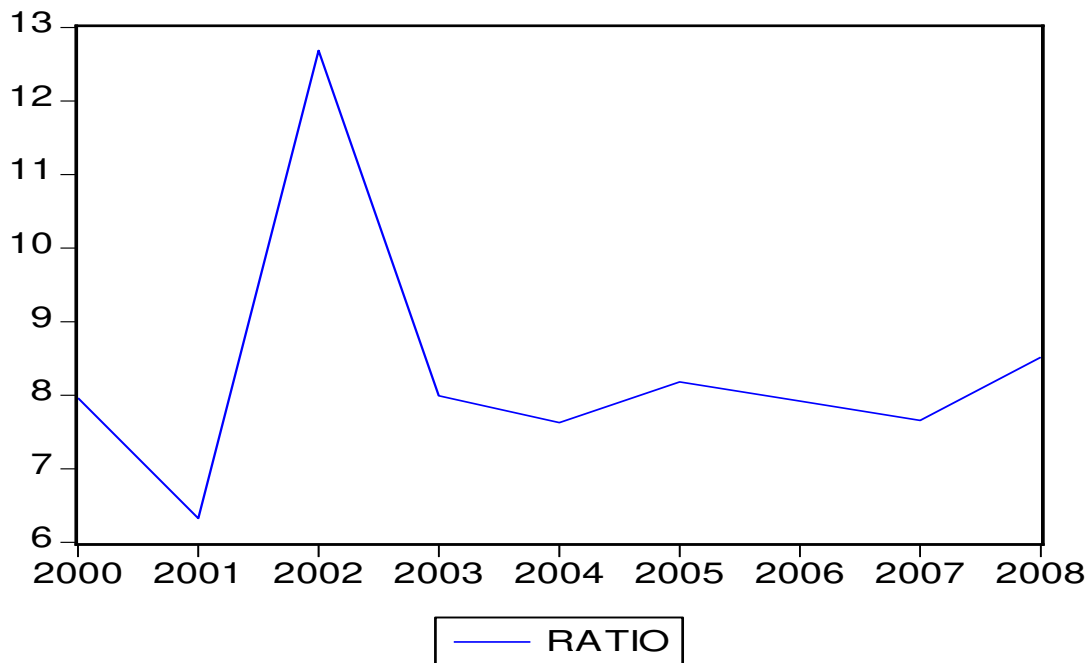
- Redefinition of the roles and responsibilities of the federal Ministry of Health (FMOH) and other Federal public health structures and institutions in the provision and financing of quality services to Nigerians.
- Reorganization and restructuring within the context of the redefined roles and responsibilities.
- Review of existing health policies and strategies as well as health legislations culminating in the publication of a new National Health policy and the enactment of health system and the health functions of each of the three levels of government.
- Strengthening the capacity of FMOH in policy formulation and implementation.
- Improving the existing and/ or setting up of new mechanisms to generate and use evidence and information for health policy/ program/plan development and implementation.
- Increase in antenatal, postnatal, and family planning services and outlets to reduce maternal and infant mortality from the present 704/100,000 and 77/1000 respectively.

In Human Development Report (HDR) (2009), Nigeria was ranked 158th (compared to 157th position it was in 2006, definitely there is a retrogressive development) position in economic development of the world, the last country of medium Human development division in the report. Comparing Nigeria with United State of America (USA) or any developed country will be too harsh in judging Nigeria economy but comparing Nigeria with Ghana, Egypt, South Africa (SA) or Kenya will spill the bean of Nigeria's underdevelopment in its full glare. In the report, Nigeria's life expectancy at birth was put at 47.7 years (male 47.2 years while female is 48.2 years) whereas, Egypt which was ranked 123rd position has its life expectancy to be 69.9 years (male 68.2 and female 71.7 years). Adult literacy is another indicator of importance that caught my attention: the adult literacy rate of aged 15 years above between 1999 and 2007 for Nigeria was put at 72% and SA was put at 88%. In school enrolment rate in Education, Nigeria has 53% and Egypt has 76.4%. The question resurface again, where are we getting it wrong?. In terms of expenditure, the

