



Assessing Gombe State Citizens' Attitude And Perception Towards Nigeria's Cashless Policy

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ABSTRACT

The Central Bank of Nigeria (CBN) introduced the cashless policy in 2011, which eventually took effect in 2012. The aim of the policy amongst others is to reduce the amount of physical cash circulating in the economy and encouraging more electronic-based transactions. The objective of this study is to review the CBN cashless policy in Gombe State and assess peoples' behavior and attitudes towards the policy in the State since its inception. Questionnaires were administered on 300 bank customers across the 11 Local Government Areas (LGAs) of the State. The findings revealed that 65% of respondents do not know what the cashless policy is all about, 80% are happy with the introduction of cash-lite (Cashless) points such as Automated Teller Machines, Point of Sales, and Internet Banking etc. As an interim verdict, 25% of the respondents believe that the cashless policy is necessary, 24% believe that the CBN approach to its implementation is the best and 43% believe that the policy will succeed. The study recommends that more banks' branches and cash-lite channels need to be established especially in other LGAs; there is also the need to consolidate in infrastructural development; and financial literacy for all.

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1. Introduction

Developments in information technology have influenced the role of money in economic activities and widen the scope of money and its usage. It has allowed for the use and operationalization of electronic banking, online transactions, and mobile banking in Nigeria. This has paved way for new era of development where the use and demand for physical cash is gradually declining. The various advantages enjoyed by the developed nations have prompted the CBN to introduce and adopt the cashless policy. An economy in which transaction is done without necessarily carrying cash is referred to as a cashless economy. There are various advantages associated with an economy using less of physical cash or going cashless. These various advantages have prompted the Central Bank of Nigeria (CBN) to introduce the cashless policy in Nigeria.

After series of changes indicating that the CBN did not do its homework properly initially and that it was

responsive to public opinions, the policy took off in Lagos on April 1, 2012. Some of the modifications included the change in the take-off date of January (Lagos) and June (nationwide); excluding Port Harcourt, Aba, FCT and Kano from the pilot phase; changing the cash withdrawal/lodgment threshold (N150,000 to N500,000 for individuals & N1m to N3m for corporate entities); the punishment for withdrawal or depositing, which the CBN diplomatically termed transaction charge which was reduced from 10% to 3% (for individuals) and 20% to 5% for corporate organizations. Cash transit services were limited to duly licensed organizations (and penalty for violation was N1m per cash movement against the affected bank) while third party over-the-counter cheques cannot be honored above N150,000 but excluding Ministries, Department and Agencies (MDAs), embassies and development partners. Non-exclusivity policy was also imposed on all cards used in Nigeria. The questions and challenges envisaged included the state of technology and infrastructure,

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illiteracy and low level of bank penetration and the cash-centeredness of Nigeria and Nigerians. Eventually, after these changes, awareness building and preparations by banks and other stakeholders, the policy commenced in 2012. It is important to state that on 17th of September 2019 the CBN came forth with a circular to all banks on the re-implementation of the cashless policy. The circular clearly stated that; charges on deposits shall apply in Lagos, Ogun, Kano, Abia, Anambra, Rivers State and the Federal Capital Territory. In addition to already existing charges on withdrawals, effective September 2019 and that nationwide implementation of the cashless policy will take effect from March 31, 2020. The circular directed banks on charges of account types (individual and corporate). Since the introduction of the cashless policy in Nigeria, there have been varied views as to its success. The study is divided into six sections: introduction, statement of the problem, literature and theoretical framework, methodology, data presentation, analysis and discussions, and conclusion and recommendation.

Since the introduction of the cashless policy in Nigeria in 2012, Nigerians are yet to grasp fully the modus operandi of the policy, thus yet to imbibe the policy wholeheartedly. The dearth of infrastructures, inadequate sensitization/enlightenment of the benefits of the cashless policy, the issue of internet connections, poverty, illiteracy, under-banking etc. have cumulatively affected the operation and acceptance of the policy. There is therefore the need to assess Gombe State citizens' perception and attitude of the cashless policy. The objectives of this study are therefore: to undertake a review of the CBN cashless policy (or cash-lite policy could be use interchangeable), to ascertain the extent of awareness, understanding and acceptance of the policy by Gombians (referring to Gombe State citizens); the change of attitude and behavior due to the policy and the general perception of the policy.

