

Paradoxical Analysis of Resource Abundance and Increasing Inflation in Nigeria

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Abstract

Resources abundance inherently reduces cost prices of such abundant goods and services. Inversely resources abundance may create devastating economic backwardness. Current research seeks to find out the locus of Kogi State in economic advancement or poor economic growth divide resulting from the abundance of natural resources. The study data were collected from established secondary sources. Technique of data analysis is Multivariate ANOVA using SPSS version 20, to confirm or otherwise of two pre-research assumptions; Kogi State inflationary indices for the third quarter of 2023 is significantly greater than her other North Central Zone States and Kogi State inflationary indices for the third quarter of 2023 is significantly greater than all the states bordering Kogi State at 95% confidence level. The research established direct nexus between abundance of natural resources and increasing prices of goods and services in the State resulting from entrenched taxation structure of Nigeria, casualization of Industrial workers in the State and consumption nature of the State.

Keywords: *High Cost of Living, Resources abundance and increasing inflation, Nexus between resources abundance and inflation, Consumer Price index in Kogi State*

1.1 **Introduction**

Resources abundance encompasses existence at significant levels of human, intellectual, natural, and other aspects of wealth bestowed to people in an environment or created and maintained by the People inhabiting an environment. Zalle (2019) urges that abundance of resources prospers a state, region or environment. The research further affirms that the role of natural resources is conditional by institutional quality and human capital in most resource-abundant Countries. Shabaz et al (2019) also are of the view that natural resources wealth do result in improved growth and resources abundance eases cost of living and advances Capital per Income of the populace. Shabaz et al however contrasted the effects between natural resource abundant and natural resource dependent in resource-abundant Countries. Udosen et al (2009) affirm above assertions by stating that it is common sense and simple economics suggest that countries/regions/states endowed with abundance of natural resources should prosper. Economical and Financial prosperity relates predominately to moderate costs of living, moderate costs of goods and services in

addition to advantageous Gross Domestic Products and Capital per Income of the populace over regions/state with lower resources endowments. Inversely low resources endowment leads to high level of inflation, low savings and low productive investments by the economy.

However, Sachs and Warner (2003) study find a link between natural resource abundance and poor economic growth. Current research seeks to find out the locus of Kogi State in economic advancement or poor economic growth divide resulting from the abundance of natural resources. Secondary focus of the research encompasses ascertaining significant variables that keeps Kogi State in either of the divides.

1.2 Conceptual framework and justification on the research choice of Kogi State:

Kogi State of Nigeria is the only State that shares borders with the highest number of States. Kogi State shares boundaries with ten other state of Ekiti State, Kwara State, Federal Capital Territory, Nasarawa State, Niger State, Edo State, Ondo State, Anambra State, Enugu State, and Benue State. The State has a very large land mass with very high population. According to Bureau of Statistics (2023), Kogi State has an estimated population of about 4.5 million as of 2022. The State is only State in Nigeria that has boundaries which is associated with four Zones out of the existing six Zones in the Country thus; North Central Zone (Nassarawa, Benue & Niger), South West Zone (Ekiti, Ondo and Kwara), South-South Zone (Edo and Delta) and South East Zone (Anambra and Enugu). The State is also chosen for this research purposes because it has many mineral deposits with various quantum of economic values. Shabaz et al (2019) are of the view that natural resources wealth do result in improved growth and resources abundance eases cost of living and advances Capital formation for further economic growth. Udosen et al (2009) affirmed above that it is common sense and simple economics that countries/regions/states endowed with abundance of natural resources should have high capital per income compared with those with low natural mineral endowments. It follows that regions with high capital per income will experience a better living and economic standards. Kogi State of Nigeria is a confluence state with many other natural mineral, arable lands, highly populated with various levels of skilled labour and bounded by ten other states should be experiencing higher standard of living and economic Eldorado.

