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Impact of Cashless Economic Policy and Financial Inclusiveness in Nigeria: An Empirical Investigation

Husein Adagiri Isah
University of Abuja, Abuja, Nigeria

Abdurrauf Babalola
Alhikmah University, Ilorin, Nigeria

Abstract

This study empirically investigated the impact of cashless economic policy and financial inclusiveness in Nigeria. The Research design used was the cross-section survey and descriptive design. The data source was primary valid responses through questionnaires. The analytical techniques used were percentages, tables and Chi-Square. The findings of the study divulged that cashless economic policy impacted positively on financial inclusiveness in Nigeria. The study suggested that, intensive and consistent education about the electronic channels in financial services should be carried out in the country to enhance general awareness including those outside urban centers, service charges and cost of transaction be made affordable or free where necessary because unnecessary charges may discourage the unbanked population to increase, the requirements for financial inclusion through opening of bank accounts in the rural areas should be made less stressful and easy for the rural dwellers. Lastly, infrastructural facilities to aid financial inclusiveness, such as POS and ATM should be made more efficient, more secure and ever available for use, as this will put more confidence in users and potential users.

Keywords: Cashless Policy, Financial Inclusiveness

JEL Classification: G20, G28, G30

Paper Classification: Research Paper

Introduction

Studies have shown that the crucial role played by financial inclusion to strengthen the growth and development of any economy of the world cannot be over emphasized. In fact, for an economy to achieve its desired development there must be an easy access to mobilization and circulation of fund within all strata of the economy. This can only be achieved where there is a robust and functional banking system and inclusive financial services that are available to all and sundry in that economy. In the present digital world, various ranges of personal finance options are available for every income class of the population. This is what is generally called financial inclusiveness; where people are having access to formal financial institutions because they can use financial product or services of any financial institution at their desired disposal anytime.

The pronouncement of cashless economic policy by the Central Bank of the Nigeria (CBN) in 2006 has made academicians to keep up with the progress and the evolving nature of the cashless system in the country. It was observed that this transaction system has transformed the consumers' payment profile. This assertion is in relation to the volume of business transacted and the value derived from the business by the consumers. Adesina and Ayo (2010) stated that the emerging financial transactions has risen tremendously which amounted to billion worth of business deal in the year 2008. But Ejiofor and Rasaki (2012) and Adeoti and Osotimehin (2012) observed that when the CBN began the cashless scheme in Lagos State, a significant number of the commercial nerve center residents displayed low level of perceived awareness about the scheme. Till date many residents in the rural areas are yet to be incorporated into this policy and thus, they are being deprived of the benefits there in.

In another development, it was found that the awareness has been created among the verse majority of Nigerians and they agree to the fact that it will assist to lower the uncertainty of what may happen when carrying cash about but the rate of satisfaction from the customers is still at the lower ebb of speed, degree of service offered by the agents, responsiveness as well as transaction safety (Okoye & Ezejiofor, 2013; Adeoti & Osotimehin, 2012). Among the uncertainty is the issue of counting and confirming what is paid manually, fear of men of the underworld and risk of destruction through accident such as fire violence at homes and shops.

According to CBN (2018) the fundamental reason for Financial Inclusion Strategy of the nation is to lay down a clear plan for the appreciably rising accessibility as well as usage of financial products by 2020. Hence financial inclusion can be looked at as the ability of adults (18 years and above) having ease of access to varieties of prescribed financial services that satisfy their desires and these services must be affordable in terms of cost NFIS (2018). The salient elements contained in the definition inclusion strategy are highlighted below:

i. Financial Products and Services Access Ease: Make sure every sector of the society has easy means to use to financial products without strenuous requirements.
ii. Financial Products and Services Broad Range Usage.
iii. Users Needs Driven Financial Products: The products must meet the needs of all the clients and considering the financial capacity of users as well as having access to delivery channels.
iv. Inexpensive Financial Services: Financial services should be less expensive to accommodate low – income groups.

Also, the cashless policy which is aimed at facilitating the acceptance to be financially included into the system of financial net in Nigeria has the following aims to attain.

a. To reform payment system of Nigerian economy into a modern and well--developed structure in line with top 20 economies in year 2020. It serves as a key facilitator of economic growth which is also positively related to development.
b. To decrease the charges of banking services as well as charges on obtaining credit in order to motivate financial inclusion.
c. Proper management of inflation and motivating economic growth in Nigeria through effective monetary policy which must be perked up to enhance financial services inclusion.