2. Theory

Cashless policy has been the subject of much debate at the theoretical and empirical level. Cashless economy is not the complete absence of cash, it is an economic setting in which goods and services are bought and paid through electronic means or can as well be stated as an economy in which money is spent without being physically carried from one person to another or from one place to the other. Electronic purse is access which reveals the information about how much a person has stored in the bank and how much he can spend. The move to use electronic cash obviously has its own challenges, which in Nigeria appear to be accentuated by the perennial problem of infrastructure. The introduction of the policy in Nigeria also brings up issues that border on security, privacy, crime, computerization, and supportive infrastructures. It has also been pointed out that societal acceptance of the policy is critical to its sustenance.

The cashless policy has been in operation partly in Nigeria for the past 9 years (April 2012 to 2020) but the awareness building and policy proclamations about it started around January 2011. The CBN (2011) restates the justification for it as follows. First, to drive development and modernization of the Nigerian payment system in line with vision 2020. An efficient and modern payment system is positively correlated with economic development and is a key enabler for economic growth.

Second, to reduce the cost of banking services (including cost of credit) and drive financial inclusion by providing more efficient transaction options and greater reach. Third, to improve the effectiveness of monetary policy in managing inflation and driving economic growth.

Fourth, to curb some of the negative consequence associated with the high usage of physical cash in the economy, including: (1) high cost of cash: there is a high cost of cash along the value chain-from the CBN and the banks, to corporations and traders, everyone bears the high costs associated with volume cash handling, (2) high risk of using cash: cash encourages robberies and other cash related crimes. It also can lead to financial loss in cases of fire and flooding incidents; (3) high subsidy: CBN analysis showed that only 10% of daily banking transactions are above ₦150,000.00 but the 10% accounts for majority of the high value transactions. This suggests that the entire banking population subsidizes the cost that the tiny minority incurs in terms of high cash usage; (4) informal economy: High cash usage results in a lot of money outside the formal economy, thus limiting the effectiveness of monetary policy in managing inflation and encouraging economic growth; and (5) inefficiency and corruption: High cash usage enables corruption, leakages, and money laundering, amongst other cash related fraudulent activities.

Fifth, to harness the various benefits from an increased utilization of e-payment systems. These include: (1) For consumers: Increased convenience; more service options; reduced risk of cash related crimes; cheaper access to (out of branch) banking services and access to credit; (2) For corporations: faster access to capital; reduced revenue leakage; and reduced cash handling costs; (3) For government: Increased tax collections; greater financial inclusion; increased economic development.

The CBN further declared that only 8% of cash transactions in 2010 was above ₦150,000.00 that did not limit cash withdrawal but made it more expensive; that the banking industry (including the CBN) spends about ₦200bn annually managing cash; and that there are other complimentary policies including improving the safety and density of Automated Teller Machine (ATM) and promoting the Point of Sale (POS) mechanism (Sanusi, 2011). Other justifications include the high percentage of space, employees and other

resources deployed to cash management (about 30%), and the fact that about 10% of customers that withdraw more than N150,000.00 account for about 70% of branch cash value, thus imposing cost on other customers. There are also the issues of unacceptable high volume of cash in circulation, and low penetration of alternative payment systems (Nwodo, 2011). According to the CBN, this latest development becomes necessary because of the increasing dominance of cash in the economy and its implication for cost of cash management to the banking industry, security, money laundering, among others.

The policy is also expected to help the CBN in achieving its objective of expanding, deepening and modernizing the payment system in Nigeria; break the traditional barriers hindering financial inclusion for millions of Nigerians; and bring low-cost, secure and convenient financial services; to urban, semi-urban and rural areas across the country, especially through mobile payment services; create an environment for effective monetary policy implementation and curb the menace of inflation (Sanusi, 2012).