2.0 Related Works Review:

2.1 Literature abound as to micro and macro causes of Inflation in a Country mainly lacking in productive resources resulting into cost-push inflation, inability to produce for exports and negative balance of payments, increasing public expenditure, other endogenous and exogenous variables may likely stroke inflationary trends in a Country. The real official exchange rate and money supply on Consumer Price Index in Nigeria was carried out by Ogundipe & Egbetokun (2013). The results show that exchange rate and money supply have a direct bearing on the rate of inflation in Nigeria. Asekunowo (2016) took a study on the Causes of Persistent Inflation in Nigeria focusing on institutional and traditional macro-economic variables. The results shows that Consumer Price Index, Exchange Rates and Price Mark-Ups are the major causes of inflation in Nigeria.

Nigeria is a country endowed with natural materials, human and intellectual resources. Jack et al (2016) confirming the works Adesopo and Asaju (2004) assert that Nigeria is blessed with diverse natural resources, ranging from crude oil, gas, iron ore, cocoa, timber, tin, columbite, tantalite, wolfram, gold, lead-zinc, limestone, kaolin, clay, shale, marble, radio-active minerals, barytes, cassiterite, coal, lignite, petroleum, natural-gas and hydro-electric power. Kogi State is a major stakeholder in the Nigerian natural resources prosperity. Auty (1998) over-saw a well-documented pioneering work under the auspices United Nations University/World Institute for Development Economics Research on resources abundance and economic developments with its inherent paradoxical underperformances of rich-resource abundant nations. Auty(1998) asserts that though capital and skill built up is slower in resource deficient Countries but abundance of resources correlates positively to abundance of corporate activities, however other research findings (Ranis 1991, Lal and Myint 1996, Sachs and Warner 1997) did indicate that resource-rich developing Countries have underperformed compared with the resource-deficient Countries. These findings are the foundations for paradoxical analysis of resource abundance and high cost of living in many countries.

Economic growth usually leads to increase in the productive sectors of labour, physical capital and materials. The overall economic well-being of a population depends on productivity. Adeshina et al (2019) in the research allude that a Work-force that earn more tend to produce better quality outputs and they always have the finance to take care of their health needs. They further assert that Labour productivity provides information about the efficiency and quality of human capital in the production process for a given economy thus confirming earlier conclusion in the work of Labour Office (2017) that correlates that labour Productivity is a dynamic measure of economic growth, competitiveness and living standards within a n economy, as well as social development. In the trajectory of State economy, Labour productivity is not only measured in terms of efficiency and effectiveness in productive growth but also in the tax-income base for the State. Personal income tax is collected and administered by respective states of Nigeria. Azubuike et al (2023) affirms that States in Nigeria are responsible for collections and administrations of personal income tax. According to Samuel and Gabriel (2014), tax revenue is used by the government to render their traditional functions, such as the provision of public goods and services, maintenance of law and order, regulation of trade and business to ensure social and economic maintenance in the economy. Idoko et al (2016) studied the Impact of Taxation on Revenue Generation in Kogi State, Nigeria and their study reveals that tax revenue has positive impact on revenue generation in the state. Idoko et al (2016) made many text-book recommendations on how to improve the base in Kogi state but failed to mention casualization of labour and a recommendation on how to abate it. Casualization of labour leads to less tax collections from tax personal able working force. Soyode and Kajola (2006) supports the above effect of labour casualization assertion as they opine that income tax is collected effectively but is limited to wage income of civil servants and employees of large firms.

Fapohunda (2012) describes casualization as a form of labour practice by which employment shifts from a preponderance of full time and permanent positions to higher levels of casual positions. Casual positions are not salary based but wage focused. Many a time casual pay

are below taxable income. As a result of the nature and rights of causal labor force, they cannot form a union and therefore lacks the pressure to seek improvements in pay packages and welfare.

