

Title of Article: Human Capital Investment: Effects on Economic Growth in Nigeria (1970-2004)

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Abstract: This study examines and explains the relationship between human capital investment and economic growth in the Nigerian economy using secondary data from 1970-2004 and also the study adopts a Cobb-Douglas production function and the Ordinary Least Square method of estimation. It also looks the relationship between real gross domestic product and economic variables such as labour force, total government expenditure on education and real gross capital formation. The empirical analysis carried out shows that labour force, government expenditure on education and real gross capital formation have a positive and significant effect on real gross domestic product with government expenditure surprisingly having the least effect, this can be attributed to misallocation by the government among the levels of education, corruption by government officials, etc. This study therefore, reveals that there exists a positive and significant relationship between human capital investment and economic growth in Nigeria, therefore investment in human capital in Nigeria is a necessity for economic growth in Nigeria. Thus the federal government should increase its revenue allocation to the education sector and also ensure that funds should be given to the agencies in order to enforce strict compliance with the policies, accountability and sanity in education sector.