There is no doubt going cashless is and will continue to be beneficial, based on cost benefit analysis and declared unequivocally that the shift towards a cashless society improves economic welfare, though with the caveat that the benefit is not equal for all the parties. But going cashless will not automatically generate all the enumerated benefits. Importantly is the fact that the electronic means of payment is the vogue throughout the world. Thus, if the policy be allowed to succeed, would save the country huge resources. But the cashless policy is not all bed of roses, it has challenges as well.

Babaroux (2007) and Laidler (2005) view a cashless economy as one where monetary asset play no essential roles in the order of things. Costa (2001) defines a cashless society as one in which there are no notes and coins issued by the Central Bank and where currency is provided by private financial institutions. In fact, you can pay for your purchases by any one of credit cards or bank transfer. Even when the central bank operates like other banks and produces its own currencies, such will just be one of the currencies available but the unit of account (Naira, Dollar, Pound Sterling etc.) remains a national affair, provided by the state. In fact, in a pure cashless society, the central bank cannot even impose reserve requirement! Under cashless banking, the central bank becomes smaller than the big financial players, loses its traditional instruments of monetary policy, depends on the government for sustenance and policy effectiveness, and directs its attention towards e-money supervision. In fact, most aspects of the cashless economy are enhanced by e-finance, e-money, brokering and e-exchanges. These all refer to how transactions and payments are affected in a cashless economy.

In assessing the role of Central Bank in cashless society, Claude & De Grauwe (2001) explained that central banks gradually lose their monopoly position in the provision of liquidity combined with its subsequent small size, which makes it hard to control the short-term interest rates. However, it should be noted that increased usage of cashless banking instruments strengthens monetary policy effectiveness, and that the usage of e-money usage does not pose a threat to the stability of the financial system (Iyatse, 2012).

It is important to note that even in those societies that have adopted cashless programmes decades ago, cash transactions still constitute a very large proportion of expenditure with card sales rising gradually over time (Gittins, 2004). As at 2007, up to 1.4trn pounds were moved daily in Britain and in countries that constitutes the former USSR, cash is the king both in volume and value (Lee, 2008) and \$1.3trn was expended on petty items in 2007 (Economist, 2008). The fact remains that it will not be easy to remove cash because of 'human habits and traditional attachments to the idea of money', especially the poor banking habits by most individuals in Nigeria; this is due to the fact that it has been around for several centuries and survived several major onslaughts like Cheques and Dinner charge cards in the 1950s. A compounding factor as to the continued use of money in developing countries has to do with the inefficiency of the banking cum financial sector, illiteracy and the inadequacy of financial services especially in the rural areas where majority of the population dwells. Factors that encourage the continuous usage of cash include its user friendliness (accounting for 65% of global payments in 2007), convenience, expansion in an informal economy where Nigeria, Bolivia, Peru and Georgia are world champions-58-68%], small purchases (Visa reports that about 70% of all items worth \$1-10 are cash paid) cheap, risk-free, bear anonymity and certainty of acceptance (Lee, 2008).

Even though there was a general feeling that the cashless policy was a positive step, there were several fears and challenges envisage about it. One was the outrageous charges imposed on customers who were merely asking for their money; and in an era in which banks already showed oppressive tendencies towards their customers, what the CBN had done appeared to be an endorsement of the kick in the arse tactics of the banks which is exploitative. There were also fears about the high level of cash centred operations, lack of trust, poor banking penetration and culture, defective infrastructure including electricity and payment systems, people's poor experiences with the ATMs and the nonchalant attitude of banks, their unwillingness to share any expected gains with customers, and the issues of security, fraud, and identity theft.

The Governor of Central Bank of Nigeria (2011) is of the view that the electronic means of payment is the vogue throughout the world. He stressed that the policy,

if allowed to succeed, would save the country huge resources such as cost of printing cash and its transportation from the mint to the length and breadth of the country. That such funds could be diverted to other pressing national needs especially that corruption is linked to the use of cash in Nigeria.