2.2 Brief on Kogi State of Nigeria: The State was created in 1991 and is bordered by the states of Nassawara to the northeast; Benue to the east; Enugu, Anambra, and Delta to the south; Ondo, Ekiti, Edo and Kwara to the west; Niger and Abuja Federal Capital Territory to the north. It is located in the north-central zone of Nigeria consisting of Benue, Kogi, Kwara, Nasarawa, Niger, and Plateau States. According to kogistate.gov (2021) Lokoja is an ancient historical town which once served as the colonial administrative headquarters of Nigeria. Lokoja town is situated on the

slope of a range of hills and Mount Patti. It is located at the confluence of the rivers Niger and Benue. The Kogi State capital is bounded on the North and East by the River Niger and on the West by the wooded heights of Mount Patti and South by Ajaokuta. It occupies an area of between twenty and thirty kilometers. Jack et al (2016) confirm that these natural resources exist in multitude in different locations across Nigeria and Kogi State shares in this prosperity with limestone, Clay, Gold, Iron ore, Coal, Arable lands (producing Yam, Cassava, Rice, Maize, Coffee, Cashew), Ore mining industries and Cement production industries. Apollos et (2017) find a total of eight-hundred six species of mushrooms sprouting in large quantities with very high level of richness in three senatorial zones of Kogi State. These mushrooms if properly and commercially cultivated, will yield significant economic contributions to the populace and Kogi State Government. Ebiloma (2019) asserts that Tourism represents one of the few economic opportunities available to remote communities and provides real opportunities to reduce unemployment and create wealth, which thus becomes incentive to conserve natural and cultural assets. The researcher confirms the existence of many tourist natural sites in Kogi State such as confluence of Rivers Benue and Niger, Mountains, Caves, Plateau, and other Historical Relics.

Fatoye (2018) summarized mineral resources and their locations in various parts of Kogi State as seen in table 1.

Table 1: Mineral Resources in Kogi State & Locations.

Mineral	S/n	Location	Local Govt. Area	S/n	Mineral	Location	Local Govt. Area
Beryl	1	Ikoyi	Ijumu	12	Kaolin	Agbaja Plateau	Lokoja
		Aku	Adavi			Emu	Lokoja
Cassiterite	2	Okoloke	Yagba West			Agbaja Hill	Bassa
Clay	3	All over the State	Clay			Angba	Igalamela/Odolu
Coal	4	Odokpono	Ankpa	13	Magnetite	Agbaja Plateau	Lokoja
		Okobo	Ankpa			Tajimi Ridge	Lokoja

		Odoagbo (Okaba)	Ankpa			Patti Ridge	Lokoja
		Ogboyaga	Dekina			Gboloko	Bassa
		Okpakiri				Akpogu	Mopa Muro
				14	Marble	Oyo-Iwa	Lokoja
Columbite	5	Isanlu-Esa	Yagba West			Jakura	Lokoja
		Okoloke	Yagba West			Okoloke	Yagba West
		Odo-Eri	Yagba West			Ekinrin-Adde	Ijumu
		Ejiba	Yagba West			Osara	Adavi
		Iddo	Yagba East			Ubo	Adavi
		Takete-Isao	Yagba East			Itobe	Ofu
		Idibo	Ajaokuta			Mopa	Mopa Muro
Feldspar	6	Isanlu-Esa	Yagba West	15	Mica	Egbe	Yagba West
		Egbe	Yagba West			Isanlu-Esa	Yagba East
		Osara	Adavi			Idofin	Adavi
		Aku				Zariaji	Lokoja
		Zariaji				Aku	
						Lokoja	
Fire Clay	7	Ahoko-Koto	Kogi	16	Muscovite	Isanlu-Esa	Yagba West
Garnet	8	Isanlu	Yagba East			Idofin	Yagba East
		Takete-Isao	Yagba East			Aku	Adavi
		Odo-Ara	Yagba West			Zariaji	Adavi
Gold	9	Okolom	Yagba East	17	Quartz	Isanlu-Esa	Yagba West
		Dogondaji	Yagba East			Idofin	Yagba East
		Odogbe	Yagba East			Aku	Adavi
		Okoloke	Yagba West			Lokoja	Lokoja