Aside from less cash carrying policy aims, the policy is expected to limit the negative concern related to extra ordinary use of raw cash in the economy. There is the cost involved in printing the money. With the implementation of carrying less cash, the economy will save the cost of printing and maintenance of money notes and also the cost of security of such monies in banks and circulation. Payment system becomes faster and even more secured. In the same vein, corruption activities from payer to collector/receiver will be highly monitored with ease.

Statement of the Problem

Looking at the financial inclusion fundamental elements, the rationale for the evolution of cashless policy in Nigeria and the attendant solution it portends to the economic system, Nigeria, still needs to take appraisal of the journey so far.

Nigeria Inter – Bank Settlement System Plc (NIBSS) in 2017 shows that there were 146.3 million POS transactions in Nigeria. This figure increased to 285.9 million in 2018 which shows that it is on the rise. But there are different charges that those within the net of financial inclusion could reverse the trend of this compliance due to the unilateral aim of profit maximization of the stakeholders in the financial eco – system even in the face of infrastructural and technical deficit hindering the widespread adoption of the cashless policy FIN (2019).

Financial inclusiveness is expected to boost the economic activities of Nigeria which is expected to reflect in the general growth and better way of life for the citizens. It is against this threshold that the study seeks to ascertain how it has been able to affect the economic growth in Nigeria. The study became imminent looking at the fact that any traditional society – where the larger populace are in the rural areas – making electronic payment easier, faster and cheaper usually needs impetus for a voluntary financial change culture.

Objectives of the Study

The main objective of the study is to examine the impact of cashless policy as a panacea to economic growth in Nigeria. This is intended to be achieved through these specific objectives.

1. To examine the impact of changes in business models of financial service providers on financial inclusiveness
2. To evaluate the effect of awareness of electronic channels on financial inclusiveness
3. To assess the effect of usage of enhanced formal financial services on financial inclusiveness
4. To investigate the impact of accessibility of payments infrastructure on financial inclusiveness
5. To appraise the effect of service costs and perceived value on enhancing financial inclusiveness

Related Literature Review

Conceptual Issues

Economic Financial Policy

Strategic stakeholders in the Nigeria's economic financial policy and the role played are vital to the financial system and the economic activities that the economy can propel for productivities. This is a determinant to increased gross domestic product and improvement of the financial system. Economic financial policy consists of rules and regulations that govern the activities of players in the sector. These rules are expected to drive the economy towards the desired direction. The recent economic financial policy known as cashless policy is meant to deliver predetermined objectives which are economic growth and development driven.

The role of each stakeholder is stated as follows as enshrined in the policy framework given by the Central Bank of Nigerian.

Public Institution

This is made up of Federal Ministries, other Government Agencies and Parastatals with their respective programmes. Each of the public institution is mandated to create an enabling environment for digitalizing financial responsibilities of the government and supportive initiatives that will boost access to finance of the barred populations from financial inclusion.

Financial Service Providers

These are Commercial Banks, Development Banks, Pension Fund Administrators, Microfinance Banks, etc. It is expected that these institutions will offer financial services that are reasonable and accessible to meet end user needs, which are in line with established consumer best financial practices.

Other Financial Institutions

Middle Money Operations and Other Financial Technology Companies are Telecommunication companies (GLO, MTN, AIRTEL, etc) whose platform is usually used to do the financial transactions.

Development Partners

Organizations that are not owned by Government and Foundations as well as bilateral Agencies that direct their help to achieve the consistent improvement goals such as impartiality, wellbeing enhancement, emancipation, poor quality decline in the mist of other activities in the country.

Distribution Actors

All stakeholders that intermediate between the users of the financial inclusion services like Network Service Providers, Intermediary Bank Settlement and Satellite Agents that exist within the communities. These activities provide chance for them to earn income from services offered and other collaborative services in the financial ecosystem. It is expected that such services rendered are well-organized, appropriate and consistent in maintenance of the objectives of financial inclusion.

Users

Consumers and Advocacy Groups are the categories of users that make use of the opportunity available to deal with their finances, slot in economic activities, enhance spending, raisere venue and attain sustainable cost-effective dependence.