It is important to mention that the extensive application of computer technology in the financial sector is key to the success or otherwise of the cashless policy. Technologies are rapidly developing, thus facilitating transfers of funds from one place to another from one business to another from one individual to another. Over time it could be said with certainty that the introduction of the cashless policy has made it possible for Nigerians that do not have bank account to open one, thus enhancing banking habits among individuals (more so for rural dwellers). When the cashless policy was introduced in 2012 it was estimated that 63.7% of Nigerians do not have bank accounts, but with the introduction of the cashless policy, information and communication technology breakthroughs and other innovations by the financial sector cumulatively have enhanced banking habits among individuals (especially among rural dwellers) and businesses (CBN, 2016).

Empirical studies on cashless policy are sparse because it is newly implemented policy. Ehekoba & Ezu (2012) in a research carried out in Nigeria observed that 68.2% bank customers interviewed - as to the use of cash-lite channels especially ATM - complained about long queues in banks, 29.9% complained of bad attitudes of teller officers, while 2.89% complained of long distance of bank locations to their home or workplaces. In 2011 CBN data shows that 51% of withdrawal done in Nigeria was through ATM, while 33.6% was through over the counter (OTC) cash withdrawals and 13.6% through cheques, payment done through POS accounted for 0.5% of withdraw and 1.3% through Web; if the introduction of ATM in Nigeria cash withdrawals through OTC reduced within a short time; then it implies that introduction of cashless policy supported by the right information technology can achieve more to reduce over dependent on cash payments in Nigeria. Adeboye (2013) empirically studied the impact of mobile banking in the Nigerian Commercial Banks using questionnaire. He found that the introduction of e-banking services has improved banking efficiency in rendering services to customer. His findings shows that mobile banking improve bank service delivery in a form of transactional convenience, savings of time, quick transaction alert and save service cost which has recuperate customer's relationship and satisfaction. To this end, he recommended that Banks management should create awareness about the benefit of e-banking service, collaboration among banks should be perfectly maintained, skilled manpower in computer should be employed by banks for better service delivery and detection and preventing scammers/hackers from

manipulating banks data and stealing money from customers' accounts.

In any economy the financial system is the hub of productive activity, as it performs the vital role of intermediation, is the primary provider of payment services and the fulcrum of monetary policy. The process of financial intermediation involves the mobilization and allocation of financial resources through the financial markets (money and capital) by financial institutions (banks and non-banks) and by use of financial instruments (savings, deposits, securities, loans etc.). Monetary policy can only succeed when there is an efficient functional financial system in the economy. Cashless policy implies channeling transactions in the economy through the financial system.

Nzotta & Okereke (2009) explained that the efficiency and effectiveness of financial intermediation in any economy depend critically on the level of development of the country's financial system. In effect, the underdeveloped nature of the financial system in most developing countries account largely for the relative inefficiency of financial intermediation in those economies. In most of such countries, the financial system is, in general, shallow and narrow and unable to intermediate efficiently in the mobilization and allocation of resources for productive investment especially as most sectors of these countries are uncovered by any form of banking. As reported by Nzotta (2004), Goldsmith calculated the values of the financial interrelation ratio, the ratio of all financial instruments at a given time, to the value of the national wealth. He found that the ratios for developing countries were far lower than those of developed countries and concluded that because the development of financial institutions affects development, the low level of development of the financial superstructure affects development negatively. Often time's vital sectors are neglected to the detriment of most of the populace because of the low level of the development of banks. The development of banks rests squarely on the state of technology and the acceptance of the technology to use by the banking sector. For cashless policy to work, there must be an efficient financial system that covers the whole country, thus paving way for the growth and development of the country.