		Ejiba	Yagba West	18	Silica Sand	All over the State	
		Katcha Katcha	Omala	19	Talc Okolom-Isanlu	Ejiba	Yagba West
Granite	10	All over the western flank of the State.				Yagba East	
Iron Ore	11	Itakpe	Adavi			Odogbe-Isanlu	Yagba East
		Ajagbanoko	Adavi			Iye-Isanlu	Yagba East
		Agbado-Okudu	Lokoja	20	Tantalite	Idofin	Yagba East
		Agbaja	Lokoja	21	Tourmaline	Okoloke	Yagba West
		Oshokoshoko	Lokoja			Odo-Eri	Yagba West
		Tajimi	Lokoja			Idibo	Ajaokuta
		Ebiya	Ajaokuta				
Koton-Karfi	Kogi						

Source: Fatoye (2018)

2.3: Economic indices of Kogi State:

Resource abundance in Kogi State has been affirmed by the works of Fatoye (2018) but established research evidence of very high cost of living in the State litters everywhere but not in research publications. Kogistate.gov (2021) asserts that the developmental potential of the state is not only very high but very diverse encompassing endowment of natural resources include land, water, mineral and forest resources. The vast land area of the State provides adequate opportunity for the location of various types of industrial and other economic activities. The water resources of Rivers Niger and Benue and their several tributaries could provide ample water supply for people, animals and various industries when fully harnessed. The Confluence of Rivers Niger and Benue could be an important source of tourist attraction. Fishery could be developed on a large scale with allied fishery industries. The waterfalls at Osomi, Ogugu and Ofejiji are potential sources of hydro-electricity. The water from the rivers could support large irrigation schemes for raising various crops. The forests provide wood for timber and fuel. Furthermore Kogistate.gov (2021) affirms the cultivation and production in the of huge agricultural products such as grains (maize, guinea corn, rice and others), root crops (yam, cassava and groundnut etc), Other crops include beans, soya beans, cocoa and coffee provide the needed raw materials for cereals, flour beverages and other food processing industries. National Bureau of Statistics (2023) data on Consumer Price

index for August 2023 assert that in August 2023, the headline Nigerian inflation rate increased to 25.80% relative to the July 2023 head-line inflation rate which was 24.08%, the August 2023 headline inflation rate shows an increase of 1.72% points when compared to the July 2023 headline inflation rate. On state specifics, the Bureau affirms that in August 2023, all items inflation rate on a year-on-year basis was highest in Kogi (31.50%), Lagos (29.17%), and Rivers (29.06%), while Sokoto (20.91%), Borno (21.77%) and Nasarawa (22.25%) recorded the slowest rise in headline inflation on a year-on-year basis. National Bureau of Statistics (2023) also confirms that in August 2023, Food inflation on a year-on-year basis was highest in Kogi (38.84%), Lagos (36.04%), and Kwara (35.33%), while Sokoto (20.09%), Nasarawa (24.35%) and Jigawa (24.53%) recorded the slowest rise in Food inflation on a year-on-year basis.

The North Central Zone consumer price index comparison using 2009 as the base year by National Bureau of Statistics (August, 2023) is captured in Table 2 below:

TABLE 2: North Central Zone August 2023 CONSUMER PRICE INDEX

STATE	JUNE		JULY		AUGUST		MONTH ON MONTH		YEAR ON YEAR	
	FOOD	ALL ITEMS	FOOD	ALL ITEMS	FOOD	ALL ITEMS	FOOD	ALL ITEMS	FOOD	ALL ITEMS
Benue	563.6	470.8	693.3	564.4	725.9	585.4	4.71	3.72	28.80	24.35
Kwara	614.5	551.8	785.4	660.5	831.7	700.5	5.89	6.07	35.33	26.94
Kogi	635.8	539.4	834.4	679.8	882.7	709.4	5.80	4.35	38.84	31.50
Nassarawa	554.5	483.0	668.6	575.3	689.5	590.5	3.12	2.64	24.35	22.25
Niger	551.8	483.2	679.2	589.8	688.7	601.0	1.40	1.90	24.81	24.37
Plateau	549.1	485.2	674.9	586.2	695.8	603.1	3.10	2.89	26.70	24.29

Source: National Bureau of Statistics (August, 2023).

