

Public-Private Partnership as Mechanism for Employment Creation in Nigeria

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Abstract

Public-Private Partnership could be defined as the collaboration between two for improved services to bring about change that will influence employment creation and boost the economy of any country. In this paper, it is perceived as a twin sister that could work together for effectiveness and efficiency to promote employment creation. While on the other hand, employment creation is the process of creating new jobs, especially for people who are unemployed. With the current trend in Nigeria, public-private partnership seems to be the best option in resolving the menace of unemployment. There are valuable physical and mineral resources in Nigeria which could be used to create employment at local, national and international level. However, public sector has been pulling weight in offering employment to Nigerian youths, but due to the series of organizational problems it has been difficult for the public sector to cope with the fast growing population in terms of employment. Hence, this paper discussed the necessity for public-private partnership for employment creation in Nigeria. The paper examines the possible partnership areas between public and private sectors for employment creation in Nigeria. It elucidates the possible benefits and challenges of public-private partnership on employment creation. The paper recommended tapping of resources available in the socio-political zones to create jobs as well as vibrant economic policies and stable political climate which be put in place to enhance effective partnership between public and private sectors for employment creation.

Key words: Public-Private Partnership, Employment creation

Introduction

Nigeria population seems to be the largest in the Africa continent, Nigeria and other nations in the world seem to be facing high level of unemployment under different age grades. The issue of unemployment seems to have originated from poor infrastructural facilities, poor governance, and negligence of agriculture, faulty educational system, and low level of human capital development, high level of corruption, insecurity, incessant rural-urban migration, and epileptic electric power supply. Idumange (2012) asserted that one gray area in Nigeria's economic planning has been inability to industrialize, to accommodate the ever growing population of high caliber and intermediate workers. It is government's inability to provide job opportunities for Nigerian that has precipitated soaring unemployment in the country.

About two decades ago, the situation of employment in Nigeria turned to unpalatable stories. White collar job become bottleneck competition; the current trend shows that large numbers of able Nigerians are seeking for employment. The degree of labour supply exceeded the degree of labour demand in the labour market(Adebayo and Tope- Oke,2015). That means there is disequilibrium between the forces of demand and supply. The labour union agitation for upward wages review and political office holders jumbo payment astronomically push up the public recurrent expenditure and capital side is negatively affected.

From the observation, the private sector is on the fence on how to secure suitable infrastructure and safety environment for investment. The currency value is continuously depreciating in capital market and therefore makes condition of living more critical due to the high cost of living that paves way for hyper-inflation

economy, and high level of dependency ratio. Therefore, the unemployment trend needs to be addressed by diversifying the economy from oil to agriculture. Bokai (2006) is that agriculture is one of the bankable answer to unemployment problem. Hence, Liberian adopted agriculture and this turned around Liberia economy. Nigeria at local, state and national levels could adopt agriculture to reduce unemployment and improve its economy. Upon this background, the paper delved into PPP as mechanism for employment creation.

Concept of Public Private Partnerships (PPP) and Employment Creation

A public private partnership is a legally-binding contract between government and private sector for the provision of assets and the delivery of services that allocates responsibilities and business risks among the various partners. In a PPP arrangement, government remains actively involved throughout the project's life cycle. The private sector is responsible for the more commercial functions such as project design, construction, finance and operations(Wikipedia).

PPP involves a contract between a public-sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project(Khanom, 2010). In some types of PPP, the cost of using the service is borne exclusively by the users of the service and not by the taxpayer. In other types (notably the private finance initiative), capital investment is made by the private sector on the strength of a contract with government to provide agreed services and the cost of providing the service is borne wholly or in part by the government. Government contributions to a PPP may also be in kind (notably the transfer of existing assets). In projects that are aimed at creating public goods like in the infrastructure sector, the government may provide a capital subsidy in the form of a one-time grant, so as to make it more attractive to the private investors. In some other cases, the government may support the project by providing revenue subsidies, including tax breaks or by providing guaranteed annual revenues for a fixed period. Employment creation is the process of creating new jobs, especially for people who are unemployed. Every activity of public –private partnership seem to yields employment opportunity for the job seekers.

Employment creation is the creation of providing new jobs especially for people who are unemployed. It is the process of providing own jobs. The process of making more paid jobs available to the job seekers (Muhammad, 2011). It is the process of anchoring programmes or project by the public or private sector in order to assist the citizens to get employment. Such intervention programmes in the history of Nigeria include:

- National Directorate of Employment(NDE) launched in 1986
- National Poverty Eradication Programme (NAPEP) launched in 2002
- National Economic Empowerment and Development Strategy (NEEDS) launched in 2004
- Youth Enterprise with Innovation in Nigeria (YouWin) launched in 2010
- Subsidy Reinvestment and Empowerment Programme (SURE-P) launched in 2012(Ajeyalemi, 2016).

