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NIGERIAN JOURNAL OF CONSTRUCTION TECHNOLOGY AND MANAGEMENT

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Editorial

Exactly twelve years ago, precisely in 1998 when Nigerian Journal of Construction Technology and Management (NJCTM) made its maiden appearance, Professor J. O. Kolawole (late) succinctly captured the vision of the Journal in the following words '... this vision is anchored on a desire to fill a vacuum by providing a focus on Nigerian (and indeed worldwide) expertise with required techniques, practices and areas of research in construction and allied disciplines'. The sustenance and development of this vision has indeed been a credit to his great foresight and selfless services while being pioneer editor-in-chief. Several other local and international editors enriched the NJCTM vision over the years, resulting in major editorial, quantitative and qualitative improvements as evidenced in the current edition. We are thankful for all these efforts, and recommend this edition to all construction researchers, students and practitioners.

The Journal management seizes this opportunity to congratulate the newly appointed Vice Chancellor of the University of Jos, Prof. Hayward Mafuyai, who emerged after a very keen selection process. We equally congratulate the new Dean of Environmental Sciences, Prof. A. C. Eziashi as well as the new Head of Building, by extension the editor-in-chief of NJTCM Prof. E. Achuenu. We wish these officers God's guidance and wisdom in running their new portfolios.

As an institution based journal, our major production challenge remains the unstable nature of academic calendar, giving rise to unfortunate irregularities in production schedule. As stability gradually returns to the system, the traditional two separate editions (June and December) will feature every year. Any inconvenience caused by the late arrival of this edition is therefore highly regretted.

Looking forward to seeing you in 2011.

Assoc. Prof. Y. D. Izam, MNIOB
Editorial Secretary

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IMPACT OF BUILDING AND CONSTRUCTION INVESTMENT ON THE NIGERIAN ECONOMY DURING THE MILITARY ERA (1991 – 1998) AND CIVILIAN ERA (1999 - 2006)

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ABSTRACT *This paper undertook an exploratory study of relationships between the type of political dispensation which were military and civilian eras, representing 1991-1998 and 1999-2006 respectively and the impact of building and construction investment on the Nigerian economy using simple linear regression analysis and Gross Domestic Product (dependent variable), Gross Fixed Capital Formation and Building and Construction Investment (independent variable) as the variables tested. The results showed that there were positive, linear and strong relationships between the variables in the two eras. This was as a result of the perfect correlation between the variables, as the dependent and independent variables increase simultaneously yearly on the average, but there were stronger relationships between the variables during the civilian political dispensation than in the military dispensation. This formed a basis for concluding that investments in building and construction work are reliable tools for regulating national economy. The paper recommended a review of the constitution to give room for a more pro-active (immediately implementable) and all encompassing national policy framework on building and construction industry as a tool for reactivating the economy as well as influencing the direction of the economy. It was also recommended that a further research be carried out to examine the influence of building and construction investments on the Nigerian economy for a period of ten years on to the future (2009-2018).*

Key words: National economy, military and civilian eras, Building and Construction, investment.

INTRODUCTION

Gross Domestic Product (GDP) is defined by Wikipedia Free Encyclopedia (2010) as a measure of a country's overall economic output. It is the market value of all final goods and services made within the borders of a country in a year. It can be determined in three ways: Product (output) Approach, Income Approach and Expenditure Approach. The most direct of the three, according to Wikipedia Free Encyclopedia (2010), is the product which sums the output of every class of enterprise to arrive at total. The expenditure approach works on the principle that all of the product must be bought by somebody, therefore the value of the total product must be equal to people's total expenditures in buying things. This can be represented mathematically as:

GDP = Private Consumption + Gross Investment + Government Spending + (Exports - Imports)

The income approach works on the principle that the incomes of the productive factors ("producers", colloquially) must be equal to the value of their product and determines GDP by finding the sum of all producers' incomes. It is as a result of these that Wikipedia Free Encyclopedia (2010) concludes that GDP comes under the heading of national accounts. The Federal Office of Statistics (2010) defines GDP as a measure of the economic performance of a national economy over a given period. It is the most aggregate of the national accounts and it is one of the indicators of the dissemination standard of the International Monetary Fund (IMF).