Kogi State share boundaries with ten other states and these eleven states (including Kogi State) Consumer price Index for the third quarter of the year 2023 as culled from National Bureau of Statistics (August, 2023) are as follows;

TABLE 3: NEIGHBORS OF KOGI STATE August 2023 CONSUMNER PRICE INDEX

STATE	JUNE		JULY		AUGUST		MONTH ON MONTH		YEAR ON YEAR	
	FOOD	ALL ITEMS	FOOD	ALL ITEMS	FOOD	ALL ITEMS	FOOD	ALL ITEMS	FOOD	ALL ITEMS
Benue	563.6	470.8	693.3	564.4	725.9	585.4	4.71	3.72	28.80	24.35
Kwara	614.5	551.8	785.4	660.5	831.7	700.5	5.89	6.07	35.33	26.94
Kogi	635.8	539.4	834.4	679.8	882.7	709.4	5.80	4.35	38.84	31.50

Nasarawa	554.5	483.0	668.6	575.3	689.5	590.5	3.12	2.64	24.35	22.25
Niger	551.8	483.2	679.2	589.8	688.7	601.0	1.40	1.90	24.81	24.37
Anambra	549.0	487.0	673.8	593.3	698.7	614.5	3.69	3.58	27.27	26.19
Abuja	547.5	461.4	688.8	556.2	697.7	570.9	1.30	2.64	27.42	23.75
EKITI	567.3	438.9	723.3	530.1	762.7	548.5	5.44	3.47	34.45	24.97
Enugu	567.6	445.5	712.0	541.2	742.0	556.3	4.21	2.78	30.73	24.85
Ondo	575.8	493.7	728.1	610.7	764.6	633.1	5.01	3.66	32.79	28.23
Edo	566.4	486.5	720.3	596.3	744.2	610.7	3.31	2.40	31.39	25.51

Source: National Bureau of Statistics (August, 2023)

3.0: Research Process:

The data obtained from National Bureau of Statistics (August, 2023) for the third quarter was as contained in Tables 1 and 2 are subjected for analysis using SPSS version 20. Research data technique of analysis focus is application of Multivariate analysis to confirm or otherwise of the following pre-research assumptions;

1. Kogi State inflationary indices for the third quarter of 2023 is significantly greater than her other North Central Zone States at 95% confidence level;
2. Kogi State inflationary indices for the third quarter of 2023 is significantly greater than all the states bordering Kogi State at 95% confidence level.

4.0 Data Analysis, Findings & Conclusions

To resolve pre-research issue which presupposes that Kogi State inflationary indices for the third quarter of 2023 is significantly greater than her other North Central Zone States at 95% confidence level the data as contained in Table 2 dwelling on North Central Zone August 2023 Consumer Price Index as published by National Bureau of Statistics (August, 2023) is subjected to Parameter Estimates, Mean and Pairwise comparisons using SPSS v20. The results are as shown in tables 4, 5, and & 6 below;

Dependent Variable	Parameter	B	Std. Error	T	Sig.	95% Confidence Interval		Non-cent. Parameter	Observed Power ^b
						Lower Bound	Upper Bound		
	Items	-2.773	.389	.000	1.000	-.779	.779	.000	.050
	Intercept	460.006	164.095	2.803	.007	130.873	789.139	2.803	.786

