International Transaction Journal of Engineering, Management, & Applied Sciences & Technologies

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A COMPARATIVE STUDY OF FOREIGN DIRECT INVESTMENT IN NIGERIAN CONSTRUCTION SECTOR DURING MILITARY REGIME AND DEMOCRATIC GOVERNMENT FROM 1984 TO 2017

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ARTICLEINFO

Article history:
Received 10 July 2018
Received in revised form 25 October 2018
Accepted 02 November 2018
Available online
05 November 2018

Keywords:
Construction Investment; Dictatorship Democracy; Nigerian Construction; Regimes Comparison; Infrastructure development; Regression; FDI.

ABSTRACT

This study investigated the inflow of foreign direct investment (FDI) in the Nigerian construction sector for two different political regimes from the year 1984 to 2017. An ex-post facto research design was used to establish the relationship of FDI inflow during the two regimes. Time series archival data for the study was sourced from Central Bank of Nigeria. Microsoft® Excel was employed to establish the trend analysis and charts showing FDI inflow into the construction sector. The study data were analysed with the use of regression technique. The study found that the democratic era encourages the significant inflow of FDI into construction sector than the military era. The study recommends that for greater FDI inflow into the construction sector, the Nigerian Government should continue to embrace democracy; and address the anti-democratic variables that have led to "dictatorship democracy", security encumbrance among others. These are identified threats to FDI inflow.

1. INTRODUCTION

The importance of overseas finance for the provision of infrastructural facilities for both macroeconomic and microeconomic activities cannot be overstressed. It is the flow of capital and human resource from one country to another (Aremu, 2003; Anyanmu, 2004; Ariyo, 2008; Adelegan, 2008; Ebekozien, 2012). Arawomo and Apanisile (2018) averred that foreign direct investment (FDI) emerged as the most important source of international resource flows to both developed and developing countries over the years and has become an integral part in the formation of capital for infrastructural development. Nations all over the world attempts to attract FDI via various policies and reforms. The authors affirmed that for Nigeria, the reforms include the deregulation of the economy, the new industrial policy of 1989, the establishment of the Nigeria Investment Promotion Commission (NIPC) in the early 1990s, and the signing of Bilateral Investment Treaties (BITs) in the late 1990s. This is in addition to some economic reforms that took place from the year 1999 to 2007.

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FDI inflows have been the most important external private capital flows for developing countries such as Nigeria. Akinlo (2004), Yakub (2005), Ebekozien, Ugochukwu, and Okoye (2015), and Arawomo and Apanisile (2018) averred that FDI is associated with the following advantages: managerial skills, marketing connection, technical knowledge, technological transfer, training of local workforce, and attract international currency with strong value into the country. Nigeria being the most populous country in Africa with a population of over 180 million people requires substantial amounts of foreign investment in the construction sector to speed up her economic growth (Ebekozien, Abdul-Aziz, & Jaafar, 2017). To boost the gross domestic product (GDP), Nigeria need to pursue a policy of economic liberalisation, promoting public-private partnerships and strategic alliances with foreign firms. This has become necessary because the domestic savings cannot finance these infrastructures, hence, the need for the government to create the enabling environment for FDI.

FDI comes with many benefits; Nigeria needs significant amounts of overseas skills and finance to speed up her economic growth especially in the area of construction facility investment since many countries have successfully revised their national economies by maintaining high levels of activity in the construction industry (Mustapha, 2009; Imoudu, 2012). FDI from developing countries has risen sharply over the past two decades (Danja, 2012). FDI in Nigeria increased by 808.56 USD million in the first quarter of 2018. From 2007 until 2018, FDI reached USD 1298.48 and all-time high of 3084.90 USD million in the fourth quarter of 2012 (Arawomo & Apanisile, 2018). Several studies have shown that foreign capital is an inevitable input in the development process for both the developed and developing countries because no country is an “island” with self-sufficiency on her in terms of needed resources, to stimulate economic growth and development (Aremu, 2003; Akinlo, 2004; Orji, 2004; Yakub, 2005; Ariyo, 2008; Ebekozien, 2012: Ebekozien et al., 2015). Debates in different platform indicate that the government regimes (democratic or military) influences FDI inflow. In the Nigeria scenario, to what extend has the two different regimes (military from 1984 to 1998 or democratic from 1999 to 2017) influences FDI inflow into the construction sector? Which of the regime attract better inflow of FDI into the Nigerian construction sector? These and many other questions need answers. To answer these questions, thus, the need to carry out a statistical investigation on the inflow of FDI in the Nigerian construction sector from 1984 to 1998 and from 1999 to 2017 with a view to determining which regime has brought a greater level of FDI inflow into the Nigerian construction sector.