The term investment can be defined, in business, as the purchase of a financial product or other item of value with an expectation of favourable future returns. In general terms, on the other hand, it can be seen as the use of money in the hope of making more money. In the perspective of business, investment can be referred to as the purchase by a producer of a physical good, such as durable equipment or inventory, in the hope of improving future business (InvestorsWords.com, 2010).

Gross Fixed Capital Formation (GFCF) is the annual national expenditure on capital goods especially building and construction work (Saka, 2002). Building and Construction Investment (BCI) means all financial resources put in to the erection of residential and non-residential building projects as well as the construction of light civil and heavy engineering infrastructures such as roads, bridges, dams, seaports, airports, power station, manufacturing plants, petrochemical plants, etc.

The expression which qualifies construction industry as a regulator of the economy is a very familiar one. The actual fact is that it is the government that uses construction industry directly or indirectly to regulate the economy and not the construction industry on its own accord (Seeley, 2003). According to Saka (2002) Government is able to regulate both levels of interest and quality of credit available in the general public using various controls such as bank rates, open market operations and hire purchase restrictions. Increased interest rates results in higher cost of construction to be charged by contracting firms. The resultant

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effect is a reduced profit in construction projects. The construction firms in order to cope with the monetary policy may increase prices which often results in project abandonment. Fiscal policy, according to Soludo (2002) is designed either to influence the general level of economic activity or to promote particular social goals. Whatever method used will have repercussion on the level of construction activity. In doing this the Government keeps the aggregate demand of goods and services in line with supply at the level necessary to enhance full employment and price stability.

It was in the light of the above that Iburonke (2004a) asserted that an efficient construction industry is a pre-requisite to effective national development since building, civil and industrial engineering works are usually a major contributor to the Gross Fixed Capital Formation, Gross Domestic Product and National Employment.

According to Idris (2002) from independence to date Nigeria has had 12 regimes or administrations. Eight of these were military spanning over 30 years. Civilian leadership accounted for six regimes totaling to about 17 years. The changes involved constitutional dislocation which for the military meant centralization of power in the military Heads of States/President and his ruling armed forces. This has resulted in excessive personalization of power. More often than not in both civilian and military governments, justice has been miscarried, people were murdered at will and enormous amount of national wealth went into private accounts. Development became stalled, cultural values were eroded and unemployment rose with attendant migration of Nigerians abroad. This situation is counterproductive and cannot sustain a democratic society and economic development.

Saka (2002) examined the effect of building and construction investment on the Nigerian economy for the period of 16 years (1981-1996) and discovered that building and construction investment had considerable impact on the economy during this period, because it was discovered that building and construction investment had statistically significant linear relationship with (a) GFCF and (b) GDP, with R^2 value of 97.4% and 92.9% respectively and the linear correlation between GFCF and GDP was also statistically significant with an R^2 value of 85.1%.

This paper however carried out a study of the relationship between Building and Construction investments (BCI) and the Nigerian economy during the military and civilian political dispensations, as a result of the problems identified from the above mentioned previous studies in order to see whether the problems have any significant effect on the study.

The need for this research was to provide results or findings which would show if the problems identified to have affected the economy have negative effects on the relationship between the national economy and building and construction investment which are inseparable companions during each of the two eras under review, in order to have a basis for recommending to the government measures to be taken to salvage the economy of Nigeria, which was identified to have gone through several messes from one regime (whether military or civilian) to another, through well planned and massive investment in building and construction works.

The aim of the study is to point out the contribution of Building and Construction Investments to the Nigerian economy during the military era and civilian era with a view to make prominent the importance of capital formation to national economic growth and amplifying the contribution of building and construction investment to the Gross Fixed Capital Formation (GFCF). In order to achieve the aim, the following objectives were set out.

To determine the empirical correlation between Building and Construction Investment (BCI) and the Gross Domestic Product (GDP) [actual value from the national accounts] during the military and civilian eras.