The America Job Creation Act of 2004 designed to benefit domestic manufacturers; multinational corporations as well as agriculture and energy sectors to enable them provide employment is in line with the intervention programmes of Nigeria government.Farayibi(2015) study revealed that private sectors generate employment opportunities than public sectors. He said that the informal sector in the country has the capacity to absorb all categories of workers irrespective of their level of education, and is a veritable tool for employment creation, income generation and poverty reduction in Nigeria .He posited that private sector has been generating technical work, transportation, farming, and serving business.

Okoye, (2003) opined that majority of youths are engage in private sectors activities as shop assistants, farm hands, clerical assistants, typist , stewards, cooks in the hotel and restaurants, in street trading and carvel labour. The private sector has been described as a major source of employment and income for the poor, seedbed of local entrepreneurship and a volatile instrument in the campaign to combat poverty and social extension (Akande&Akerele,2006).

In short, public – private partnership on employment creation could be conceived to imply legally binding contract between government and private sector for the investment on certain sector in an economy that will lead to the reduction in the level of unemployed people in an economy. Hence, Nigeria should shift a base mono-economy to diversified economy.

The Need of Public-Private Partnership for Employment Creation in Nigeria

Public-Private Partnership will be of high benefit if the resources that are readily available in our immediate environment can be diligently tapped in order to create employment and to survive our nation. Good rapport between the public and private sector is the main determinant for the reality of partnership concept for employment creation. Iloh (2013) asserted that public-private partnership helped Nigerian's to overcome the challenges posed by the global contends that the initiative has prospects in attaining the availability of revenue, improved business environment and regulatory framework management. Therefore, this paper looked into public – private partnership for employment creation in Ekiti State Southwest Nigeria.

Ekiti State is one of the southwest states in Nigeria. It has sixteen local government areas with the population of 2,384,212 and ranked as number 29th among the other states of the federation. It is disgusting that with the level of available resources in our environment, we are facing employment difficulties. It is obvious that the public sector have had series of problems of public sector like corruption, mismanagement, laziness, nepotism, tribalism, and among others.

The challenges mentioned earlier incapacitated the public sector, despite astute effort that have not yielded any positive results. The private sector seems to be waxing stronger in investment. Therefore, PPP concept can be used as mechanism for employment creation in the following areas.

Public – Private Partnership and Agricultural activities

The agricultural sector is the sector that accommodate large number of people in term of employment.

“Agriculture is the bedrock of any economy and that empowering farmers could turn Liberia's economy around because in his words most of Liberia's future jobs lie in the agro sector and its downstream activities and not in the renewable extractive industries”(Boakai, 2006).

Ekiti people are fond of farming. The following crops are common with Ekiti State farmers Yam, Cassava, Citrus, Oil palm, Cocoa, Rice, Vegetables, Sugar cane, and Banana. Through PPP concept the young people can be organized, trained and empower to grow all these varieties of crops. It will create employment and at the same time boost the level of income to individual, local government areas, national and international business activities.

PPP can as well be useful to create employment for youths on animal production, take for instance poultry keeping, fish farming, bees keeping, and among others. It is a means of creating employment and increasing the productivity level. Through PPPprogramme farmers can still be empowered for rapid and sustainable level of production. Irrigation farming is uncommon in Ekiti state. Under PPP irrigation farming can be introduced, it will create employment, encourage massive production and round the year production. PPP could be introduced by identifying the various groups that are interested in Agriculture

Public – Private Partnership and Small Scale Industries

The concept of PPP is applicable to the establishment of small scale industries in the bid to create employment opportunities for all and sundry. The following production can be supported under small scale industries:- cassava flour production, starch production, cocoa drinks, chocolate, plantain chips, pouno yam powder , vegetable oil , dried locust beans, palm oil, since the raw materials are available in Ekiti State. There could be collaboration between the illiterate farmers and unemployed graduates. Unemployed graduate can be trained on how to go about any of the business on small scale bases and as well gives redeemable credit facilities

after given reliable collateral security. The proprietor of the business will engaged himself and thereafter considers employment for more helping hands. As at the time of presenting this paper it is highly sympathetic that Ekiti State is not having any industry that can make best use of every available resource. PPP can start introducing small scale, medium scale and large scale that serve as an avenue for employment creation.