2. REVIEW OF LITERATURE

As earlier mentioned, FDI is a major component of international capital and human resources flow. Several scholars have attempted to define FDI but no universal definition. United Nations Conference on Trade and Development (UNCTAD) (2009) opined that FDI is an investment in enterprise located in one country but “effectively controlled” by residents of another country. While scholars like Thirlwall (2003) and Farkas (2012) affirmed that FDI refers to investment by multinational companies with headquarters in developed countries. This investment involves both transfer of funds and a whole package of physical capital for the maximisation of global profits (Anyanmu, 2004; Ariyo, 2008). In the opinion of Nwillima (2008), FDI is an investment made to acquire a lasting management interest and acquire at least 10% of equity share in an enterprise operating in a country other than the home country of the investor. Ekpo (2007) argued that FDI provides a path for developing countries to export, in effect, increasing their export superiority. Many developing countries, Nigeria not exempted, pursue FDI as a tool for export promotion, rather than production. FDI is the distinctive feature of multinational enterprise hence; a theory of FDI is also a theory of the multinational enterprise as an actor in the world economy (Ekpo, 2010).

In the developed countries, scholars such as Balasubramanyam, Salisu, and Sapsford (1996), Jensen (2003), and Guerin and Manzocchi (2009) found that democratic countries are predicted to attract as much as 70 percent more FDI than their dictatorial counterparts. No existing study has been able to establish if this finding is applicable in the Nigerian context. In Nigeria, we had two major types of political regimes, namely, the civilian regime (democracy) and the military regime which could be referred to as a dictatorship. In the common palace, democracy means a government by the people and for the people. This type of regime allows freedom of speech, religion, opinion, and association. The rule of law is obeyed and the rights of the minorities are respected. Ozekhome (2017) opined that democratic structures reflect the rule of law. This enhances the effectiveness and predictability of the judiciary and enforceability of contracts. The outcome is vital for accelerating FDI inflow into the economy. On the other hand, the military or authoritarian regime does not encourage the rights of nationality but they are often subordinate only to the special interests that let hold on to authority (Anyiwe & Oziegbe, 2006; Guerin & Manzocchi, 2009). This study raises the following research question: Which of the governments (military or democratic) has a greater inflow of FDI impact on the Nigerian construction sector? It is significant to declare here that there has not been a consensus about which type of regime elicits greater inflow of FDI to the construction sector in Nigeria because of the paucity of existing literature. This is one of the gaps this study would fill as part of theoretical contribution to knowledge.

Globally, available literature presents conflicting opinions and results in regards to which regime brings greater economic growth variables, which in principles include FDI as one of the economic growth variables to the economy. For example, Friedman (1962), Scully (1988), Jensen (2003), Guerin and Manzocchi (2009) and others suggested that economies which have an element of democracy tend to grow faster than others. Likewise, Chete and Robert (1996) had practical proof to show that the dictatorship regime can stimulate economic growth to great heights. The authors draw the support from the happenings in the "Asian Tigers" for example, China, Korea, Taiwan, Hong kong, and Singapore. In Nigeria scenario, Odetola (1982) study found that between 1964 and 1966, (the civilian regime) the GNP level was 4.2; in 1969-1971 (the military regime) it jumped to 9.1 and in 1972 to 12.1. The Nigerian military regime had however retained political power from 1966 to 1999 except from between 1979 to 1983 (civilian rule), and gained independent October 1st, 1960 from the British Government. Within the period of the military regime, there were cases of recorded allegation of treasuries, corruption, nepotism; proscriptions of media houses, illegal detentions, and mysterious killings among others affected the foreign investors' confidence in the system. So, between 1984 and 2017, Nigeria experienced two types of political regimes namely:

i. The civilian rule from 1960 to 1966, 1979 to 31st December 1983, and 29th May 1999 to date.
ii. The military rule from 1966 to 1979; 1984 to May 1999.