Regulators

CBN, Nigerian Communication Commission (NCC), Nigerian Agricultural Insurance Commission (NAIC), Pension Commission (PENCOM), Nigerian Deposit Insurance Commission

(NDIC), and Securities and Exchange Commission (SEC) are the regulatory agencies in Nigeria that supervise those activities under their respective agencies.

Table 1: National Financial Inclusion Target Progress in Nigeria

	Target areas	Target by 2020	2010	2012	2014	2016	2018	Variance to 2020
Total Adult Population Percentage	Payments	70	22	20	24	38	40	-30
	Savings	60	24	25	32	36	24	-36
	Credit	40	2	2	3	3	2	-38
	Insurance	40	1	3	1	2	2	-38
	Pension	40	5	2	5	7	8	-32
	Financial Exclusion	20	46.3	39.7	39.5	41.6	36.8	-16.8

Source: Excerpt from EFInA, 2019

Table 1 shows the percentage of adults in Nigeria who are presently participating in financial inclusion in the target areas as from 2010 to 2018. Looking at the variance, the table revealed that Nigeria is far from reaching the target year of 2020. It is imperative that all impediments are quickly addressed on time to see how the expected prospects of financial inclusion to the economy are achievable.

Table 2: Financial Behaviour Update and Usage in Nigeria

	2016	2018	Growth/ Decline
Other formal (non-Bank)	30.1	28.5	-1.6
Pension	7.8	8.0	0.2
Savings	5.0	3.7	-1.3
Mobile money	1.6	3.3	2.2
Mobile money agents	0.2	1.1	0.9
Insurance	1.7	1.6	-0.1
Remittances	0.9	1.5	0.6
Loan with other formal institutions	1.0	1.3	0.3

Source: Excerpt from EFInA, 2019

In the year 2018, about 99.6 million adults are active users of other formal financial institutions. It shows that there was a reduction in the non-banktoot her formal institutions from 30.1% to 28.8% (EFInA, 2019) .

Table 3: Financial Inclusion Products and Rates Charged in Nigeria

Products	Rate	Usage	Payment Channels
Point of Payment (POS)	N50	Every Use	Mobile Banking
Automated Teller machines (ATMs)	N65	After Third Uses	Mobile Banking
Card Maintenance	N52.50	Monthly	Mobile Banking
SMS Alert	N4.00	Always	Mobile Banking
Electronic Transfer	N52	Always	Electronic Banking
One-time pin (OTP)	N4.00	Always	Electronic Banking

Bank Statement	N20.00	Each Page	Over the Counter
Card Renewal	N1, 000.00	On Request	Over the Counter

Source: Author's Compilation, 2019

From Table 3, all charges are done to generate income for the commercial banks and government agencies without putting into consideration the reversal effect from the users of the products. Consequently, this has caused a spike in the use of cash transactions by Nigerians whose intent is to avoid these charges. This scenario will create the opposite of what cashless policy should be. There is an expectation that quantifiable reduction in the use of preferred method of payment by customers will change to using cash for transaction to avoid such charges which they consider as a burden. However, an attempt been made by the apex bank was the slash of bank charges from what was obtainable from Table 2 in the year 2019 to far less in the year 2020.

Theoretical Review

Industrial revolution of most advanced countries like Europe was boosted by the financial system which was activated in an unexpected manner for the industrial sector usage. This was also made possible because of the accessibility of finances and the low charges on loans obtained for industrial activities. In line with this position, real growth in a country is determined by actions of the financial system because improved production and specialization is made possible by enhanced resource (credit availability and acquisition) offered by the system. Also, Schumpeter (1912) affirmed that technological discovery and innovation is a critical prerequisite for economic growth which must be expedited by the financial sector through well organized resource generation and distribution. He maintained that a vibrant financial system is a necessary condition for flourishing entrepreneurial commitment in technological innovation because translating novel thinking (ingenuity) into real output has cost repercussions that may not be covered by entrepreneurs themselves and is a sincere concern in business. He queried that an efficient financial system is that type that can identify and fund entrepreneurs who have shown greatest probability of successfully converting innovative ideas into marketable products through inventive production processes (Okoye, Adetiloye, Erin & Modebe, 2017).