The theoretical framework of this study is Technology Acceptance Model (TAM) and Diffusion of Innovation (DOI) theory. TAM is one of the models that have been developed to provide a better understanding of the usage and adoption of information technology. It is a theory used in modelling technology acceptance and adoption in information systems research. Fred Davis in 1985 proposed TAM in his doctoral thesis at MIT Sloan School of Management. Tam is an information systems theory that models how users come to accept and use a technology that will encourage economic growth. The technology acceptance model proposes ease of use and

the perceived usefulness predict the acceptance of information technology. The model suggests that when users are presented with a new technology, several factors influence their decision about how and when they will use it. The factors are perceived usefulness and perceived ease of use. Here the new technology being the cash-lite channels and bank customers being the users. According to TAM, one's actual use of a technology system is influence directly by the user's behavioral intentions, attitude, and perceived usefulness of the system and perceived ease of the system. DOI is a social process that occurs among people in response to learning about innovation, which are often explained by three set of variables; each innovation sets of pros and cons, or attributes - in this instance information technology and cashless policy.

3. Research method

The population of the study consists of all bank account holders in Gombe state. 300 questionnaires were administered randomly on bank account holders in the 11 local government areas (25 each in 10 LGAs while in Gombe LGA 50 questionnaires were administered) between July 2019 to December 2019, out of which 262 questionnaires were duly completed, returned and analyzed with the aid of tables depicting frequency and percentage. The reason for the difference in the number of questionnaires administered in Gombe LGA is because Gombe in Gombe LGA has the highest concentration of banks and the most populous city in the State. The questions were structured, and in addition some respondents were interviewed in the process of administering the questionnaire to gain more insight into the issue at hand. Because the subject matter was fresh and esoteric to many, time was taken to explain the concepts and terms used in the questionnaire to the respondents.

4. Results

262 questionnaires were filled and retrieved out of 300. This represents 87 percent of questionnaires administered on respondents across the 11 local government areas of the state. The educational background of the respondents as shown in the table above reveals the following: 42 or 16% are primary school certificate holders, 131 or 50% are secondary school certs. holders, 62 or 24% tertiary education and 27 or 10% have other educational background qualification. When ask those that choose other educational background what that was, 90% explained that they had Koranic educational background and others adult education classes. The educational background of the respondents on a general note indicate that they could understand on a relative term

what cashless policy is all about if explained or given to them in written form. The educational background is also an indication of the state of education in Gombe State. Gombe State is one of the educationally disadvantage State in Nigeria (NBS, 2016). The table also revealed that 77% or 201 of the respondents work in the private sector, while 61 or 23% are public sector employees.

Table 1. Personal Data of Respondents

Variables	Frequency	%
Occupational Status		
Private Sector Employees	201	77
Public Sector Employees	61	23
Total	262	100
Educational Background		
Primary School Certificate	42	16
WASC/NECO	131	50
Tertiary	62	24
Others	27	10
Total	262	100

Source: Research Survey (2019)

The respondents were asked whether they were aware and understand cashless policy. Table 2, shows that 90 or 35% of the respondents are aware of cash-lite policy, while 172 or 65% are unaware of cash-lite policy but undertake cash-lite transaction such as e-transfer, POS, ATM withdrawals etc. The issue of carrying cash is still very much part of bank customers daily routine in Gombe State, such that most hardly use cash-lite channels in buying and selling except when compel by organizations to make transfer. The use of POS is another ball game altogether in that they are not use for buying or selling of goods but for cash withdrawals by bank customers, because of the inconvenience of using ATMs, lack of cash to dispense at ATMs, time wasting in queuing up to withdraw money at ATMs, distance from ATM machines or the unavailability of ATMs close-by especially for those in the rural areas that are unbanked.

