

The Critical Role of Health in Achieving Nigeria's Human Capital Development Goals

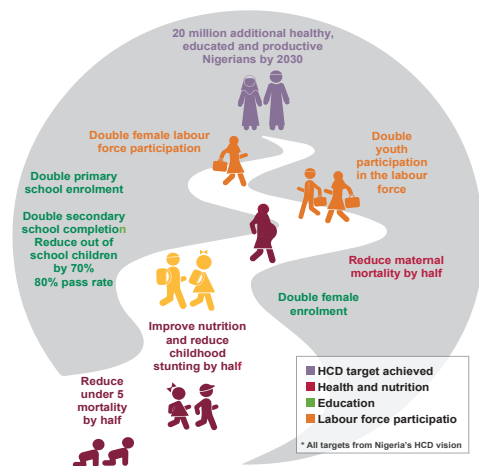
Human capital is “the knowledge, skills and health that people accumulate throughout their lives, enabling them to realize their potential as productive members of society. Investing in people through nutrition, health care, quality education, jobs and skills helps develop human capital, and this is key to ending extreme poverty and creating more inclusive societies” (World Bank, 2020).

Figure 1: What is Human Capital Development?



In 2018, the Government of Nigeria launched the Human Capital Development (HCD) Vision in recognition of the need to improve human capital to drive sustained economic growth and productivity. By 2030, the HCD Vision aims to have 24 million additional healthy, educated and productive Nigerians. This will be achieved through reaching specific targets for health, education and labour force participation (see Figure 2).

Figure 2: Nigeria's HCD Vision targets, 2030



By 2030, the HCD Vision aims to have 24 million additional healthy, educated and productive Nigerians. This will be achieved through reaching specific targets for health, education and labour force participation (see Figure 2).

Increased public investment in health is essential in order to achieve Nigeria's HCD Vision by 2030. Investing in health is a smart choice. Substantial evidence from low- and middle-income countries (LMICs) illustrates that health investment has a positive impact not only on health, but also on education, labour force participation, and ultimately economic growth. The Lancet Commission on Investing in Health (2013) estimated that every \$1 (NGN 380) invested in health in LMICs, produces an economic return of \$9-20 (NGN 3400 - 7600).



How does health investment improve HCD?

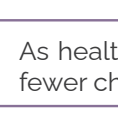
Gains in HCD and the economy resulting from health investment are achieved through a number of related pathways



Healthier children have better cognitive development and school attendance, as well as better employment opportunities in adulthood.



The health benefits of childhood nutritional interventions are passed onto beneficiaries' own children, as well as the knock-on benefits in education and labour force participation.



Improving adult health through, for example, treating HIV/AIDS, and iron supplementation, results in greater productivity and earnings.

As health improves, childhood mortality reduces and use of family planning increases, women have fewer children. Countries then reap the rewards of the demographic dividend, with economic growth.



As health improves and life expectancy increases, people save more for later life, which boosts investments and the economy.

Successful control of infectious disease through health investment attracts foreign investment, which strengthens the economy and creates jobs.



Jamison et al, 2016

Figure 3: Projected poverty alleviation through increased health investment, 2030