Empirical Review

The World Bank Report (2019) states the global growth slowdown due to uncertainty damping the prospects of global economy. New emerging markets and the developing economies in Europe and Central Asia regions slowed to 3.1 per cent in the year 2018 and this is projected to reduce to 2.1 in the year 2019. After the end of the year 2019, it is expected to pick up moderately in the year 2020 – 21 due to offsetting moderate activity, spillover external risk, uncertainty in global policy and renewal of financial pressure in the region. Over 80 percent of unbanked persons have mobile phones and moving them to public sector pension payments would decrease unbanked adults in the region by a good number of them.

Mamudu & Gayuvwi (2019) explained that cashless policy transmissions impact on Nigerian economy cannot be overemphasized. This was asserted from the findings in the study where time series data was used. It revealed that there is long run relationship between the variables used and the Nigerian economy. It showed that the insignificant nature of the results may be attributed to poor infrastructure of the facilities needed to enhance the performance of the banks on cashless policy. It is recommended that collaborated effort is required from both government and deposit money banks to improve the provision of infrastructure that would enhance greater access to transactions.

Fabris (2019) observed that the prospects of cashless society may not last long due to the evolution of digital currencies as seen in some countries. The study that is conducted using content analysis of empirical studies revealed global financial crisis and private crypto currencies have threatened the existence of cashless society. It concluded that economic policy makers must rise to the challenges to sustain the emergence of a cashless society. Even with this emergence, the cashless system still accommodates crypto currency since it is also a form of cashless structure.

It is not new that inclusive finance is critical to financial development in the world today as people could now trade internationally without raw cash. This is contained in a study, Inclusive Finance, Human Capital Development and Regional Economic Growth in China, using fixed effect approach for the empirical testing of the panel data collected. The result revealed that inclusive finance and human capital has the capacity to make significant positive impact towards promoting effective regional economic growth especially in the Western China provinces but otherwise in the Central region. This is due to different human capital development in the regions. The study recommends that optimizing resource allocation of inclusive finance and human capital is imperative because this can guarantee constant development of the China's general economy (Guangyou, Kuangxiong, Sumei & Guohu, 2018).

The study, Cashless Policy in Models of Economic Growth: the Nigerian Evidence explains that the variables (GDP, ATM, MOBK and POS) are jointly integrated. This implies that there exists long run relationship among the variables and, therefore, suggests that more Nigerians need to be enticed into the net of cashless policy in order to enhance the economic advantage to all citizens (Ibe & Odi, 2018).

Adetoso, Harley & Adegbola (2017) in a study, role of financial inclusion in economic growth and poverty reduction in developing economy, found that the economic growth and poverty can be influenced, significantly, by financial inclusion. That is, the economic growth is bound to increase when there is financial inclusiveness of the populace and at the end, poverty is reduced. The study which used OLS econometric analysis, suggested that nations can emphasize on decreasing level of poverty via improvement in infrastructure that would boost better living standards and banking services. More so, businesses would move freely without the fear of weekend that people do not carry out transactions when commercial banks are closed and hence absence of enough cash at hand.

In a study of financial inclusion, the finding revealed that rural dwellers fund kept in the money banks as well as loans with commercial banks have significant impact on the performance of gross domestic product (GDP) in Nigeria. The study adopted Vector Error correction model (VECM) to estimate the short run and the long run causality among the rural dwellers deposit and loans to GDP (Onalo, Lizam & Kaseri, 2017).

Okoye et al (2017) studied the impact of financial inclusion, credit delivery on economic growth and development in Nigeria. The study used OLS as the method for empirical analysis, found that credit delivery has not significantly promoted or improved GDP in Nigeria while financial inclusion has promoted poverty alleviation via rural credit delivery. They recommended that financial system agency that controls the activities of coordination should not only be concerned with financial inclusion effort through enhanced credit deliverance to the private segment of the economy, but it is also expected to strengthen the regulatory framework in order to ensure efficient and effective resource allocation and utilization in the country.

Omojolabi (2017) studied financial inclusion; governance and economic progress in Nigeria as it affects the welfare of those below the poverty line. The generalized method of moment (GMM) estimation techniques was used in the study and found that financial inclusion, good governance, commercial banks corporate governance has significant effect on GDP per capita, infrastructural development and can bridge the gap between the rich and the poor and in the end reduce the prevalence of poverty in Nigeria. The study suggested that more efforts should be taken to tackle the issues of income inequality and increase in per capita income due to the financial inclusion of the small income earners.