Within these different regimes, the headship of government had changed from one person to another. The objective of this present paper is to find the answer to the above research question. Nigeria is one of the promising destinations of growth in Africa because of the population and numerous minerals in the hydrocarbon, energy, construction sector among others. Orji (2004) affirmed that the Nigerian Government supports anti-competitive business practices and shields private property in accordance with the Nigerian Investment and Promotion Commission (NIPC) Act No. 16 of 1995; Foreign Exchange (monitoring and miscellaneous provisions) Act No. 17 of 1995; and the Investment and Securities Act of 1999. The latter Act gave birth to the Investment and Securities Tribunal (IST) as an appellate court and a court of the first arena for the settlement of investment and securities disputes (Adelegan, 2008). As a follow-up to attract FDI, the Multilateral Investment Guarantee Agency (MIGA) was created in 1988 as a member of the World Bank Group to promote FDI into Nigeria economies by guaranteeing non–commercial risk in order to boost industrialisation, employment, capacity building and consequently improve people's lives and reduce poverty. MIGA has been in the forefront of addressing the minimal global FDI flows to Africa (Makunike, 2008).

Several scholars have research on FDI in Nigeria with a view to suggesting feasible panacea to attracting FDI but none from the possible impact of FDI inflow on the construction sector during the military and civilian regimes. Anyiwe and Oziegbe (2006) and Ozekhome (2017) attempted to address the matter but not in regard to the construction sector. The former authors worked on "which regime brought a greater level of economic growth via some economic growth variables" while the latter author worked on the relationship between democratic institutions, FDI, and economic growth. Ayanwale (2007), Imoudu (2012), Omowunmi (2012), Adeleke, Olowe, and Fasesin (2014), and Okaro (2016) worked on the impact of FDI on Nigeria's economic growth. Arawomo and Apanisile (2018) worked on determinants of FDI in the Nigerian telecommunication sector. The authors finding shows that the major determinants of FDI flow into the Nigerian telecommunication sector are market size, trade ingenuousness, government expenditure, inflation, interest rate among others. Anyiwe and Oziegbe (2006) study indicated better economic growth variables such as non-oil export trade, FDI, food production among others during democracy compared to military rule. This is an indication of the paucity of literature, knowing the significance of the construction sector in the economy, which this study would fill as part of the theoretical contribution to knowledge, thus, justify the need for this study. This is because increased FDI in the construction sector would help to maximise the contribution of the sector to the development of the Nigerian economy.

The significance of FDI to the construction sector of the economy cannot be overstressed. This can be achieved via spill-over of advanced technology from foreign-owned enterprises to locally owned enterprises. This goes with the availability of funds, expertise, and technology for industrial development, production of cheap construction materials for domestic usage and export (Jensen, 2003; Onwuemenyi, 2008; Eboh, 2011; Oyinloye, 2011). Also associated with FDI is the promotion of employment, skill acquisition and technology. Orji (2004), Aboyade (2007), Baker (2008), Adeleke et al. (2014), Okaro (2016), and Ozekhome (2017) asserted that a number of encumbrances are responsible for the low inflow of FDI in Nigeria. The major hindrances are poorly developed transport and energy infrastructure, even after many years of investment. The latter author opined that this has resulted in high operating costs; incapacitated government institutions, bribery and corruption from the top government officials; inefficient judicial system and unreliable dispute settlement mechanisms; disregard to rule of law; a high tax burden; a restrictive trade policy; political oppression, and an increasing lack of security, especially in connection with the extremist group Boko Haram operating in the north-east, militancy and youth restiveness in the south-south, Fulani herdsmen across the country, open political victimization of opponent among others. This validates the submission of the National Human Rights Commission which indicated recorded cases of about one million cases of human rights violations between 2017 and 2018. The issues raised here have given a second thought to would-be investors; not only the investors, the United Nations is worried too as an international organisation. The UN Secretary-General has condemned the recent attacks by Boko Haram on security forces on their bases in Borno State as reported by Odunsi (2018). This is one of the major encumbrances, apart from corruption, that has hindered the inflow of FDI into Nigeria.