Public – Private Partnership and Tourism

It is noteworthy that Ekiti State endowed with the spectacular natural resources in which the idea of PPP can be used to develop the place and as well create employment opportunity for many people. The places like Ikogosi warm spring water in Ekiti state, Ipole-Iloro water dam, Egbeoba dam, Ero dam, Olosuntarock, Oorele rock and Okutagbeokutaleri could be equipped to standard as tourist center. ICT center could be situated in such places to boost tourism. The essence is to generate income and at the same time create employment. Presently, the Ikogosi spring water has been produced and marketed inform of bottle water named “Gossy water”. The company in partnership with Ekiti State government employed some graduates.

Public – Private Partnership and Education Sector

The major and peculiar venture in Ekiti is education. The sector deals with the development of manpower. The quality of graduate from the sector determined the quality of existing manpower in the economy. The sector required huge amount of fund, capital and infrastructure to produce graduate that will be self-reliant and competent manpower to sustain the Nigeria economy. Obviously, government alone cannot undertake the cost of giving education to all and sundry. In Ekiti state there are renowned institutions like AfeBabalola University, Crown Polytechnic, Fabotas College of Technology, Olubunmo College of Technology, Nova College, Petoa College and Tinuola Maximum College. Most interestingly AfeBabalola University, Ado Ekiti has been partner with the public institutions in Ekiti state, like Ekiti state University, Federal polytechnic, Ado Ekiti, Federal Teaching Hospital, Ido Ekiti in so many areas, this gives room for employment opportunity for skilled, semi-skilled and unskilled personnel. Therefore, there is the need for the public sector to support the private sector by teaming up with the school management to organize inductive, seminar, and conferences on capacity building for improved productivity and employment opportunity.

PPP in education sector can lead to the exchange of professional manpower and boost the studentship internship. Findings on research can shared between the public and private sectors. It can as well accelerate the teaching and learning of entrepreneurship concept which could later lead to employment creation.

Public-Private Partnership and Health Sector

There are no communities without health / maternity center but observably seems to be understaffing inadequate facilities. There is need for the public-private partnership on health sector for employment creation. The effort will help to boost the health services, to increase the number of existing hospital, clinic, and maternity and to provide necessary equipment for the skilled and semi – skilled health personnel to establish and operated in any of the community that are yet to gain access to the health facilities. Health is wealth. Awareness on environmental sanitation and waste management should be put in place using public – private partnership.

Public-private partnership and Security Service

The issue of Herdsmen attack and kidnapping act may be curbed through the effort of PPP. For example the governments of Ekiti State collaborate with vigilante, local security and private security guards by training the unemployed people on security issue, hence create jobs for some unemployed graduates. Public sector alone cannot finance the requirement equipment to combat insecurity of life and properties, to control the level of social crime that poses dangers/ fears on every aspect of the country. The private sectors can partners with the government to raise professional private security that will be used to support the requirement equipment to combat insecurity of life and properties. This has been happening in most of public and private institutions like tertiary institutions, banks, industries and recreational center. The process will lead to employment creation because the numbers of manpower used will sooth up, that means employment opportunities were created.

Presently in Ekiti state, the Vigilante group, Man O war, WAI Brigade, Peace Corps, OPC has been recruiting interested youths and teamed up with the public security bodies.

Public – Private Partnership and Commerce

Ekiti people are very vibrant in term of commercial activities. Every community is having market square that normally be in full business mood (buying and selling activities) every five – five days. It is a pity to remark that there are many raw materials and resources that have not been fully marketed, in which if it is fully marketed will not be problem of unemployment in the country. In Ekiti state PPP is useful to train and sensitize the able youths wandering about on the how to be involved in the marketing process of the available commodity in their immediate environment. The commodity like: maize, cassava, red oil, yam tuber, rice, pepper, melon, banana, oranges, sugarcane, locust beans, cocoa, cashew nut at inter –local market , inter – state market and supply to industries. This would lead to employment creation.

Public – Private Partnership and Transportation

In Ekiti state land transportation system is available but government alone cannot shoulder the expenses and provision of vehicles, hence there is need for private sector partnership in order to create employment for large number of people seeking for job. In Ekiti state PPP can be used to provide buses, cars, tri –cycle, motor cycle to the interested youth under the hire purchase scheme. Large numbers of youths are found nearly in every community and major towns in Ekiti state riding motor cycle popularly known as “ Okada”. Some are university, polytechnic, and college graduates.