To determine the statistical relationship between BCI and GFCF during the military and civilian eras.

To determine the statistical relationship between the GDP and the GFCF during the military and civilian eras.

To test the research variables statistically, this paper employs the following pair of hypotheses:

i) H_o: There is no significant relationship between Building and Construction Investment and the GDP during the military and civilian era.

H_1: There is significant relationship between Building and Construction Investment and the GDP during the military and civilian era.

ii) H_o: There is no significant relationship between Building and Construction Investment and GFCF for the periods under review.

H_1: There is significant relationship between Building and Construction Investment and GFCF for the periods under review.

iii)H_o: There is no significant relationship between the GDP and the GFCF in each of the two eras.

H_1: There is significant relationship between the GDP and the GFCF in each of the two eras.

In view of the nature of data collected (secondary data) the following assumptions were made:

i. The approach to data collection by the Federal Office of Statistics and subsequent computation of the annual Building and Construction Investment, Gross Fixed Capital Formation, Gross Domestic Product and other aspects of the national accounts took in to consideration all relevant factors that could vitiate the accuracy of the data.

ii. The data for the computation of the annual Building and Construction Investment, Gross Fixed Capital Formation, Gross Domestic Product and other aspects of the national accounts were collected from all facets of the Nigerian Economy between 1981 and 2006.

iii. The rate of inflation, market value of the Naira, foreign exchange policy and Structural Adjustment Programme during the period under review did not have any significant effect on Building and Construction Investment in particular and the national account in general.

LITERATURE REVIEW

The Concept of Investment:

According to the Oxford Advanced Learner's Dictionary (1981) investment means to put money in Government's stock or to put one's savings in a business enterprise. The Business Dictionary (2010) also defines investment as money committed or property acquired for future income. According to Block and Hirth (1996) a firm may hold excess funds in anticipation of some major cash outlay such as a dividend payment or partial retirement of debt or as a precaution against an unexpected event. Treasury bills are short-term obligations of the Federal Government and are a popular place to "park funds" because of a large and active market. Block and Hirth (1996) added that a successful owner of a small business must continually decide what to do with the profits his or her firm has generated. One option is to reinvest in the business - purchasing new plant and equipment, expanding inventory and perhaps hiring new employees. Another alternative, as suggested by Block and Hirth (1996), is to withdraw the funds from the business and invest them elsewhere.

According to World Bank (1995) a wide variety of types of investment incentives are used in developing countries, and they might be expected to have different effects. These types of investment incentives are tax rates differentiated over time, size, location, ownership and activity of firm, accelerated capital consumption allowances and investment and employment tax credits and allowances. World Bank (1995) explained further that certain types of firms may receive lower tax rates than others, either on a temporary or on a permanent basis. The use of preferential tax rates is a blunt instrument for providing investment incentives because the incentive does not vary with the amount of investment undertaken. Under an investment tax credit, companies in a specific industry or more generally, are allowed as a deduction against their tax liabilities a fraction of expenditure on new additions to physical or Research and Development capital stock or employment. The Government may provide incentives that reduce the cost of financing investments. A cash grant would be analogous to a tax credit in this regard. World Bank (1995) concluded that Government may also have certain provisions that affect the transfer of technology from foreign firms. These include equity participation requirements and the tax treatment of royalties and licenses. The threat of expropriation and uncertainty about future tax policies may influence the incentive for foreign investment. More generally, the existence of uncertainty makes cash up front more valuable than incentives providing benefits in the future. These mentioned points may affect the attitude of investors (both local and foreign) towards investing in building and construction activities.

Effect of Building and Construction Investment on National Economy:

According to Ibironke (2003) the building industry is very important in the economic development of any nation, especially in an expanding economy like Nigeria because it contributes immensely to employment, Gross Fixed Capital Formation and Gross Domestic Products. The industry also accounts for a significant share in the available stock of physical and financial resources. It also draws heavily on the limited supply of the technically skilled personnel as well as providing employment to a substantial number of manual workers. Ibironke (2004b) added that the importance of the construction industry is not limited to the different measures of economic development alone, slumps or upsurges in its activities have a high multiplier effect on almost every phase in the social and economic structure of a nation.