Olaniyi and Babatunde (2016) studied the factors affecting financial inclusion in Africa for the period between 2005 and 2014 where dynamic panel data was used to unveil the factors. It was found that factors like per capita income, wide-ranging money as a proportion of GDP, education, internet access, domestic credit as a fraction of GDP, deposit interest rate, inflation, population and non-interest banking presence and activities are relevant to explaining the level of financial inclusion in Africa. The study recommended that the listed factors are of utmost relevance for the Apex banks, commercial banks and policy makers in Africa to advance innovative ways to enhance inclusion of the poor populace who are excluded in the formal financial system.

Onaolapo (2015) stated that there is need to create a deposit and borrowing windows at affordable cost for the poor and the low-income group erstwhile tagged as those outside the banking net, which will encourage financial intermediation among the rural dwellers. This was found in the study on effect of financial inclusion on the Economic growth of Nigeria (1982 – 2012) where econometric techniques were used and found that financial enclosure of the citizens in cost-effective system is significant to economic growth in Nigeria.

Olayinka (2015) in a study on the path to digital financial inclusion in Nigeria: experiences of First monies; using context analysis found that although the Nigeria's mobile money adoption falls short of expectations, the experience catalogue operators revealed that such issues and challenges are among the contextual constraints of mobile money operation in Africa's largest economy. It was advised that regulatory constraints could be identified and addressed through the industrial regulatory practices.

Nwanne (2015) looked at the linkage between financial inclusion and economic growth in Nigerian rural populace and discovered that lack of presence of financial institutions in rural areas is excluding the dwellers from getting into financial inclusion net. The study which used primary data rank correlation method of statistical analysis recommended that continuous education of the rural dwellers, collaboration among commercial bank institutions, micro finance banks and communication services must be intensified in order to facilitate the success of financial inclusion policy of the CBN. More so, the requirements for financial inclusion through opening of bank accounts in the rural areas should be made light and easy for the rural dwellers.

Segunand Onafowokan (2014) in the study of the interplay of financial inclusion in Nigeria: theory, practice and policy, found that account ownership, insurance services and mobile money are very low. This study was done using simple statistical analysis to present the responses of the questionnaire in percentages from the six geopolitical zones of Nigeria. The study suggested that banks should reinforce their enlightenment strategies that will focus on harnessing the Nigerian populace in order to increase the transaction net of the unbanked ones into the financial inclusiveness.

In the study, the impact of central bank of Nigeria cashless policy in Nigeria economy, it is found that the policy has the tendency to reduce unemployment, risk of carrying cash, corruption tendencies as well as enhancing foreign direct investment. This finding was gotten from a research survey that was done in Lagos, Nigeria. The study recommends that policy makers in Nigeria must put up concerted machinery in place to curb any vices that could truncate the envisaged benefits (Ezeamama, Ndubuisi, Marire & Mgbodile, 2014).

Siyanbola (2013) studied the effect of cashless banking on Nigerian economy using primary data. It revealed that there is significant relationship between the cashless banking and the economy, employment propensity and best usage means. It was recommended that all stakeholders in the cashless banking policy must work in collaboration in order to improve the economic growth and development of cashless banking in Nigeria.

Methodology

The research design used in this work was the cross-section survey design and descriptive design. This approach was deemed necessary because the study wants to observe the behaviour of the respondents as it affects the policy of less usage of cash in Nigeria using financial inclusion strategies. The data source hence was primary, collected from a sample of Two Hundred and Forty (240) valid responses from the questionnaire distributed to different classes of people ranging from working class, traders and other private employers. The questionnaire used was designed in such a way that respondents can tick the given options based on the view one has on the issues at hand. The analytical techniques used were percentages, tables and Chi Square to show the behaviour of the respondents to the cashless policy as solution to financial inclusion and increase in the gross domestic product of the economy.

Hypothesis Statements

H_{01}: There is no significant impact of the models of financial service providers on financial inclusiveness of users.

H_{02}: There is no significant effect of knowledge of using electronic channels on financial inclusiveness of users.

H_{03}: There is no significant effect of usage of improved formal financial services on financial inclusiveness of users.

H_{04}: There is no significant impact of ease of access of payment infrastructures on financial inclusiveness of users.