report indicated that in Egypt, SA and Kenya the expenditure of government in 2006 on health as a ratio of total government expenditure was 7.3%, 9.9% and 6.1% respectively and 3.5% in Nigeria. From year 2000 to 2007 the ratio of the expenditure on education as a total of federal government expenditure in Egypt, SA and Kenya was 12.6%, 17.4% and 17.9% respectively on the average. But in Nigeria, the ratio of government spending on education and health sector combined, from year 2000 to 2008 to total government expenditure, was less than 12.6%, 17.4% and 17.9% obtained in the three countries above. This can be confirmed from the table below.

Table 1

The ratio of expenditure on education and health sector to total expenditure in Nigeria is shown below:



Source: Self computation

The table has gallantly revealed the volatility status of the expenditure of government on education and health. Consequently, the urgent need to rescue the system by partnering with the government arises. The highest was in year 2002 with 12.686%

and the lowest was in 2001 with 6.32%. The gamut of these ratios is large enough to conclude that the two sectors that determine the human capital base of the country have been neglected. My concern is that Egypt, SA and Kenya do not possess as many as human and mineral resources as Nigeria, yet Nigeria, a paragon of talented professionals is economically backward. The economic sustainability which has been the major focus of many economic programs executed in this country will soon be thrown to the dunghill of history if nothing is done to avert this awkward and dastard situation. To avoid this state of affair and to ensure development through capacity building, public and private sectors should see the need for partnership to address the ugly state of our health and education sector. Hence, emphasis to build a formidable and an astounding economy through a clear and a well define blue print for capacity building in this country should be constructed.

THE FRAMEWORK FOR PUBLIC-PRIVATE PARTNERSHIP IN DEVELOPING HUMAN CAPITAL IN NIGERIA.

The disgusting and appalling state of Nigeria's education and health sector which represents the nation's human capital capacity calls for state of emergency through a public-private sector partnership. According to Harbison:

“Human resources constitute the ultimate basis for the wealth of nations. Capital and natural resources are passive factors of production; human beings are the active agents who accumulate capital, exploit natural resources, build social, economic and political organization, and carry forward national development. Clearly, a country which is unable to develop the skills and knowledge of its people and utilize them effectively in the national economy will be unable to develop anything else” (Harbison, 1973, p.3).

The roles of public sector

Government willingness to commit resources to human capital development typically rests on the belief that a better educated and trained populace positively impacts a nation's long term economic growth and stability. As Eric Hanushek and Ludger Wobman write in The World Bank report, *Education Quality and Economic Growth Report*, "For an economy, education can increase the human capital in the labor force also, to stay healthy enhances the strength and energy which has a positive effect on labor productivity and thus leads to a higher equilibrium level of output. It can also increase the innovative capacity of the economy— knowledge of new technologies, products and processes that promote growth. Governments are indeed necessary players in the creation and development of human capital. Apart from the provision of public education, they set parameters through legislation, market regulation and law enforcement, they encourage (or discourage) education and market participation by various segments of society, and can offer considerable institutional and financial support. Government can also provide legitimacy to movements for social or legal change and set the tone with respect to cultural attitudes toward innovation in health care delivery and education. The European Commission's 2002 *European Competitiveness Report* focused on human capital development and productivity growth. Ireland, Greece, Croatia, Bahrain, the Philippines, Saudi Arabia, Dubai and the Dominican Republic have all set up national competitiveness councils to facilitate human capital competitiveness initiatives. The financial crisis that began in 2008 has only made government investment in its nation's human capital more urgent. In countries across the globe, growth is slowing, unemployment is rising, and numerous other challenges are emerging from the shifting

economic landscape. To combat these factors, governments will be forced to rededicate themselves to equipping their citizens with the skills, education, health care delivery and qualities that will help them to better compete in an even fiercer global marketplace. Failing to do so could leave nations less stable, less competitive, and less prepared to support social and humanitarian progress when the global economy begins to recover.