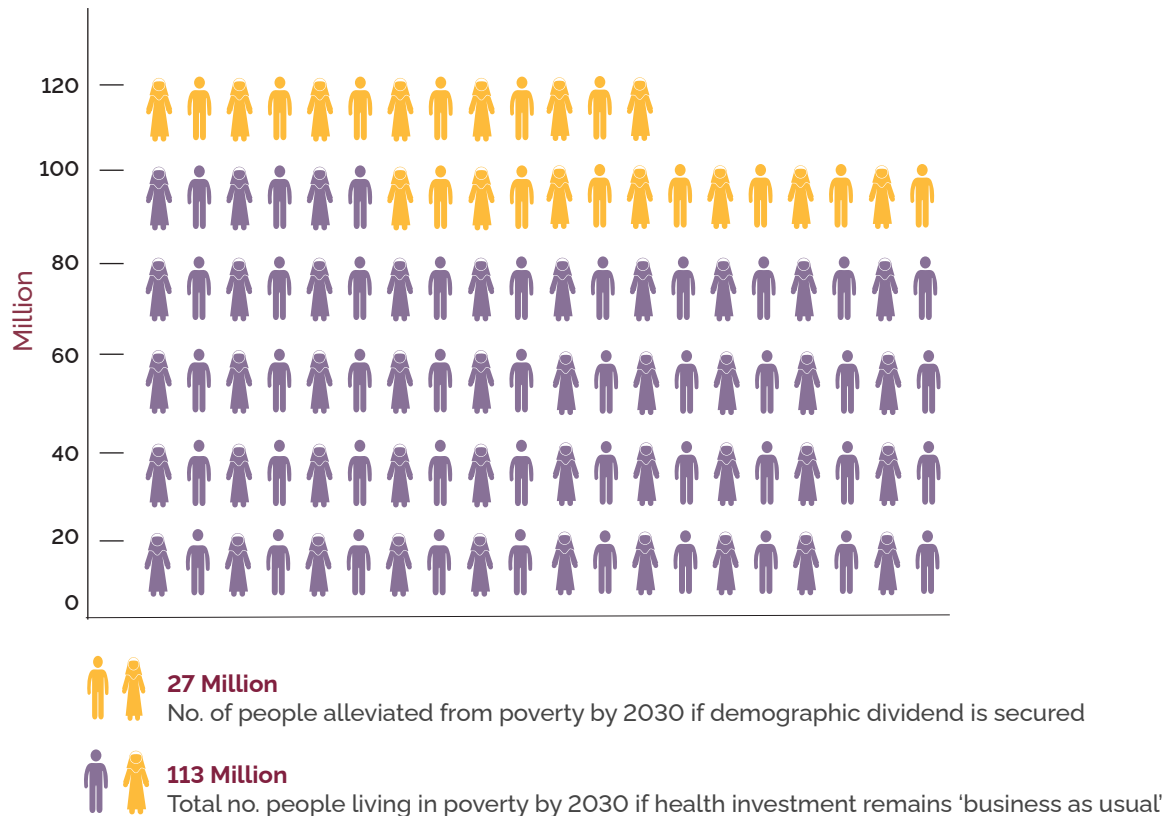
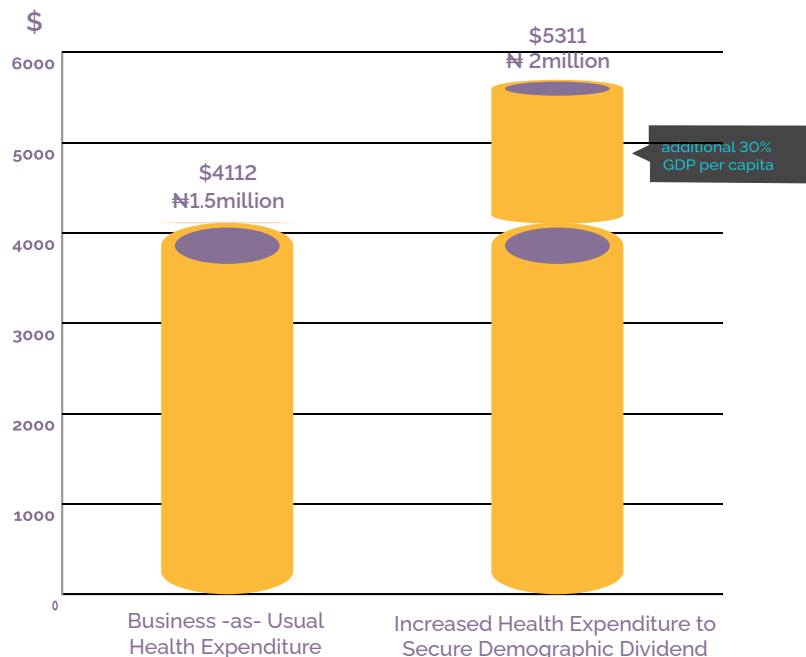


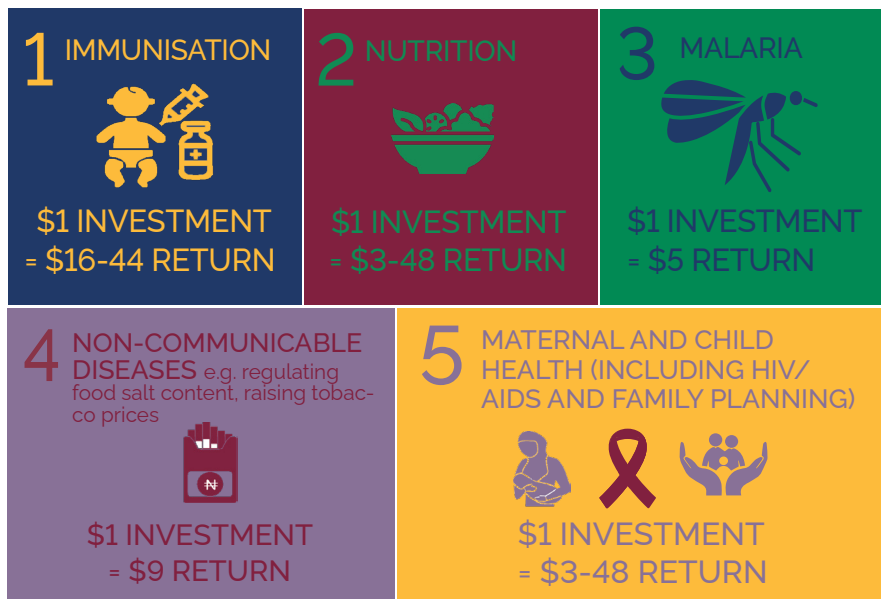
Figure 4: Projected GDP Per Capita, 2030



If Nigeria capitalises on its demographic dividend by increasing the proportion of the working age population and increasing life expectancy as a result of improved health investment, this is estimated to produce an additional 30% increase in GDP per capita by 2030, compared to maintaining 'business as usual' levels of health investment. Furthermore, securing the demographic dividend would lift an additional 27 million Nigerians out of poverty by 2030, compared to maintaining 'business as usual' levels of health investment.