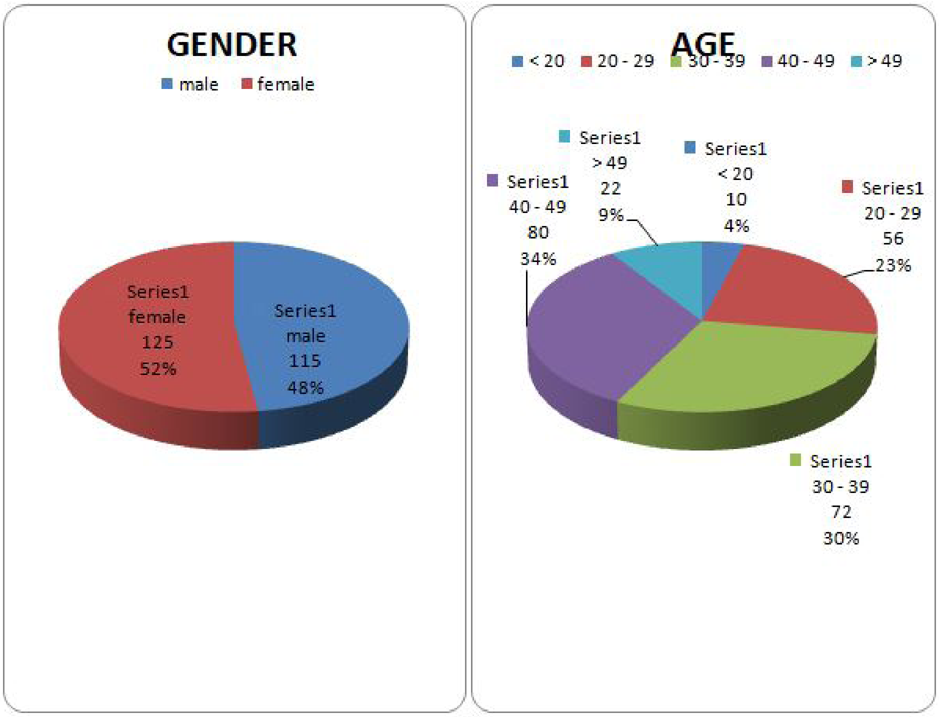
H_{05}: There is no significant effect of service costs and perceived value on enhancing financial inclusiveness of users.

Decision Rule:

If $X_t^2 < X_c^2$, do not reject H_1

Data Presentation

Figure 1: Panel A is Gender and Panel B is Age Distributions of the Respondents

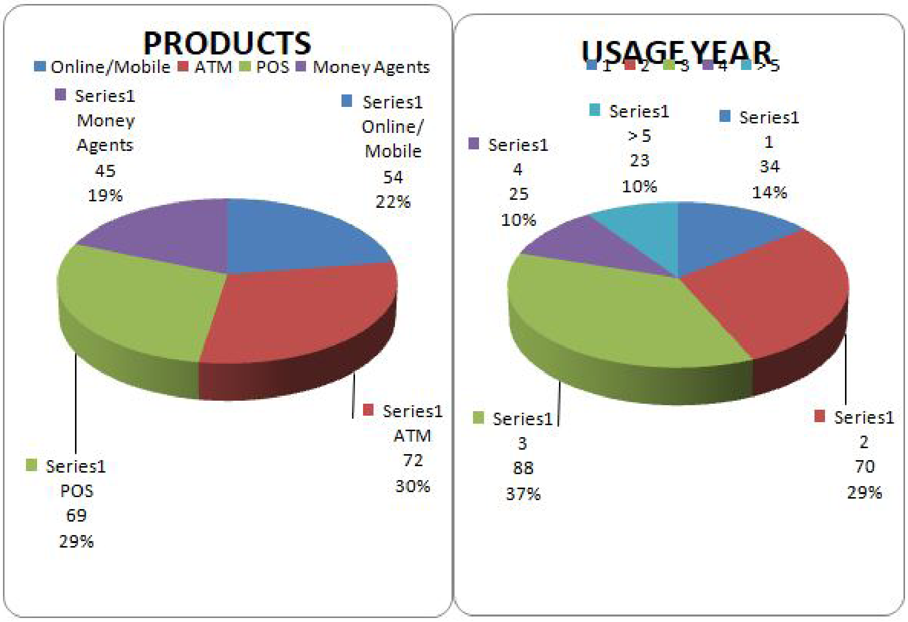


Source: Author's compilation

In Figure 1, Panel A shows that 52% of the respondents are male while the remaining percentage represents that of the female. Panel B shows the age distribution of the respondents which depicts that many of them are adults who know what is right and beneficial to him in terms of his welfare.