The need for private sector

The public sector cannot successfully develop a nation's human capital alone. To maximize the opportunities and benefits of developing human capital, the private sectors are necessary partners. Without their participation, a nation cannot hope to maximize the benefits of human capital development. Why should companies support human capital development initiatives that, on average, have longer term horizons than other strategic business investments? Many firms suffer from what one business leader termed “short-termism,” or the diversion of attention from long term projects to focus on profitability in the very near term. Businesses are compensated for success in the short term; but in the long-term will find themselves ill served by such a mentality. Most successful human capital development initiatives are undertaken with an eye to the longer term. Some leading firms are starting to support human capital development because they recognize they will be among its main beneficiaries. Private sector involvement in education in Nigeria is equally gaining prominence in terms of philanthropic activities such as companies giving bursaries and scholarships to undergraduate students in different tertiary institutions. This is done mainly by large corporate organizations and parastatals. In addition, many of these companies also provide scholarships and bursaries to employees’ children. Their role in the provision of health care facilities to some of the hospitals cannot be overemphasized. It is unethical to mention firms which on their part have contributed greatly in the enhancement of Nigeria’s health sector but I want to quickly add that more still need to be done. Why do Nigerians travel abroad for medical

care? I think the answer is not far fetched; it is simply because of the dearth of medical facilities that has plagued the sector overtime. The challenges in the delivery of good health care have posed serious constraint on our medical professionals. Nigeria's health sector needs to be overhauled and participation of the private sector is crucial in achieving this prime objective.

Private companies also support educational institutions through donations of cash, equipment or materials as part of their corporate responsibility. Successfully developing human capital can offer three types of benefits for private enterprise: 1) improving competitiveness (individual companies & nationally), 2) improving employee recruitment, retention and motivation, and 3) contributing to the long-term economic and human development for a stable society. It is with an eye to these benefits that many prominent companies are working to develop human capital.

In ensuring the success of this partnership, a framework for effective participation of the private sector needs to be designed in a manner that will uplift the economy.

This framework can be conceived through a corporate social responsibility (CSR) and partnership approach.

CSR Approach

To engage private sector in developing the human capacity of this country is to be socially responsible. . The interpretation of CSR one makes influences the dialogue between governments, private sector and civil society. This results in different implications among various parties regarding the legitimacy, obligations and impact of corporate social responsibility standards. The definition most frequently used was first developed by Archie B. Carroll in the late 1970s with slight revisions in the 80s and 90s. "CSR is a term describing a company's obligation to be accountable to all of its stakeholders in all its operations and activities. "Consequently, behaving socially responsibly will increase the human development of stakeholders both within and outside the corporation." (Clarkson, 1995). In comparison to Western standards, there has been a near total collapse of governance in Nigeria. Consequently, CSR initiatives in Nigeria are

targeted at ameliorating the socio-economic development challenges of the country like poverty alleviation, health care provision, infrastructure development, education, etc. and are informed by socio-cultural influences like communalism and charity.

The Role of CSR in Health Care Promotion

The workplace is now recognized as an important setting for health development. Private sector business plays a dominant role as the driver of current global economic development, and globalization is bringing new social and economic challenges. For those concerned with promoting well-being, it is essential that policies and programs are adjusted to address this new reality and that the business community is, as far as possible, engaged as a partner in the promotion of well-being. World Health Organization (WHO) director general to the 51st World Health Assembly in 1998, Gro Harlem Brundtland indicated a significant shift in WHO's policy towards engaging the private sector when she said: "We must reach out to the private sector... the private sector has an important role to play both in technology development and the provision of services. We need open and constructive relations with the private sector and industry, knowing where our roles differ and where they may complement each other. I invite industries to join in a dialogue on the key issues facing us".