CONSUMPTION PRICE INDEX	[STATE =1]	-1.630	146.771	-.011	.991	-296.016	292.756	.011	.050
	[STATE =2]	55.735	146.771	.380	.706	-238.651	350.121	.380	.066
	[STATE =3]	70.071	146.771	.477	.635	-224.315	364.457	.477	.076
	[STATE =4]	-4.752	146.771	-.032	.974	-299.138	289.634	.032	.050
	[STATE =5]	-1.498	146.771	-.010	.992	-295.884	292.888	.010	.050
	[STATE =6]	0 ^a	.	.	.	.	.	.	.
	Items	-62.585	84.738	-.739	.463	-232.549	107.378	.739	.112

Table 5: Estimated Marginal Means

Dependent Variable	STATE	Mean	Std. Error	95% Confidence Interval	
				Lower Bound	Upper Bound
CONSUMPTION PRICE INDEX	Benue	364.498 ^a	103.783	156.336	572.660
	Kwara	421.863 ^a	103.783	213.701	630.025
	Kogi	436.199 ^a	103.783	228.037	644.361
	Nassarawa	361.376 ^a	103.783	153.214	569.538
	Niger	364.630 ^a	103.783	156.468	572.792
	Plateau	366.128 ^a	103.783	157.966	574.290

Source: Result of SPSS Analysis

Table 6: Pairwise Comparisons

Dependent Variable	(I) STATE	(J) STATE	Mean Difference (I-J)	Std. Error	Sig. ^a	95% Confidence Interval for Difference	
						Lower Bound	Upper Bound
CONSUMPTION PRICE INDEX	Benue	Kwara	-57.365	146.771	1.000	-508.551	393.821
		Kogi	-71.701	146.771	1.000	-522.887	379.485
		Nassarawa	3.122	146.771	1.000	-448.064	454.308
		Niger	-.132	146.771	1.000	-451.318	451.054
		Plateau	-1.630	146.771	1.000	-452.816	449.556
	Kwara	Benue	57.365	146.771	1.000	-393.821	508.551
		Kogi	-14.336	146.771	1.000	-465.522	436.850
		Nassarawa	60.487	146.771	1.000	-390.699	511.673
		Niger	57.233	146.771	1.000	-393.953	508.419
		Plateau	55.735	146.771	1.000	-395.451	506.921
	Kogi	Benue	71.701	146.771	1.000	-379.485	522.887
		Kwara	14.336	146.771	1.000	-436.850	465.522
		Nassarawa	74.823	146.771	1.000	-376.363	526.009
		Niger	71.569	146.771	1.000	-379.617	522.755
		Plateau	70.071	146.771	1.000	-381.115	521.257
	Nassarawa	Benue	-3.122	146.771	1.000	-454.308	448.064
		Kwara	-60.487	146.771	1.000	-511.673	390.699
		Kogi	-74.823	146.771	1.000	-526.009	376.363
		Niger	-3.254	146.771	1.000	-454.440	447.932
		Plateau	-4.752	146.771	1.000	-455.938	446.434
	Niger	Benue	.132	146.771	1.000	-451.054	451.318
		Kwara	-57.233	146.771	1.000	-508.419	393.953
		Kogi	-71.569	146.771	1.000	-522.755	379.617
		Nassarawa	3.254	146.771	1.000	-447.932	454.440
		Plateau	-1.498	146.771	1.000	-452.684	449.688
	Plateau	Benue	1.630	146.771	1.000	-449.556	452.816
		Kwara	-55.735	146.771	1.000	-506.921	395.451
		Kogi	-70.071	146.771	1.000	-521.257	381.115
		Nassarawa	4.752	146.771	1.000	-446.434	455.938
		Niger	1.498	146.771	1.000	-449.688	452.684

Source: Result of SPSS Analysis

4.1.1: Interpretations of results and findings on research statement that Kogi State inflationary indices for the third quarter of 2023 is significantly greater than her other North Central Zone States at 95% confidence level.