Looking at the Figure 2, Panel A shows the products that make cashless policy possible and serve as a tool for financial inclusiveness. The products include online banking, mobile banking, automated teller machine (ATM), point of sale (POS) and patronage of money. Agents that use network service provider's platform. Majority of them use POS and ATM more often than mobile banking and money agents. Also, in the Panel B of Figure 2, it shows that many of the respondents have been using these available cashless platforms for financial transaction. Only 10% of the respondents have been using the cashless platforms for more than five years. It can be inferred from the panel B that a tremendous progress is being made in this regard as the number of users are increasing.

Figure 2: Panel A is Products and Panel B is Usage Year Distributions of the Respondents



Source: Author's compilation

From the analysis of tables, it is obvious that awareness of cashless policy and financial inclusion is circulating among the citizens of Nigeria. Financial agencies that control and maintain the regulatory policy implementation must ensure that necessary means through which this achievement is enhanced and sustained should not be toyed with. And all the facilities available in cities that ease the accessibility and affordability of the financial inclusion cashless policy should be provided close to the rural dwellers as well.

Discussion of Findings

The chi – square results for hypotheses used to achieve the objectives set for the study is displayed in Table 4.

Table 4: Chi – Square Results for the Five Hypotheses

Variables	X^2_c	X^2_t	Df @ µ	Decision Rule	Status
Hypothesis 1	39.3	26.2962	16 @ 0.05	$X^2_t < X^2_c$	Accept H_1
Hypothesis 2	38.52	26.2962	16 @ 0.05	$X^2_t < X^2_c$	Accept H_1
Hypothesis 3	28.52	26.2962	20 @ 0.05	$X^2_t < X^2_c$	Accept H_1
Hypothesis 4	51.1	26.2962	16 @ 0.05	$X^2_t < X^2_c$	Accept H_1
Hypothesis 5	35.05	26.2962	16 @ 0.05	$X^2_t < X^2_c$	Accept H_1

Source: Author's Compilation

The first hypothesis, which examines the presence of significant impact of changes in models of financial service providers on financial inclusiveness of users, is done by using the products existing in the mobile banking market and the needs of the target users. The finding reveals that X^2_t (26.2962) < X^2_c (39.3) meaning that the alternative hypothesis is not rejected but accept that there is significant impact of models change in the monetary services providers on financial inclusiveness of users. It is clear to conclude here that there is significant association between the changes in financial service business models and the financial inclusiveness. The result is quite in line with the findings of Guangyu, et al (2018) in the Chinese economy.

The second hypothesis, which is to evaluate the effect of awareness of electronic channels on financial inclusiveness, was done via the concept of simplicity of the operational technology used in the product to meet the acceptability & usability of the targeted users. The result shows that X^2_t (26.2962) < X^2_c (38.52), which implies the alternative hypothesis is not rejected. There is a significant effect of awareness of electronic channels on financial inclusiveness using simplified operational technology for the products offered to the target users.

The third hypothesis; to measure the effect of usage of enhanced formal financial services on financial inclusiveness, used the service costs of the products on offer and perceived value by the targeted customers are acceptable as variable to measure this. It shows that X^2_t (26.2962) < X^2_c (28.52) implying that the alternative hypothesis is accepted and agreed that there is significant effect of the usage of enhanced formal financial services costs on financial inclusiveness of users. It can be deduced from the comparison of the two values - X^2_t (26.2962) < X^2_c (28.52) – where the difference is not much that the cost-of-service charge is affecting the usage of the financial services available to customers.

The fourth hypothesis; to investigate the impact of accessibility of payments infrastructure on financial inclusiveness, trust in the products and services offered in the cashless policy and their adoption & utilization shows that X^2_t (26.2962) < X^2_c (51.1). This implies that there is strong correlation between payment accessibility infrastructures and financial inclusiveness of users. It confirms that the users have trust in the product and services offered in the cashless policy. In this vein, when users have pretty access to withdrawal and deposit of their cash with ease, security and without disappointment in the form of lack of electricity, attack by rubbers etc., they tend to choose to be financially included.