The Role of CSR in Education Development

Education is one of the key elements of sustainable development and pro-poor growth businesses. Therefore, working together with public sector and civil society can make an important contribution to providing an access to quality education for all. Companies can also make more critical impact on the development process by raising standards in corporate education and leadership development, and bringing best practices to their partners in developing and transitional economies.

The impact of CSR on sustainable competitiveness can be unbundled in five overlapping elements: enhancing reputation and brands, more efficient operations, improved financial performance, increased sales and consumer loyalty, increased ability to attract and retain quality employees. Business operation benefits from better human resources. In the human resources arena, work-life programs that result in reduced absenteeism and increased retention of employees often save companies' money through increased productivity and by a reduction in hiring and training costs. Education is no longer a social service or an end in itself but a means to many ends. Educational institutions and universities are no longer bastions or citadels of learning. So to reverse this ugly and retrogressive status, corporate business must see the need to be socially responsible because government alone cannot do it.

Partnership Approach

Partnership or collaboration is another framework for public-private sector participation in developing the nation's human capital. Partnership is an agreement between two or more partners with a common interest in some outcome of the partnership, a common understanding of what is expected from each partner, and a belief that each partner will perform in accordance with the agreement that has been established. The major element of this approach is consultation. There should be constant consultation between the public and private sector that presses home the need for developing human capital. Government almost entirely funding education and health determines curriculum, plan, implement and monitor educational and health care development. The resultant effect is the parlous state of the education and health care system characterized by inadequate resource base, acute shortages in facilities, infrastructure and learner support services, poor quality learning outcomes, low morale and frequent agitations and industrial disharmony. The most required action is to give impetus in repositioning the Nigerian education and health sectors for the challenges of human capital development and thus, enforces radical shift

from our entrenched traditional orientation about the roles of education and health care delivery and our commitment to its development.

The need for a successful PPP in social sector

Legal and regulatory framework

- Legal and regulatory framework.
- Common regulation in public – private.
- Minimum standards for quality of services.

Transparency and Accountability

- Accountability and Monitoring.
- Transparency and Fairness.
- Social accountability.
- Competition for inputs and outputs (both).

Suitable Public policies

- Policies / Rules. Regulations / Law. (Government).
- Enabling environment.
- Continuity of policy.
- Avoid duplication.

Commitment to Public Good

- Private Sector
- To provide non-profit services.

Common Understanding

- Clear demarcation of responsibility.
- Clear objectives and efficient organization on the structure (both).

Sharing of Resources

- Mutual benefit.
- Incentive and concessions.
- Joint projects in system improvement (public – private).
- Share cost and responsibility.
- Communication and information sharing (public + private).
- Provide manpower and financial resources (both).

Consumers and Community

- Consumer's informed choice.
- Community involvement in planning and monitoring of services.
- Consumer participation

Partnerships, to be successful, require work, transparency, and a shared set of operating principles among the partners.

Below are some partnership initiatives that can be employed in enhancing human capacities in the country:

Partnership on Education Sector Development:

- In partnership and collaborations, the private sector could work with educational institutions in ensuring a well designed curriculum that enhances human capacity building.
- Corporate executives could partner with educators in developing a curriculum that reflects a true picture of private - sector technology, standards and practice.
- Capitalizing on business expertise, whereby educational institutions with business organizations could set up programmes that focus on various specific aspects of business education.
- Partnerships between private and public sector can partner to assist in setting up academies for a particular industry. There is potential to set up an institution to give school leavers the necessary skill to work in the industry.
- Private sector can partner with the public sector in the provision of management expertise.
- Education policy formulation, implementation, funding and quality assurance should, as much as possible, involve all key stakeholders including the private sector, the communities and the civil society.
- Private sector organizations as key operators in the economy must be made and encouraged to heighten their participation and have more influence in academic offerings, careers and vocational training in our universities, polytechnics and other training institutions. Facilities, expertise and other resources of businesses and industrial enterprises need to be made more available and accessible to our educational institutions in their programmes. This will ensure that products of our education system are better prepared for the world of work and help to generally improve learning quality. It will also expand the resource base for funding education *in Nigeria*.
- Mentoring programmes that will enhance students' performances should be encouraged through a defined partnership relationship between the public and the

private sector. This will eventually create a platform where entrepreneurial skills will be built.