Building and construction works involve the erection of residential and non-residential buildings as well as the construction of light civil and heavy engineering infrastructure, such as roads, bridges, dams, seaports, power stations, manufacturing and petrochemical plants etc. The building and construction industry is expected to occupy a very strategic position in the national economy of Nigeria judging from the fact that it is the single largest contributor to the nation's Gross Fixed Capital Formation (GFCF) and a very important contributor to the Gross Domestic Product (GDP) (Olayide, 1976). In addition to this account, short

(1988) reported that a clear manifestation of the contribution of building and construction investment to the GDP is easily described from its contributions to production, employment, income, demand and multiplier effects in the economy. Additional investments in building and construction works tends to stimulate the national economy through the creation of employment, incomes and national aggregate demand, the total effects being larger than additional investments through multiplier effects.

GDP within the economy is the summary of all goods and services, capital receipts produced within the economy, such revenue involving the derivatives of the net cost of initiating a product and marketing it, and the final consumption also referred to as the cost of the commodity at market price. GDP within a country measures the finished output of the allocated cost to the respective sectors.

The fortunes of any nation's GFCF, according to Seeley (1984), most especially Building and Construction Investment (BCI), are very much closely inter-related with the prevailing condition of that nation's economy (GDP) as a whole. The two (GFCF and BCI) are inextricably inter-related and thus, BCI normally suffers its worse predicament during major national economic recessions. Equally, there is probably no other aspect of the economy that stands to benefit immensely more directly from a vibrant and prosperous national economy like the building and construction industry.

According to Stone (1988) GFCF is the aggregate expenditure in the provision of new fixed assets, such as building and construction, land improvement, transport equipment and machinery and equipments. It also includes outlays for the maintenance of those items during the year, while GDP is the market value of productive activity carried out within the geographical boundaries of the nation during the year.

The importance of a prosperous national economy to a sustainable investment in building and construction work and other capital infrastructures can never be over emphasized most especially in a developing country like Nigeria. The obvious reasons for this are that building construction and the national economy (GDP) are like inseparable companions and the economy can hardly function in the absence of infrastructural base, just as no meaningful infrastructural development can be achieved without a supportive economy (Osara, 1984).

Adedeji (2002) gave a summary description of building and construction products as the fabrics of the nation because they form the foundation on which the standard of living is based and serve the essential needs of industry and commerce. Nonetheless, the extent of investment in building and construction will depend, to a large extent, on the prevailing conditions of the national economy.

A Review of Effect of Political Power on National Economy during the Military and Civilian Eras:

According to Simon (1978) scholarly interest in the role of the military in developing areas has uncovered a number of issues that considerably expand traditional perspectives on the military institution. Simon (1978) classified these perspectives in to five as explained below.

Firstly, in the past labeling a regime "military" was sufficient to presume that among other things the military controlled, administered, and legislated at every governmental level. But it seems clear now that the military rarely, if ever, rules alone – there is usually a coalition of military and civilian elites. Similarly, one rarely finds a "total" civilian regime in developing areas – one that is completely divorced from military power. Moreover in defining military regimes there is the need to note that several developing countries have "services" other than army. Although, the ground forces play crucial roles in military intervention and subsequent rule, it does not always follow that the other services do not play important roles.

Second, little scholarly attention has been given to paramilitary and national police forces in their relationship to the military in developing areas. Such forces are generally deeply involved in internal politics, provide an alternative to the military, and are usually stationed in sensitive areas of the country.

Third, military intervention is too often seen as intervention by a cohesive and monolithic military institution. Fourth, the military in developing areas tends to be viewed in terms of Western models in the sense that the military tends to be too bureaucratic and as a result of which its policies become too rigid and inconvenient.

Fifth, only recently have some scholars turned their attention to other aspects of the military role, which is to the "return to barracks" phenomenon. For example, under what circumstances do military men relinquish formal control of a country and return to their "traditional" role, that of leaving politics to politicians? More specifically, does anything change after a coup and the military's "return to the barracks?"