Benefits of Public-private partnership

With the present situation in Ekiti state and host of other states in Nigeria, the idea of public – private partnership seems to be the best option for employment creation, as it is being perceived, that the public sector could no longer provide job for every able citizen again. The following are the possible benefits of public – private partnership in Ekiti state:

1. **Prompt Employment Opportunity:** Public-private partnership will lead to spontaneous and sustainable employment opportunity for every agile and able people looking for job.
2. **Increased Investment:** Public-private partnership concept will help to increase the volume of investment in the state. It will increase government internally generated revenue and as well improve household conditions of living.
3. **Manpower capacity building:** Public-private partnership will addressed the people looking for job, through training, sensitization, and empowerment programme on the available opportunity and how to go about it.
4. **Optimal utilization of resources:** Public-private partnership concept tends to create employment opportunity for all and sundry through efficient and effective utilization of the numerous resources that are available in our immediate environment. The gap between the available resources and utilization level will be narrowed through the PPP process (Okpara, 2012).
5. **Expert service accessibility:** Public-private partnership will give room for easy expert service accessibility. The private sector will not like to experience failure on any programme anchored on trust. The private sector will devote every expert in their possession to prove what they are for the success of any employment creation programme introduce by them.
6. **Economy stability:** Public-private partnership is useful to stabilize the economy of Ekiti state and any other states in Nigeria, because every available opportunity will be optimally utilized. Every resource will be tapped and all citizens will be employed, public and private revenue would no longer fluctuate.

7. **Political advantage:** There is political leverage to be gained from Public-private partnership in terms of public perception and financial management credentials, as projects are delivered on time with less impact on the budget and provide superior quality infrastructure or services(Colverson, 2012) .

Challenges to the effectiveness of Public-private partnership on employment creation in Ekiti state

With what Ekiti state and other states in Nigeria is currently facing on workers salary issue, capital project finance and large number of unemployed youths, the idea of PPP seems to be the best option for employment creation and to generate fund for the public and private sectors. But the following observable listed points could stand as impediment for public – private partnership as means of employment creation:

1. **Unstable political climate:** The Unstable political climate in Nigeria seems to have frustrated the positive rationale of PPP. The changes that occurred in the ruling party always accompany with the discontinuity of any policy been anchored by the predecessor. In a situation like that private partners used to be grossly affected.

2. **High level of inflation in the economy:** The level of inflation in Nigeria is very critical. It is always difficult for investment to thrive in an unstable economy. Price of raw materials, goods and services keep on soothing up astronomically. It makes things difficult for any potential investors or partners. It is always hard when the burden of fund provision is being borne by the private sector because of the price fluctuations.

3. **Unresponsive attitude to change:** From experience, it seems that averages Nigerian are not ready to adapt with the new development. The reason is that in some decades ago, it is very easy and convenient to secure white collar job. The situation where employers were vigorously pursued the fresh graduate, to come and join their services with plenty welfare packages to attract employee. But with the present situation, the story is no more the same again. Hence, majority off unemployed people are still finding if difficult to adapt with the possible options to be self-dependent in area of agriculture.

4. **Inadequate financial support:** It is quite sympathetic that most of self-employed and skill acquisition programme carried out in Nigeria for the young school leavers and host of others have not been backed with the provision of granting financial support to the prospective people that may be interested to embark on any typical small scale business. Through, private bodies have tried in the areas capacity building training but the loophole is how to help the beneficiary to secure credit facilities.

5. **Poor planning and implementation:** In Nigeria context, one of the major challenges of PPP is poor planning and implementation system. Experience has shown that there is always be no link between the body that will be involved in planning and the implementation. The PPP always seems to have problem with the public sector agencies. It seems that the private sector is always skeptical to dabble into the public project investment. Poor planning will no doubt resulted in to poor implementation and poor evaluation. No wonder Adebayo (2009) study recommend adequate planning and feasibility survey to improve implementation for successful business that will lead to self-dependent.

6. **Bottleneck condition for the establishment:** The issue of CAC, FIRS and multiple taxes seems to make things difficult for ease employment creation. The condition seems to be too tough, because supposed to make things difficult for ease employment creation. The condition seems to be too tough. Because supposed to encourage the unemployment people to go into investment with fewer burdens that help them to stand on their own and start employing others (Egboh&Chukwuemeka, 2012).

7. **Quick anticipation for business profit:** It seems that many investors do not normally allow their business to grow very well before they can talk of profit. Some do misuse the investment money and thereafter experienced business collapsed

8. Inadequate equipment for harvesting crops e.g. pepper, okro

9. Inadequate storage facilities for perishable foods e.g.ripe plantain, pepper, fruits etc.

Conclusion and Recommendation

This paper concludes with the emphasis on the fact that public-private partnership is the best measure to create employment opportunity and to save the Nigeria from monoculture economy system to diversified economy.

The paper recommended the following:

- Tapping of resources available in the socio-political zones to create jobs and vibrant economic policies
- Stable political climate which be put in place to enhance effective partnership between public and private sectors for employment creation.
- Every Nigerian should make best use of the available resources in their immediate environment to create employment for themselves and
- Government should create an enabling environment that will enable PPP concept to succeed in our states and country at large.
- Vibrant economic policies should be instituted by the public to allay private sectors fear on investment.

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