Partnership on Health Sector Development:

- Health facilities and services should be widely envisioned to include all expenditures that enhance life expectancy, stamina, strength, vigour and vitality of people.
- The private sector can partner with the government in financing and ensuring good health care delivery. It is advisable and beneficial for organizations to always add value to health centers located in the community where these businesses are sited. Just as scholarships are being distributed among students across the country, corporate firms can also promise free health care coverage for specific period for the deserving recipients.
- Private sector can collaborate with federal government in training and re-training medical officers in ensuring good health care delivery.
- There should be a memorandum of understanding between public and private sector in championing a cause of reducing either the infant or maternal mortality rate, improving the life expectancy rate while ensuring a free medical care for certain categories of the population.
- Private sector can set aside certain proportion of their profit before tax to augment government expenditure on health sector in each fiscal year. This collaborative effort will be a conduit pipe through which good health care will be delivered for all. Hence, human capital repository of Nigeria will be overhauled.
- Zero tolerance for HIV/AIDS or any other endemic diseases that may be life threatening should be emphasized through a comprehensive campaign for collaborative effort of the public and private sector.

In another development, Buse and Walt (2000a), emphasized that the “effectiveness” of PPPs in the health sector through transparency and easy communications could be enhanced in the following seven areas:

- (1) Clearly specified, realistic, and shared goals;
- (2) Clearly defined and agreed roles and responsibilities;
- (3) Distinct benefits for all partners;
- (4) The perception of transparency in the public eye;
- (5) Active “maintenance” of the partnership (i.e., resolution of conflict, regular meetings, etc.);
- (6) Equal participation; and
- (7) Honoring agreed obligations.

The nexus of building human capital resources and economic growth of any country is clear. Healthier, better educated citizens and a workforce that affords opportunities to all members of the population directly impact the level of production, quality of products and processes, and innovation that drive competitiveness. Businesses cannot afford to overlook all sources of talent, production or leadership – even if they come from less known origins.

The active participation of the private (business) sector could potentially have the greatest impact of the expansion of opportunities, improving cost effectiveness of educational and health care delivery. There seems to be a natural aversion to profiting from education and skills development. However, the profit motive has been highly effective in stimulating growth, access, quality improvements and investment in other sectors of the economy. There is no reason whatsoever, why we cannot expect the same effect in both health and education sector. If the Nigerian private sector should think about the partnering differently – as an opportunity for entrepreneurship innovation, competition, and compensation based on productivity, it can bring to this economy high performance standards and private sector skills.

THE MIDDLE EAST’S EXPERIENCE

A) The Saudi Petroleum Services Polytechnic Institute (SPSP)

The Vision – To assist Saudis in developing skills that are sought after in the oil industry.

The Activities – Saudi Arabian Chevron supports the Saudi Petroleum Services Polytechnic Institute (SPSP) to teach Saudis the skills needed to participate in the oil

industry as technicians. SPSP is run in conjunction with the Saudi Ministry of Petroleum and Mineral Resources and their Technical and Vocational Training Corporation and was founded in 2008. Saudi Arabian Chevron supports SPSP and offers students employment, following completion of a certificate program. The certificate program includes three elements: learning English, teaching skills necessary to work in the petroleum industry (including basic math, science and IT skills; health, environment and safety; and basic petroleum industry knowledge)

B) Johnson & Johnson Middle East Health Leadership Programme (MEHLP)

The Vision - Together with INSEAD (one of the world's largest business schools), Johnson & Johnson (J&J) has established the Middle East Health Leadership Programme to “provide healthcare policy makers with business and leadership skills required to deliver world class healthcare services to patients across the Arab region.” The Activities- Modeled on a similar J&J program in Europe, MEHLP works to arm health care providers and policymakers with the tools and techniques to respond successfully to the constantly changing landscape of healthcare. Now in its second year, MEHLP convenes healthcare policymakers from around the region to learn about international best practices and cutting-edge research, as well as share information and experiences.