3. METHODOLOGY

In an attempt to analyse the inflow of FDI impact on the construction sector during the military and democratic regimes from 1984 to 2017, this study used time series archival data sourced from Central Bank of Nigeria (CBN) and National Bureau of Statistics (NBS) statistical bulletins, covering the years 1984 to 2017. The study time span is 34 years (military 15 years and civilian 19 years respectively), which is far above the typical norm of 10 to 15 years for time series study (Ogbonmwan, 2006). The operationalisation of variables used for the study was FDI and construction sector in Nigeria. FDI is the annual monetary investment made to acquire lasting interest in business operating outside of the country of the investor. This is when the foreign ownership is adequately extensive to give the foreign company quantifying control. For the construction sector, it is the total value of all activities in the construction sector within a given year (Ebekozien et al., 2015).

This study adopted Akinlo (2004) and Adelegan (2008) regression analysis approach because it was used in a similar study but not related to the construction sector. Finding reliable instruments was problematic in this study. Lensink and Morrisey (2001) affirmed that it is hard to find instruments that are good at predicting the variable (FDI) and yet are not determinants of the dependent variable. We eventually adopted the ex-post-facto research design to overcome this encumbrance and analysed the data collected within each regime as opined by Sekaran and Bougie (2016). The essence was to establish the relationship of FDI inflow in the construction sector during the military and democratic regimes. The data was analysed using Microsoft Excel for the trend analysis and charts showing FDI inflow into the construction sector within the different regimes. Preliminary analyses were performed to ensure no violation of the assumptions of normality, linearity, and homoscedasticity.

4. RESULTS AND DISCUSSION

This section presents the results and discussion of the study. Table 1 presents the details of the data collected from CBN and NBS from 1984 to 2017. The military regime spans from 1984 to 1998, while the democratic regime spans from 1999 to 2017. The FDI inflow in Nigeria is spread across seven major sectors with manufacturing taking the lead; others are mining, miscellaneous, trading,

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construction, transportation, and agriculture. The focus of this paper is on construction sector inflow during the military and democratic regimes. The summary of the result of the analysis is presented in Table 1.

Table 1: FDI Inflows into Nigerian Construction Sector (₦ Million)

Year	FDI	FDI Flow into Const. Sector	% Contr. of FDI Flow to Const	
1984	6,418.30	365.84	5.7	
1985	6,804.00	347.00	5.1	
1986	9,313.60	493.62	5.3	
1987	9,993.60	489.69	4.9	
1988	11,339.20	544.28	4.8	**Military**
1989	10,899.90	481.80	4.4	**Regime**
1990	10,436.10	743.60	7.1	
1991	12,244.20	1,471.60	12.0	
1992	20,512.70	1,406.60	6.9	
1993	67,787.00	71.20	0.1	
1994	70,713.70	1,707.00	2.4	
1995	119,391.60	1,553.00	1.3	
1996	122,600.90	1,864.30	1.5	
1997	128,331.90	1,259.80	1.0	
1998	152,410.90	3,888.30	2.6	
1999	154,190.40	3,995.90	2.6	
2000	157,508.60	3,995.90	2.5	
2001	161,441.60	4,211.90	2.6	
2002	166,631.60	4,293.90	2.6	
2003	179,687.60	4,545.80	2.5	
2004	249,639.30	5,194.10	2.1	
2005	324,129.30	6,713.30	2.1	
2006	482,447.80	10,461.10	2.2	**Democratic**
2007	552,498.60	12,030.20	2.2	**Regime**
2008	586,309.70	12,702.50	2.2	
2009	441,271.10	8,825.42	2.0	
2010	440,136.10	9,284.86	2.1	
2011	463,239.30	10,191.26	2.2	
2012	459,397.10	10,106.74	2.2	
2013	502,473:20	11,556.88	2.3	
2014	530,354.80	12,198.16	2.3	
2015	284,575.69	5,976.09	2.1	
2016	314,231.11	4,713.47	1.5	
2017	299,142.00	5,085.40	1.7	

Source: Compilation from Various CBN Statistical and NBS Bulletin as Modified by Authors.