In the light of the above, Simon (1978) concluded that there clearly is a need to review the existing perspectives on the military role in developing areas.

According to Idisi (2002) from independence to date Nigeria has had 13 regimes or administrations. Eight of these were military spanning over 30 years. Civilian leadership accounted for six regimes accounting for about 17 years. The changes

involved constitutional dislocation which for the military meant centralization of power in the military Heads of States President and his ruling armed forces. This has resulted in excessive personalization of power. Idisi (2000) added that even in the current civilian administration, there have been published cases of corruption on part of Federal Ministries, State governors, national assembly members and local government officials and also cases of face-offs between governors and their deputies, and conflicts between arms of government are now commonplace occurrences in Nigeria. More often than not in both civilian and military governments, justice has been miscarried, people were murdered at will and enormous amount of national wealth went into private accounts. Development became stalled, cultural values were eroded and unemployment rose with attendant migration of Nigerians abroad. This situation is counterproductive and cannot sustain a democratic society and economic development. Most of these problems, according to Idisi (2002), were greater during the military era than the civilian era.

METHODOLOGY

This paper focuses on the relationship between building and construction investment and the Nigerian economy during the military and civilian era, represented by 1991-1998 and 1999-2006 respectively. The data for the study were collected from the secondary source, which is from government publications from the Federal Bureau of Statistics, Federal Secretariat, Minna, Niger State. The relationships between the variables for this research work were tested with the use of Simple Linear Regression and Correlation Analyses, Analysis of Variance, F – test, and Descriptive Statistics.

The relationships between the variables in the data collected were determined using Regression Analysis, the Correlation coefficient (R square) and the test of significance (P-test and F-test). The regression analysis taking into account data in which variables are observed simultaneously in relation to one another (i.e. bivariate data) e.g. BCImt Vs GFCFmt and BCIcv Vs GFCFcv etc. This paper assures 5% level of significance. Hence for any value of P from 0.00 to 0.05 there is significance in the test but for values greater than 0.05 there is no significance in the test.

DATA PRESENTATION AND ANALYSIS

Data on BCI, GFCF and GDP during Military Era:

The data used in statistical analysis are given in Tables 1 and 2 below.

The data collected on BCI, GFCF and GDP during the military era was presented in Table 1 above. The lowest values for BCI, GFCF and GDP were =N=4,900.33million, =N=35,403.85million and =N=321,115.75million respectively each at 1991. The highest values were respectively noticed as =N=24,877.83million for BCI (1998), =N=267,508.74million for GFCF (1995) and =N=2,834,998.39million for GDP (1997).

Table 2below shows the data collected on BCI, GFCF and GDP during the civilian era. The respective lowest values of the variables were =N=28,405.60million for BCI, =N=231,661.69million for GFCF and =N=3,226,044.63million for GDP, each at 1999. The respective highest values of the variables also correspond at 2006 with the values of =N=278,364.10million, =N=2,314,408.30million and =N=18,215,298.89million respectively.

TABLE 1: Collated Data on BCI, GFCF and GDP during Military Era (1991 to 1998)

Year	Building and Construction Investment [BCI](=N=Million)	Gross Fixed Capital Formation [GFCF] (=N=Million)	Gross Domestic Product [GDP](=N=Million)
1991	4,900.33	35,403.85	321,115.75
1992	6,109.72	58,640.28	544,230.68
1993	8,019.10	80,948.04	691,608.40
1994	10,324.60	84,127.04	911,068.01
1995	13,784.38	267,508.74	1,960,685.58
1996	16,042.21	172,405.70	2,740,458.49
1997	18,775.76	249,652.91	2,834,998.39
1998	24,877.83	192,984.35	2,756,671.39

