Title of Articles: Domestic Investment, Capital Formation and Population Growth in Nigeria.
Author(s): Adetiloye, K. and Adeyemo, K.
Outlet: Journal: The International Institute for Science, Technology and Education **(**IISTE) 2(7) 37-45. http://www.iiste.org/Journals/index.php/DCS/article/view/2447
Date: 2012

Abstract: Capital formation issues had hardly received attention of the Nigerian academic until recently, though it is a measure of capital accumulation that impacts the productive capacity of the economy. Population growth in the face of dwindling and inadequate real investment in assets and capital formation for the country can lead to increase in poverty. This paper shows that the rate of investment does not assist the rate of growth of per capital GDP in Nigeria. Secondary data employed are from the Central Bank of Nigerian, for capacity utilisation, capital expenditure bank credit and capital formation while growth and investment rates are from World Economic Information database. It is also observed that investment rates of the country have fluctuated wildly. Investment has not translated into capital formation and has not aided growth in Nigeria. The paper tests on the curve estimation regression models confirm that growth is in existence but is found to be insignificant. The linear result indicates the importance of government expenditure, capacity utilisation and bank credit in increasing the income of Nigerians. The results also show that there is negative relationship between growth rates of the population and capital formation. With the curve estimation method results, investment rate can engender growth in the economy though slowly, on a linear path. It makes useful recommendations on how to increase and sustain capital formation to increase income and to avoid further poverty in the country.

Keywords: Per capital GDP, investment, Capital expenditure, Bank credit.