Figure 1 presents the inflow of FDI to the Nigerian construction sector from 1984 to 1998 during the military regime in the bottom portion. Table 1 shows that the highest FDI inflow into the construction sector during this regime (1884-1998) is N3,888.30 million. Inconsistencies in the inflow are obvious from this graph because of the military regime. This finding agrees with Orji (2004). The author opined that incidences of political instability are a major drawback to the flow of FDI. Looking at the span from 1984 to 1998, almost all the point seems to be below the benchmark for increase growth possibly because of political instability as one of the major contributors. Also, in Figure 1, at the top portion presents the inflow of FDI to the construction sector during the democratic regime from 1999 to 2017. Figure 1 shows that between 1999 and 2017, the graph shows a positive flow of FDI into the construction sector. In the year 2008, it recorded the highest inflow of N12,702.50 million. One of the secrets of consistencies in growth from 1999 to 2008 was the various reform measures put in place by the leadership of President Olusegun Obasanjo (1999-2007). This finding agrees with Guerin and Manzocchi (2009). The authors affirmed that democracy does have a positive effect on the amount and probability of FDI inflows from developed to developing countries.

In order to improve efficiency and curb corruption, many state-owned enterprises were privatised as well as deregulation of government activities. This was done to reduce financial costs to the federal government. Among the major government enterprises were the unbundling of the Power Holding Company of Nigeria into 18 companies and sales of the state-owned Nigeria Telecommunication Limited that attracted over US$1 billion on a year in investment. Also, the reform policy was extended to the civil service with the introduction of an Integrated Personnel and Payroll Information System, banking sector reform, trade policy reform, institutional and governance reforms among others. This gave birth to public procurement in Nigeria; Extractive Industries Transparency Initiative adopted and introduced two institutions (Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and Other Related Offenses Commission (ICPC) to tackle corruption. All these brought confidence to the country and encourage the inflow of FDI to the various sectors.

Suddenly after the government of President Olusegun Obasanjo, the inconsistencies inflow of FDI surface possibly because of the lack of sustainability of the institutions. The year 2015 had one of the worst hit, from N12,198.16 million in 2014 to N5,976.09 million in 2015. One of the factors responsible for this fall in 2015 is because it was an election year coupled with the recession. One of the possible reasons for the recession was the fall of oil price and fear of possible change of government. Immediately, after the election, the recession-hit Nigeria and affected virtually all sectors of the economy. The impact of this we can see from the graph until late 2017 when Nigeria seems to be moving out of recession as findings agree with Onuba (2017) and International Monetary Fund (IMF) (2018). The former author findings affirmed that the Nigerian economy recorded its second-lowest FDI inflow in 10 years. This was confirmed by the Statistician-General, National Bureau of Statistics. The latter author affirmed that for Nigeria to reap its longer-term potential via an enabling an environment for FDI inflow, pragmatic policy implementation is needed to move rapidly and expansively to make possible economic recovery.

With the present democratic system of governance and attributes of dictatorship as revealed in the reviewed literature, the inflow of FDI may be hindered. Some of the "democratic dictatorship" attributes is the reneged on international contractual commitments without compensation, the unlawful detention of former National Security Adviser (NSA), Col. Sambo Dasuki (rtd.), and the siege on the National Assembly among others. Adepegba (2018) alleged that President Muhammadu Buhari cancelled a compensation settlement meant for P & ID that signed a 20-year contract with the government to create a new natural gas development refinery because of the federal government inability to respect its obligations. This prompted the former UK Finance Minister to warn investors that Nigeria is a risky country to invest. The former UK Finance Minister said the federal government had continued to flout international law and convention as reported by the author. This is a huge threat to FDI inflow based on the personality that made this submission. Also, the disregard for court rulings to release the former NSA on bail, for over two years by the Department of State Services (DSS) is another case of threat to the inflow of FDI (Johnson, 2017). This aberration of the rule of law in a democratic setting would certainly hinder inflow of FDI. This has led to an Abuja Division of the

Federal High Court to serve the DSS and Attorney General of the Federation with a warrant for the release of the detained Former NSA on the 2nd July 2018 (Nnochiri, 2018). Yet, the former NSA is still being detained. The latter happened on the 7th August 2018, where operatives of the DSS (Nigerian secret police) laid siege on the National Assembly premises and prevented the legislative arm of the government from performing their constitutional role. A follow-up from the siege scenario was an allegation from the Senate leadership that the Presidency is witch-hunting the leadership of the Senate because of the defection to the opposition party and plot to implicate them (Senate leadership) in the invasion saga (Opejobi, 2018). With this drama being watched across the world, it is not possible to attract substantive FDI into the Nigerian economy.