As to Respondents understanding of cash-lite policies 214 or 82% do not understand or know very little about cashless policy, some even stated that they have never heard about cashless policy but do know that there are daily limits to withdrawals by them using ATM cards or transfer. It can be seen from Table 2 that only 48 or 18% of respondents are aware of cashless policy that is more than 9 years now in Nigeria. Respondents were as well asked how accessible cash-lite channels options are, it can be seen from Table 2 that 262 or 100% admits that ATM machines and POS machines are accessible to them. The only problem according to them are charges associated with the use of POS and inconvenience of using ATM machines especially when public servants' salary are paid and that is when most of them resort to POS as option despite higher charges by the operators. As to Respondents accessibility to payment cards, internet banking and direct debit were as follows; 41 or 16%, 28 Or 11% and 66 or 25% respectively. While these channels are easy

to access provided one has a phone, it is not surprising that most of the respondents affirm that they do not have access to the channels, it could be principally due to their level of education and the unawareness of the cash-lite channels in totality.

Table 2. Awareness, Understanding Accessibility, Use and Attitude Towards Cashless Policy

Variables	Frequency	%
Awareness of Cashless Policy		
Yes	90	35
No	172	65
Understanding of Cashless Policy		
Yes	48	18
Little	36	14
No	178	68
Accessibility to Cashless Channel Options		
ATMs	262	100
Payment Cards	41	17
POS – Access Devise	262	100
Internet Banking	28	11
Direct Debit	66	25
Which of These Cashless Channels Do You Use?		
ATMs	262	100
Payment Cards	41	16
POS – Access Devise	262	100
Internet Banking	28	11
Direct Debit	66	25
Attitude Towards Cashless Channels		
Highly Positive	195	74
Positive	41	16
Neutral	-	-
Negative	-	-
How Often Do You Use These Channels?		
Highly Regularly	17	06
Regularly	29	11
Occasionally	216	100
Rarely	00	-
Not at all	00	-
Improvement in Usage and Attitude Since Awareness Building Started		
Yes		
Unsure		
No		

Source: Research Survey (2019)

Respondents were asked their attitudes towards the cash-lite channels; 236 or 90 % agreed that it was highly positive or acceptable, only 26 or 10% feel it is neutral. That shows that cash-lite channels have become the normal norm and well accepted. Respondents were also asked how often they use the cash-lite channels 216 of

the Respondents stated occasionally while only 17 or 6% stated that they use the cash-lite channels regularly. A further check on those that use the cash-lite channels regularly shows that 95% of them are private sector employees. While 90% that use the cash-lite channels are low-income earners and public sector employees. But all respondents agreed that overtime there has been improvement as to the usage and attitudinal changes since the start of the cashless policy.

Those who patronize cashless channels and who should be change champions and advocates for the policy were asked to state the reasons for using the cash-lite channels. Table 3 shows that top on their response was convenience – 184 or 70% convenient and fast transaction, 24/7 availability 206 or 79%, friendly use 132 or 50% of respondents and removing the burden of carrying cash 32 or 12% followed by security – 31% (Robbery and Security).

Table 3. Reasons for use of Cash-lite Channels

Variables	Frequency	%
Compelled by my bankers	07	03
Compelled by employers	02	01
To reduce the rate of robbery at bank	07	03
For more convenient and fast transaction	184	70
Friendly use	132	50
Readily available for customers	209	79
24hrs		
Removes the burden of carrying huge amount of money	32	12
For other purposes such as payment of bill and recharge	17	06

Source: Research Survey (2019)

Table 4. Reasons for Avoiding Cash-lite Channels

Variables	Frequency
Network Problem	09
Fraudulent Operations	12
Fear of account safety	08
Very rigid	02
Low coverage	02
Compatibility problems	00
Incomplete denomination of money	00
Operational Issues	08
High charges by banks	02

Source: Research Survey (2019)

Those who avoid these cash-lite channels also gave their own reasons (though few and negligible). These were frauds – 12 Respondents [fraudulent operations, account safety and high charges by banks], Operational issues – 08, rigidity, comparability, denomination of cash dispensed and low coverage; 02, 00, 00, and 02 respectively, and network problems 09 (See Table 4). Respondents were asked to recount their experience, out of which only one explained how he lost ₦32, 000.00 (Thirty-two thousand Naira only) to fraudsters by disclosing his bank info. Because of these problems most of the respondents explained that they withdraw

their money in what they referred to “once and for all” when their salary is paid or when they receive any credit alert.