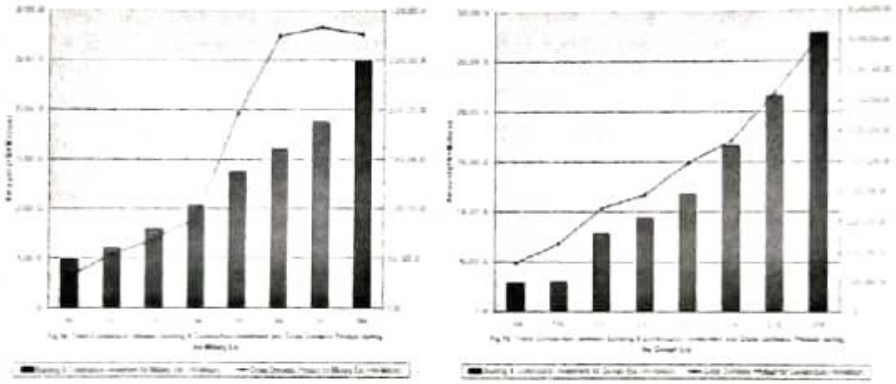
SOURCE: Federal Bureau of Statistics, Minna, (2007)

TABLE 2. Collated Data on BCI, GFCF and GDP during Civilian Era (1999 to 2006)

Year	Building and Construction Investment (=N=Million)	Gross Fixed Capital Formation (=N=Million)	Gross Domestic Product (=N=Million)
1999	28,405.60	231,661.69	3,226,044.63
2000	30,603.92	331,056.73	4,537,637.21
2001	78,601.61	372,135.65	6,895,198.33
2002	94,402.69	499,681.53	7,795,758.35
2003	118,557.93	868,190.77	9,913,518.19
2004	166,078.47	1,389,677.79	11,411,066.91
2005	215,786.12	1,780,037.92	14,572,239.11
2006	278,364.10	2,314,049.30	18,215,298.89

SOURCE: Federal Bureau of Statistics, Minna. (2007)

Trend Comparison between BCI, GDP and GFCF during Military and Civilian Era:
***Trend Relationship between BCI and GDP in Military and Civilian Eras**



***Trend Relationship between BCI and GFCF in Military and Civilian Eras**

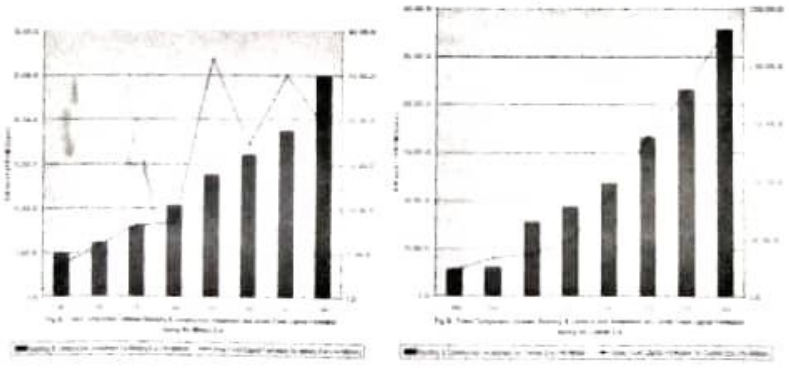
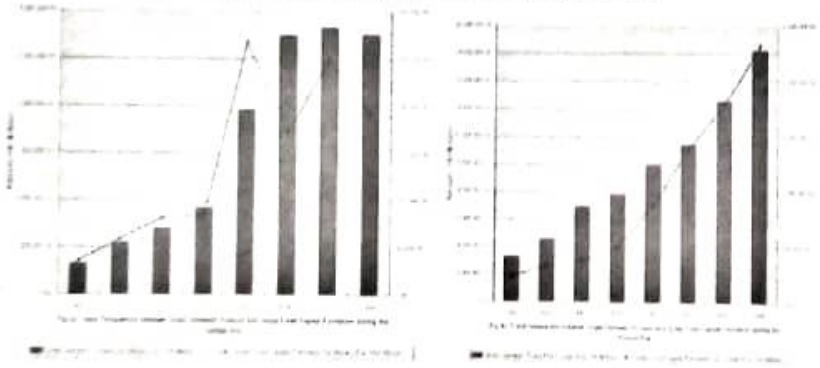


Figure 1 above compares trend between Building and Construction Investment (BCI) and Gross Domestic Product (GDP) during the military and civilian eras respectively. It was shown in Figure 1a that both variables follow similar trend pattern during the military era with the same rate of increase and decrease throughout the period under review except in the last year (1998) where BCI increased while GDP decreased. A similar trend pattern was observed between BCI and GDP in Figure 1b during the civilian era where it was also observed that both variables follow similar trend pattern except that both variables increased yearly throughout the period under review and even up to the last year (2006).