Johnson & Johnson established the Johnson & Johnson Corporate Citizenship Trust Middle East in Dubai in 2008 to align its regional corporate responsibility work with its three corporate strategic goals of building healthcare capacity; improving and saving the lives of women and children; and preventing disease and reducing stigma and disability in underserved communities. Through MEHLP, J&J is working to build long-term capacity in the region for improving health care, its delivery and the ability to respond to innovation in the sector.

C) Unilever/FDI (World Dental Federation) Live. Learn. Laugh.

The Vision to improve oral health through education and raising awareness is an outstanding initiative by Unilever/FDI. The Activities oral health is an oft-overlooked element of healthcare development across the globe. But poor oral health can lead to poor nutrition, disease or infection, and impact an individuals' ability to consume a nutritious

diet. Live. Learn. Laugh. is the international partnership between Unilever and the FDI (World Dental Federation) to improve global oral health. In the Middle East and North Africa, the partnership is also collaborating with National Dental Associations to make preventative care more available. “Working for better public health is a complex task and requires interaction and collaboration with many different bodies.”

Unilever has specifically targeted its Signal brand for launching a program in the Middle East to target oral hygiene in primary school students. Partnering with local dental societies and dental care workers with the aim of visiting primary schools is to provide oral hygiene instruction. Educational material will be distributed to the children, their parents, and teachers. Unilever is working to reach 1 million Middle Eastern schoolchildren by 2010 to educate them on the values of improved oral hygiene

CONCLUSION

The challenges of development and economic growth are so large as to necessitate participation by each of society’s main actors. The millennium development goals, vision 2020 and the seven point agenda will only be a mirage if private sector stands aloof by folding their hands and watch how “miracle” will be performed. I would like to quickly, at this juncture, add that investments are in various forms. First is investment in risk bearing asset, although there are returns attached to these assets but it is a function of investor’s appetite for risk. This type of investment is what I call a GAME INVESTMENT (since the probability of success and failure is 50-50). The second form of investment is the safest form of investment that increases value of both the country and the investors in the long run and this is the investment in human being (human capital). Having said this, globalization, which has transformed the world economy to a small village, would not have achieved a monumental success without full participation of the private sector. It is against this backdrop, I would hold private sector accountable for human capital development in Nigeria. It will also be right for me to conclude that the frameworks for public-private initiatives in developing human capital are CSR and partnership with the government.

It is crystal clear that government expenditure on education and health is so minute that it could hardly transform the economy to a master piece. For this reason, the human capital base of this country needs to be salvaged through a comprehensive participation of the private sector. Moreover, the nexus of relationship between human capital and economic development has been established therefore, urgent actions are needed to improve Nigerian education and health sector.

I have come to realize that the value of a unit of currency spent by private and public sectors in enhancing and facilitating human resources development is greater than the value of billions and trillions of units of currency that will be spent on different capitals heads of the country (which includes expenditure on roads, machineries etc). Without training, skill acquisitions and energy, in what use can we put other resource? This is the problem of developing countries of which Nigeria form a part. We have seen successful experiences of public-private initiatives of other countries, and for Nigeria to join the queue of developed countries by the year 2020, public-private initiative in developing human capital base of this country must be accentuated. As government has responsibilities, private sector has duties to this country thus, human capital development should be perceived as responsibility of public and private sectors and not the government alone. We can no longer afford to fold our hands, the successful development and the future of this country lies in the hand of all.

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