The 'Best Buys' when Investing in Health

Packages of inexpensive, cost-effective interventions, targeted to those most in need, will have the greatest impact on health. Investing in the following areas are considered the 'best buys':

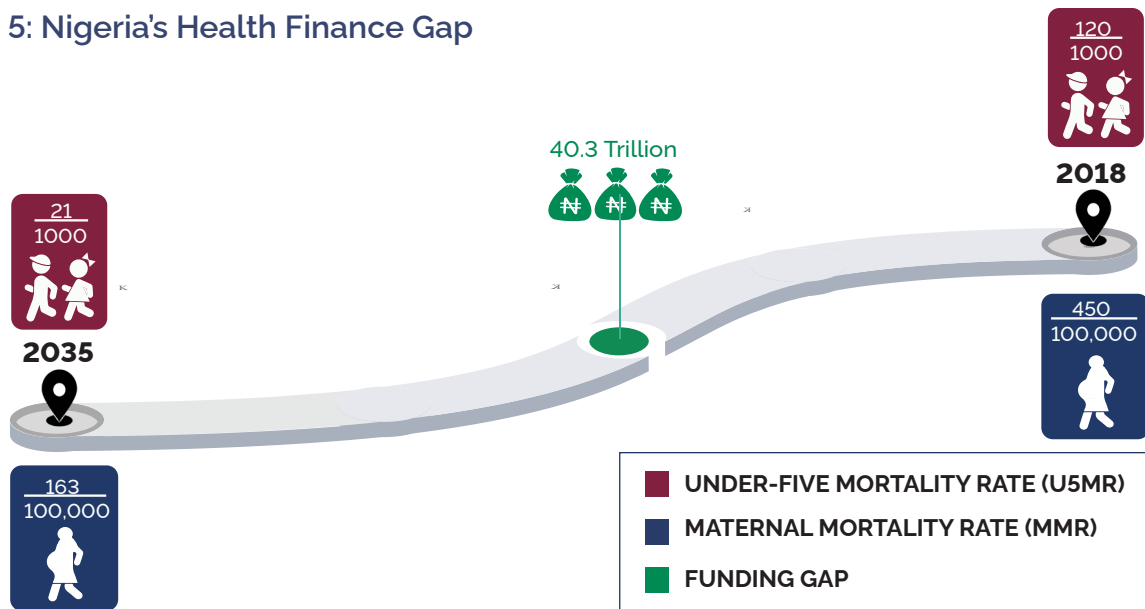


Jamison, et al (2016)

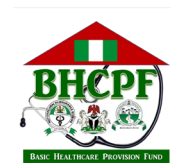
Of these, prioritising family planning is a particularly smart and economical choice, as it results in substantial savings in immunisation, nutrition and MCH services by reducing unwanted pregnancies and limiting family sizes.

Every additional dollar (NGN 380) spent on contraceptive services above the current level reduces the cost of pregnancy-related and newborn care by \$3.70 (NGN 1400).

Figure 5: Nigeria's Health Finance Gap



To reach a potential under-five mortality rate (U5MR) of **21 per 1000** and a maternal mortality rate (MMR) of **163 per 100,000**, Jamison et al (2013), estimate that Nigeria has a financing gap of **NGN 40.3 trillion**, if current levels of public health expenditure are maintained. To achieve this improved level of health, an additional health investment of an average **NGN 2.9 trillion** per year, between **2021 and 2035** is required.



Public health investment must also be distributed equitably, ideally prioritising those most in need first. The Basic Health Care Provision Fund (BHCPF) holds great potential in ensuring that health is accessible for all. Universal health coverage offers the promise of financing health gains whilst limiting exposure to financial risks for poor and vulnerable households seeking healthcare. Increased public health investment must be channelled through BHCPF. Including the 5 'best buys' for health in the BHCPF package of services is the smartest, economical choice for investing public health financing,



The economic impact of the COVID 19 pandemic is already beginning to be felt in Nigeria. The economy contracted by 6.1% year on year in the second quarter of 2020, the steepest decline in a decade, and 27% of the labour force are currently unemployed⁶. Now more than ever, public investment in health and health security is vital, as it offers great promise in boosting the economy in the long term.

A Call To Action

In order to fill Nigeria's health financing gap, and reach its HCD Goals by 2030, we ask the government to increase allocation and release of:



The proportion of domestic government expenditure allocated and released to health. The government ratified the Abuja Declaration committing to allocate 15% of total expenditure to health; currently this stands at 4.4%.



The proportion of the Consolidated Revenue Fund (CRF) supporting the BHCPF - to 15% by 2024, increasing to 2% by 2026.



The federal budget allocation and expenditure on family planning commodities - to NGN 1.4 billion in 2022, increasing to NGN 2.4 billion in 2026.

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