A comparison of trend between BCI and GFCF was carried out in Figure 2 above during the military and civilian eras. It was observed in Figure 2a that both variables followed similar trend pattern of constant yearly increase over the study period except in the years 1996 and 1998 when increase in BCI was followed by a decrease in GFCF respectively. It was observed in figure 2b, on the other hand, that BCI and GFCF followed similar trend pattern of constant yearly increase respectively over the period under review.

A trend comparison between GDP and GFCF during the military and civilian eras was carried out in Figure 3. It was revealed from Figure 3a that both variables follow similar trend pattern of yearly increase respectively from 1991 to 1995 and a simultaneous decrease from 1997 to 1998 during the military era, except in from 1995 to 1997 when GDP increased yearly while GFCF fluctuated over the period. It was noticed on the other hand from Figure 3b that GDP and BCI increased simultaneously per year over the study period during the civilian era. The lowest and highest values were respectively noticed at the same year (1999 and 2006) for both variables. This implies that GDP and GFCF followed similar trend pattern over the period under review during the civilian era.

***Trend Relationship between GDP and GFCF in Military and Civilian Eras**



Regression Analysis of Relationship between GDP, GFCF and BCI during Military and Civilian Eras:

Table 3: Summary of Analysis

Exp No	Variables		Type of Model	Observations					Inferences		
	X	Y		Regression Equation	R^2	F_{cal}	F_{tab}	P_{value}	Strength of Relationship	Rem	Action On Hyp
1a	BCImt	GDPmt	Linear	GDPmt = -303348.88 + 147.69 BCImt	86%	37.05	5.99	0.001	Very Strong	SS	Reject Ho
1b	BCIcv	GDPcv	Linear	GDPcv = 2378963.18 + 56.92 BCIcv	99%	677.13	5.99	0.000	Very Strong	SS	Reject Ho
2a	BCImt	GFCFmt	Linear	GFCFmt = 13232.28 + 10.07 BCImt	59%	8.77	5.99	0.025	Strong	SS	Reject Ho
2b	BCIcv	GFCFcv	Linear	GFCFcv = -113186.36 + 8.60 BCIcv	97%	189.42	5.99	0.000	Very Strong	SS	Reject Ho
3a	GFCFmt	GDPmt	Linear	GDPmt = 94317.15 + 10.52 GFCFmt	75%	17.59	5.99	0.006	Very Strong	SS	Reject Ho
3b	GFCFcv	GDPcv	Linear	GDPcv = 3345486.3 + 6.40 GFCFcv	96%	126.73	5.99	0.000	Very Strong	SS	Reject Ho

Source: Authors' Analysis of Field Work Data (2009)

Key:
SS = Statistically Significant
NS = Not Significant
GDPmt.....Gross Domestic Product in Military Era
GFCFmt.....Gross Fixed Capital Formation in Military Era
BCImt.....Building & Construction Investment in Military Era
GDPcv.....Gross Domestic Product in Civilian Era
GFCFcv.....Gross Fixed Capital Formation in Civilian Era
BCIcv.....Building & Construction Investment in Civilian Era

The results of the regression analyses employed to determine the statistical relationship between the variables in the data collected for this study were summarized in Table 3 above. It was observed from Table 3 above that the relationships between the Gross Domestic Product and Building and Construction Investment in both military and civilian eras were linear, positive, very strong and statistically significant. R-square (coefficient of strength determination) values observed were 86% and 99% respectively, while the Probability values were less than 0.05 respectively. The null hypotheses were also rejected respectively. These trends were also shown in Figures 1a and 1b respectively.