Although the present administration has made some attempt such as the establishment of the Presidential Enabling Business Environment Council, aimed at pushing ease of doing business reforms in the country; credibility on the government's economic plans is at stake because of the democratic dictatorship attributes. Hence, the administration socioeconomic development is limited only to self, families, clans, region before the nation as reported by Asadu (2018). The former President, Olusegun Obasanjo, a well respected great nationalist and elder statesman, issued special press release letter to President Buhari; and gave a rundown of the issues associated with the government; such as collusion, sectional, sloppy, condoning corruption, passing the buck, and clannishness among others (Obasanjo, 2018). The listed issues associated with the present government leadership are possible attributes of "dictatorship democracy." It is obvious that if this is not checked, decrease in FDI inflow would continue.

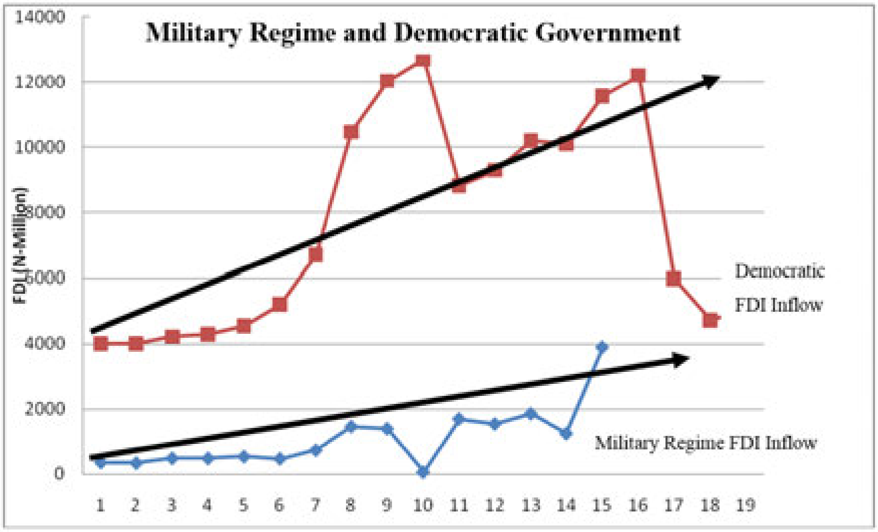

Figure 1: Comparative Inflow of FDI to Construction Sector during the Military Regime and Democratic Government

Figure 1 presents the comparative inflow of FDI to the construction sector during military regime and democratic government. It is apparent from the graphs that democratic regime experience more inflow growth of FDI into the construction sector than military government. This finding agrees with Anyiwe and Oziegbe (2006) and Ozekhome (2017). The former authors' found that economic variables indicate better performance during democracy compared to military rule. It should be noted that FDI is one of the economic growth variables. The latter author found that democratic institutions and foreign direct investment are significant variables influencing economic growth in Nigeria. It should be noted that growth in the construction sector is part of economic growth. Thus, the need for an institutional structure and macroeconomic policies that would encourage inflow of FDI in Nigeria cannot be overstressed. This can only be achieved if good governance and accountability are allowed in a "civil democratic platform" as against "dictatorship democracy."