The results from Table 4 indicate that state number 3 which is Kogi State is most significant in terms of Consumer Price Index parameters at 364.457 and .076 at Upper Bounds and significant level respectively. Table 5 Marginal Means shows that Kogi State has the highest mean of 436.199 and 644.361 Upper Bound at 95% Confidence level. As seen in table 6, Kogi State shows the highest at 526.009 upper bounds on Pairwise comparisons with other North Central Zone States save Kwara State and also at the highest mean ranging from 70.071 to 74.823 in Consumer Price Index save also that of Kwara State. In summary, the results of comparative analysis between Kogi State and her other North Central Zone States, show that Kogi State’s Consumer Price Index is higher in all ramifications compared with other sister states in the zone. The researcher finds that the Consumer Price Index in Kogi State for the third quarter of the Year 2023 is significantly (0.076) higher than her sister states in the North Central Zone.

4.1.2: Comparative analysis of Kogi State with her Neighboring States’ consumer price indices based on third quarter of the year 2023 data inflationary data as captured by Table 3. The technique of analysis is SPSS version 20 Univariate and Multivariate analysis. The results are as follows:

Table 7: CONSUMPTION PRICE INDEX Descriptive Statistics States bordering Kogi

	STATE	Mean	Std. Deviation	N
CONSUMPTION PRICE INDEX	Benue	352.9100	364.77971	10
	Enugu	346.5200	362.46432	10
	Ekiti	345.6713	362.98819	10
	Kwara	410.9627	424.07143	10
	Kogi	421.7627	438.12608	10
	Nassarawa	352.4967	364.17385	10
	Niger	356.4460	368.39537	10
	Anambra	360.1067	370.30918	10
	Abuja	346.1667	359.28364	10
	Edo	349.1593	364.93920	10
	Ondo	376.3387	388.66825	10
	Total	365.3219	363.32883	110

Source: Result of SPSS Analysis.

Table 8: CONSUMPTION PRICE INDEX Parameter Estimates of States bordering Kogi

Dependent Variable	Parameter	B	Std. Error	T	Sig.	95% Confidence Interval		Partial Eta Squared	Noncent. Parameter	Observed Power ^c
						Lower Bound	Upper Bound			
CONSUMPTION PRICE INDEX	Intercept	376.339	98.066	3.838	.000	181.755	570.923	.129	3.838	.967
	[STATE=1]	-23.429	138.686	-.169	.866	-298.612	251.755	.000	.169	.053
	[STATE=10]	-29.819	138.686	-.215	.830	-305.002	245.365	.000	.215	.055
	[STATE=11]	-30.667	138.686	-.221	.825	-305.851	244.516	.000	.221	.056
	[STATE=2]	34.624	138.686	.250	.803	-240.559	309.807	.001	.250	.057
	[STATE=3]	45.424	138.686	.328	.744	-229.759	320.607	.001	.328	.062
	[STATE=4]	-23.842	138.686	-.172	.864	-299.025	251.341	.000	.172	.053
	[STATE=5]	-19.893	138.686	-.143	.886	-295.076	255.291	.000	.143	.052
	[STATE=6]	-16.232	138.686	-.117	.907	-291.415	258.951	.000	.117	.052
	[STATE=7]	-30.172	138.686	-.218	.828	-305.355	245.011	.000	.218	.055
[STATE=8]	-27.179	138.686	-.196	.845	-302.363	248.004	.000	.196	.054	
[STATE=9]	0 ^b ????	.	.	.	.	.	.	.	.	.

Source: Result of SPSS Analysis.

The outcome of the results shows that the Consumer Price Index of Kogi State compared with sister States bordering her is significantly greater with the highest mean of 421.7627 during the third quarter and observed 0.062 level of significance with Kwara State coming second with 0.057 level of significance.

5.0: Discussion of current research findings:

The research confirms paradoxical occurrence of abundant natural resources in Kogi State and increasing high cost of living in the State. Abundance of natural resources correlates positively to abundance of corporate activities to extract such resources. Extraction of natural resources at the

point of its existence and having other companies located close to the extraction companies for further processing of the raw materials into finished product is one of the advantages of localization of Companies. Shroder (2014) asserts that the result of creating recourse corridor/localization of Companies is economic growth and job creation for local people. Job creation leads to higher earnings and higher derivations of revenue on the part of the Government through taxation.