There exists a linear, positive, strong and statistically significant relationship between the Gross Fixed Capital Formation and Building and Construction Investment in the military era with strong R-square value of 59% and Probability value of 0.025. The null hypothesis was therefore rejected. The relationship between the Gross Fixed Capital Formation and Building and Construction Investment during the civilian era however, was linear, positive, very strong and statistically significant, with a very high R-square value of 97% and Probability value less than 0.05. The null hypothesis here was also rejected. Figures 2a and 2b reveal these trends respectively.

The relationship between the Gross Domestic Product and Gross Fixed Capital Formation during the military era was linear, positive, very strong and statistically significant. R-square value observed was 75%, while Probability value was less than 0.05. The null hypothesis was rejected. The relationship between the Gross Domestic Product and Gross Fixed Capital Formation during the civilian era was also linear, positive, very strong and statistically significant. R-square value observed was 96% (stronger), while Probability value was also less than 0.05. The null hypothesis was also rejected in this case. The trends were depicted in graphs as Figures 3a and 3b respectively.

CONCLUSIONS AND RECOMMENDATIONS

The analyses of the relationships between the Gross Domestic Product (GDP) and the Gross Fixed Capital Formation (GFCF) implies that 75% and 96% variations in the GDP were accounted for by investment in capital assets (GFCF) in the military and civilian era respectively. The strength of the

linear correlation in both eras respectively (75% and 96%) give clear indication of the great impacts that capital investments (GFCF) has on the aggregate national economic output also referred to as Gross Domestic Product. The relationship between the variables was more significant and stronger during the civilian era than the military era.

The statistically significant linear correlation revealed in the analysis of the relationship between the GDP and Building and Construction Investments (BCI) in both the military and civilian era respectively, gives an indication that during the period under study, investments in building and construction works was responsible for 86% and 99% variations in the aggregate economic activity in Nigeria. This implies that BCI with the multiplier effects on the economy had about 86% and 99% control over the direction of the aggregate national economic activity as measured by the GDP during the military and civilian era respectively. This gives an indication that investments in building and construction work are a reliable tool for regulating national economy, especially during the civilian era.

Similarly, the analyses of the relationship between BCI and GFCF gave a very strong linear correlation in the military and civilian eras respectively with R^2 values of 59% and 97% respectively. This shows that building and construction investments were responsible for 59% and 97% respectively of Gross Fixed Capital Formation during the period under review. This also implies that BCI has a great contribution to annual accumulation of capital asset (GFCF) in Nigeria during the period under review. The result has also confirmed the assertions of scholars that investment in building and construction is the single largest contributor to the Gross Fixed Capital Formation.

The results generally show that there were positive, linear and strong relationships between the variables in the two eras, although there were stronger relationships between the variables during the civilian era than the military era. This was as a result of the perfect correlation between the variables, as the dependent and independent variables increase simultaneously yearly on the average. This can also be noticed from the bar and line graphs (Figures 1 to 3).

The study recommends for the review of the constitution to give room for a more pro-active (that is immediate implementable policies) and all encompassing national policy framework on building and construction industry as a tool for reactivating the economy as well as influencing the direction of the economy since the civilian era shows a stronger impact. This can lead to a more active national economy which will, no doubt, generate employment, income, demand and shore up savings needed to finance investments in building and construction works.

There is also the need for the Government to formulate and implement a policy which could lead to a realistic capital development planning and plans to develop necessary infrastructure e.g. arterial roads, ports, power plants, iron and steel, petrochemical plants etc to provide infrastructure base for the reactivation of the ailing economy and sustainable economic growth and transformation since Building and Construction Investment and Gross Fixed Capital Formation both have a significant impact on Gross Domestic Product.

It appears prudent to recommend that further research be carried out to examine the influence of building and construction investments on the Nigerian economy for a period of ten years in to the future (2009-2018), and the results could be compared with those of this research. Value of Naira, exchange rate and rate of inflation could also be put in to consideration during the further studies.

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