Based on the operational module so far and the understanding of the policy, respondents were asked to pass a verdict on the cashless policy and this is shown on Table 5. A total of 70% of the respondents believe that the cashless policy is necessary in today's modern economy in line with modern trend the world over., but only 40% believe that CBN approach to its implementation [coercion based and legislated change] is the best. Some 25% were not so sure while 34% were certain that the CBN is adopting the wrong approach as bank were from all indication having a field day as regards charges on transactions. There is also the general complain that banks and cash-lite channels are but too few especially for rural dwellers. This is in tandem with the general flow of public opinion on the debate; most people believe that the policy is right but only a very few thinks that levying punitive charges on people to withdraw their own money in an environment like ours and without any inducements to go cashless will work. To conclude the verdict, 113 or 43% believed that the policy has succeeded, only 29 or 11% believe that the cash-lite project has not succeeded, while majority of the respondents 120 or 46 are unsure as to its success of otherwise. On the issue of the system and the operators according to the respondents a lot need to be done. Inexperienced and incompetent personnel were recruited to hold key positions in banks. As a result, most of them lack the ability to respond to the rapidly changing economic conditions and regulatory framework.

Table 5: Necessity, Implementation and Probability of Success

Variables	Frequency	%
Necessity of Cash-lite Policy		
Yes	196	75
Unsure	66	25
No	-	-
CBN Approach to the Implementation is the best		
Yes	162	62
Unsure	99	38
No	-	-
Cash-lite Project has succeeded		
Yes, it has	113	43
No, it has not	29	11
Not sure	120	46

Source: Research Survey (2019)

In the interactions of the Researchers with some Respondents there was the general believe that the level of success of the cashless policy is minimal. While a lot has been achieved, especially transactions undertaken by businesses, yet most transaction in rural areas are cash base. The cash-lite channels are also not found everywhere. There are also a number of factors that have greatly affected the cashless policy in Nigeria principally amongst others are: poor advocacy and implementation - 82, corruption in the system - 17, variation in the perception among users and

professionals - 01, level of illiteracy - 42, poor implementation - 07, political instability - 00, unavailability of cash-lite channels in rural areas - 178, poverty - 92, Power supply - 92, poor network for cash-lite transactions 106 (See table 6). All these have cumulatively affected the efficacy of the cashless policy in Nigeria. For cashless policy to succeed it should be expected that cash-lite channels be everywhere in Nigeria. As it has always been in Nigeria rural areas are not the focus of governance and state institutions, but are ignore by it, which is no different with the cashless policy. Despite all the factors that have affected the cashless policy one way or the other, it will not be right to state that it will failed because it is glaring that a lot has been achieved.

Table 6: Factors Affecting the Cashless Policy

Variables	Frequency
Poor advocacy and enlightenment	82
Corruption in the system	17
Variation in perception among users and professionals	01
Level of Literacy	42
Poor Implementation	07
Political instability	00
Unavailability of cash-lite channels in rural area	178
Poverty	92
Epileptic power supply	32
Poor network for cash-lite channels	106

Source: Research Survey (2019)

Table 7. How do you Pay for your Purchases?

Variables	Frequency	%
Cash payments only	216	82
POS only	-	-
Transfers only	-	-
Cash/POS	46	18
POS/Transfers	-	-
Cash/Transfers	-	-
Total	262	100

Source: Research Survey (2019)

Table 7 shows how respondents pay for their purchases. It can be seen from the table that 216 or 82% of the respondents pay for their purchases using cash and 46 or 8% of the respondents use a combination of cash/POS in making payments. This clearly indicates that the cashless policy is yet to be imbibed fully by respondents. The CBN and banks have a lot to do in sensitization, advocacy, and enlightenment.