Azubuikwe et al (2023) affirm that in Nigeria mining activities are controlled by Mining Acts such as; Minerals and Mining Decree, 1999 (No. 34 of 1999) as may be amended and Nigerian Minerals and Mining Regulations, 2011 (SI No. 47 of 2001) as may be amended. Mining related taxes are as provided by Companies Income Tax Act, 1979 (No. 28 of 1979), as may be amended and Capital Gains Tax Act, 1967 (No. 44 of 1967), as may be amended and Value Added Tax Act, 1993 (No. 102 of 1993) as may be amended. Mining royalties are rated according to different minerals. All taxes in mining such as fixed fees, surface fees, mining royalties, mineral resource rent tax, corporate income tax (CIT), minimum tax, capital gains tax (CGT), withholding taxes on dividends, interest and services, value added tax (VAT) and customs duties on imports are within the domain of and collected by the Federal Government of Nigeria. States only collect personal income tax. The personal income tax collection by Kogi State Government from Staff of these many mining companies is aggravated by casualization of Mining Workers in the State. Casualization leads to payment of Wages which are generally below taxable income. Thus casualization of work-force not only reduces income per household but also reduces the State income derivable through personal income tax. This confirms the assertion of Fapohunda (2012). According to Okafor (2007) casualization refers to under-employment or bad conditions of work such as employment insecurity, irregular work hours, intermittent employment, low wages and absence of standard employment benefits. Casualization reduces saving levels and thereafter diminishes investment growth. Casualization of Staff also puts increasing pressures on the consumptive activities within a State thus leading to Cost push inflation. Azubuikwe et al (2023) further assert that after the enactment of an indigenization decree which caused large-scale withdrawal of foreign investment in the industry and a downturn in production, thus the bulk of mining operations by the private sector rested on small-scale indigenous miners' shoulders, leading to production decline. Declination of mining activities into small scale ventures reduces the wage bargain, widens the gap for casualization of mining workers, reduces tax collectibles and leads to general under-performance of the sector. Arome and Enejoh (2019) affirm that many of ambiguities in legal creations, implementations and linkages in the mining industry result to the inability of the sector to harness its wealth creation capacities and had led to gross underperformance in the sector and, consequently, a loss of economic opportunities to the stakeholders.

The State with abundant natural resources which is mined by many very small-scale ventures usually experience increased inflow of casual workers leading to increased incidences of crime, reduction of revenue to the state (because of low level of non-taxable incomes). Nzeribe (2023) asserts that although poverty has many dimensional attributes but inflation is regarded as one of significant factors causing poverty. Insolvency is different from Poverty. Insolvency is inability to meet up with financial obligation as and when due while poverty is defined as including lack of

basic resources and lack of access to these basic resources. Nzeribe (2023) cited the research findings of Ahmed and Mortaza (2011). The work of Ahmed and Mortaza (2011) discovers that there is a converse link between inflation and poverty rate but with inverse link to economic development.

6. Recommendations and Conclusion:

This research having confirm that Kogi State is blessed with abundant natural resources with an inverse correlation with inflation. The inflationary rate in the State is resulting from influx of many eating mouths working with the abundant mining fields earning very low income aggravated by casualization mode of their engagements, the researcher wish to recommend as follows;

- a. Further research be conducted on how to tame the paradoxical existence of abundant resources in Kogi State and high cost of consumer price index/high cost of living at the State,
- b. Mining licenses in the State and Nigeria in general should be reviewed by the appropriate Government Agencies,
- c. A law should be enacted to abolish the casualization of most of the mining work-force in the industry,
- d. Government should consider increasing taxes on mining Equipment rather than expecting increasing revenues on personal income tax from mining industry.

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