Table 2: Summary of the Regression Results

	Military Regime (1984-1998)	Democratic Regime (1999-2017)
Pearson correlation (2-tailed) (*r*)	0.725**	0.973**
R square (from the model summary)	0.525	0.946
Coefficient of determination	52.56	94.67
Adjusted R square	0.488	0.943
Sig (2-tailed)	0.002	0.000
ANOVA (F)	14.370	300.192
Standardised (beta) value	0.725	0.937

Pearson product-moment correlation coefficient was used to explore the relationship between FDI and FDI inflow into the construction sector during the military and democratic regimes as presented in Table 2. There was a strong, positive correlation between FDI received and FDI inflow into the construction sector during both regimes. The democratic regime had the strongest positive correlation with r = 0.973, while the military regime was r = 0.725. Both regimes correlation is significant at the 0.01 level (2-tailed). This indicates that the democratic era correlates more substantially than the military era. In regard to the strength of the relationship, both regimes indicate a large strength because both r is within the range of 0.50 to 1.00 in accordance to Cohen (1988, pp. 79-81). From the results of the analysis, FDI has a positive and statistically significant effect on construction sector because an increase in FDI inflow into the economy would affect the construction sector positively as indicated in the degree of relationship of both regimes, although higher during the democratic era. Findings from this study agree with Anyiwe and Oziegbe (2006). The authors affirmed that FDI inflow has better performance during the democratic compared to military rule. This also agrees with the study of Jensen (2003) and Guerin and Manzocchi (2009) respectively.

Findings from the R-square show that 52.5% of the changes in the dependent variable in the military regime are explained by the independent variables in the model. This is closely followed by Adjusted R square of 48.8%. While during the democratic regime, the R square shows that 94.6% of the changes in the dependent variable are explained by the independent variables in the model. This is strictly followed by Adjusted R square of 94.3%. For both regimes, this is acceptable compared with many of the research conducted in the similar field but higher during the democratic than the military regime. Hence, the democratic regime should be encouraged. The standardised beta value for both regimes makes a unique statistically significant contribution (less than 0.05), military (0.002) and democratic (0.000). This is an indication of higher FDI inflow into the construction sector during democratic government.

5. CONCLUSION

The study has been able to identify the inflow of FDI into the Nigerian construction sector during the military regime and democratic government respectively. Findings from the study succeeded in birthing new theoretical arguments and discuss the implication of FDI inflow during the different regimes. This has embedded and enriches future practical and academic literature in the subject matter. The results of this study have statistically given evidence or indicators to which opinions to hold concerning which regime has brought out greater FDI inflow into the Nigerian construction sector. The evidence has shown concisely that democracy regime had encouraged the greater inflow of FDI into the construction sector than the military regime as presented in Figure 1. Accountability and good governance that ought to be one of the major characteristics associated with the democratic regime is fading away in Nigeria as revealed in the study's reviewed literature. This can be possibly refer to as "dictatorship democracy" and some of the outcomes are alleged corruption within the top government officials, alleged high level of impunity, increased unemployment, devaluation of the nation's currency, increased insecurity (Bokoharam, herdsmen killing, kidnapping, drugs abuse), alleged disregard to rule of law, political blackmailing and alleged witch-hunting opposition political members among others. This agrees with Obasanjo (2018) as earlier reviewed. The author is worried of the leadership style of Mr. President. No investor (foreign or domestic) would want to invest in such a country. The outcome is that many of the investors nursed the fear that they might not be able to retrieve their funds anytime they decide to exit, hence they are being watchful. This corroborates the submission of the former United Kingdom Finance Minister to the international investors; that Nigeria is not a country to invest as earlier discussed.

The findings of the present study have pragmatic significance, hence; serve as "food for thought." It is believed that FDI inflow into the construction sector would increase if the democratic institution is enhanced. The need for an all-inclusive reform programme (political, economic, and social) is inevitable with this present weak inflow of FDI for the past three years. The election year (early 2019) is here again, the future government will have a significant opportunity to choose between economic stagnation or further reforms that will accelerate FDI inflow, increasing and maintaining infrastructure investments, strengthening domestic institutions (NIPC, IST, MIGA, EFCC, ICPC) among others. Every arm of the federal and state governments should be allowed to operate without political interference for selfish interest. Therefore, the three distinct branches: legislative, executive, and judicial, whose powers are vested by the Constitution of Nigeria, should be allowed to operate independently. The governments (state and federal) should ensure that all parameters that would promote good governance and true democracy are encouraged and sustained because this is the only window that attracts FDI inflow to all sectors, including the construction sector. Only a progressive future administration could place Nigeria on a path of sustained increased FDI inflow to the construction sector. This can only be achieved through impeccable democratic governance at all levels.

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