The cashless policy is a bank affair empowered by effective functional information technology and the central at the core of its operations. The CBN must ensure a balance between banks and customers relationships in the operations of the policy. We sought to ascertain from the respondents whether there were factors negating the success of the cashless policy or are there specific steps that banks should take to facilitate its successful implementation. Some Respondents believe that banks are hindering the policy in four ways: frequent shortages of money on ATM machines 92 respondents, thus the need to withdraw money most

often so as to avoid the inconvenience such as delay in withdrawing money, rural areas do not cover by banks (188), poor knowledge of the policy, poor awareness and sensitization especially the rural populace are some of the factors mention that do not enhance the policy. The service delivery of banks matters and is essential for the success or otherwise of cashless policy, thus it becomes imperative that all cash-lite channels should be functional 24/7 and available everywhere. The ease of having POS by all businesses, the ease by which transfers could be made all the time, all lead to the success or other wise of the cash-lite policy. Efficient Service delivery, the state of infrastructures and the availability of cash-lite channels greatly affect the success or failure of the cashless policy. The coverage as regards cash-lite need to be enhance, especially in terms of network coverage.

Table 8: Factors Negating the Cashless Policy

Variables	Frequency
Frequent shortages of money on ATM machines	92
Poor awareness and sensitization	72
Rural areas not covered by banks	188
Poor relationship among banks	00
Internet coverage	128

Source: Research Survey, (2019)

Table 9 shows the views and suggestions of respondents on how banks should facilitate and encourage the cashless policy of which the banks are the chief direct beneficiaries. These includes prompt servicing of the alternative payment channels – prompt servicing of cashless channels, more functional equipment, more awareness and sensitization, affordable bank charges for interbank transactions, affordable bank charges, and better internet connectivity.

Table 9: Facilitating Cash-lite Policy by banks

Variables	Frequency
Prompt servicing of cash-lite channels	132
Creation of more awareness and sensitization	58
Provision of more functional equipment	32
Reduction of service charge for interbank	178
Affordable bank charges	45
internet Connectivity	62

Source: Research Survey, (2019)

Discussion and conclusion

The cashless policy is 9 years old, thus good enough to review its success or otherwise and as well assess what people's attitude and perceptions are towards the cashless policy. This study has laid the foundation for a proper assessment of the policy, especially that the policy cut across every State of the Federation. Cashless economy does not refer to complete absence of cash transactions in the economy but reduces the amount of cash-based transactions to the barest affordable minimum. The findings of the study clearly indicate lack of understanding of the cashless policy - for instance, using ATM and POS for cash withdrawals does not in any way promote cashless transactions, but rather an easier and faster way of withdrawing cash by bank

account holders. Indication surface to show that most respondents do not understand and are not aware of the cashless policy. It is instructive to state that respondents believe that banks are obstacles to the cashless policy, especially in the way they run and manage their alternative channels. The indication also emerges as to why people do not patronize cash-lite channels and even why ATM is the dominant channel, which does not promote cashless transactions. On the issue of what stakeholders can do to improve on the effectiveness of the policy. the findings reveal that Gombe people are not excited about the programme, especially when most of the respondents feels the cash-lite channels are not secured, inconvenient with high charges to the detriment of the accounts bank customers. All said and done, the CBN must address the people's fears and challenges as a way of driving the programme forward.

Financial literacy will help a lot in the success and implementation of the cashless policies. With literate bank customers e-banking will likely improve especially buying and selling using POS and transfers through electronic banking. This should be followed by more enlightenment programme so as carry people along to cooperate and embrace the cashless policy.

The banks, beyond improving their cashless channel operations, should also share the gains of these cashless policy with their customers in the form of lower charges and other inducements like getting credit facilities with ease. Thus, taking care of the contentious issue that is disturbing to respondents which is the issue of charges on withdrawals and deposits with no moral justification excerpt to enriched banks and the government; and overburdened the already poor depositors. The issue of inadequate infrastructures makes for poor e-payments – electricity, network connectivity, technology in terms of machineries etc. - need to be address.

Going forward, studies should be undertaken nationwide, and some models of social change should be adopted to analyse the policy and recommend specific policy options.

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