Lastly, to appraise the effect of service costs and perceived value on enhancing financial inclusiveness, using eco – system and other channels are available shows that X^2_t (26.2962) < X^2_c (51.1). This implies that users know the perceived value of the services offered and the cost as it enhances their financial inclusiveness. It suffices to say that there is significant relationship between service cost and perceived value on financial inclusion and cashless policy due to availability of various channels of transaction. When users have a high perceived cost of operating the financial inclusiveness, they tend to withdraw from such activity, in which, they could opt out and become financially excluded.

Generally, looking at the values of the Chi – Square of the findings collectively, it can be stated that cashless policy has a strong co – relationship to financial inclusion and economic growth in Nigeria.

Other studies that corroborated with the findings of the study are Onaolapo (2015), Olaniyi & Babatunde (2016)and Onalo et al (2017). They all agree that financial inclusion can be achieved through the cashless transactions and in the end improve the economic growth in Nigeria.

Conclusions and Recommendations

This study empirically investigated the impact of cashless economic policy and financial inclusiveness in Nigeria. Research design used was the cross-section survey and descriptive design. The data source hence was primary as it collected information from a sample of Two Hundred and Forty (240) valid responses through questionnaire distributed to different classes of people ranging from working class, traders and other private employers. The analytical techniques used were percentages, tables and Chi-Square to show the behaviour of the respondents to the cashless policy as solution to financial inclusion and increase in the gross domestic product of the economy

Findings of the study divulged that Cashless Economic Policy impacted positively on Financial Inclusiveness in Nigeria. Therefore, consistent effort must be maintained to ensure that cashless policy is deepened to reach the entire populace of the country to advance economic activities and consequently improve economic growth. Even though cost of transaction and charges seems to be an issue to the users of cashless policy, financial inclusion remains a relevant factor that can be used to track economic activities, free money, sharp practices in government agencies and intergovernmental expenses.

The study therefore recommends that:

1. Business models of any financial service institutions that would enhance financial inclusiveness should be encouraged and the potential benefit of such models be made known to the users.
2. Intensive and consistent education about the electronic channels on financial services should be carried out in the country to enhance general awareness including those outside urban centres.
3. Service charges and cost of transaction should be made affordable or free where necessary because unnecessary charges may discourage the unbanked population to increase.
4. Financial institutions and government should ensure that enabling environment should be provided where the users of cashless policy will be stranded at the time of financial services need.
5. More so, the requirements for financial inclusion through opening of bank accounts in the rural areas should be made light and easy for the rural dwellers.
6. Lastly, infrastructural facilities to aid financial inclusiveness, such as POS and ATM should be made more efficient, more secured and ever available for use, as this will put more confidence in users and potential users.

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Author's Profile

Husein Adagiri Isah is presently a student of Economics undergoing Ph.D Programme in the Department of Economics, University of Abuja, Abuja-FCT, Nigeria. He did his Diploma in Mathematics Education in the Institute of Education, Ahmadu Bello University, Zaria, Kaduna State, Nigeria. He took up teaching at Almanar Centre for Islamic Education – Almanar Basic Education School located in Life Camp, Abuja, Nigeria and taught at various levels of Primary and Secondary Schools. Presently he is at the managerial level as Vice Principal of Almanar Basic Education School of the Centre. During this period of teaching, he acquired first and secondary degree (B.Sc. & M.Sc.) in Economics from University of Abuja and Kaduna State University, Kaduna State, Nigeria. As student of knowledge, he always look forward to taking up beneficial challenges that will improve him as a person and add to the strata of his knowledge. He has Five (5) joint publications – one (1) International Journal and others are University Journals in Nigeria. Also, he has two (2) conference presented papers both in University Conferences. Lastly, knowledge is the basis of civilization and he strongly believes that seeking it is unlimited and dimensionless especially when its beneficial.

Abdurrauf Babalola (*Ph.D*) has over 17 years of experience in teaching in various fields including Economics, Business Studies, Further Mathematics, Economics and Business Mathematics, Macroeconomics, Monetary Economics and Econometrics, in various schools including Kwara State Polytechnic, Ilorin, Kwara state, Imo State University, Owerri, Imo State, Nurul-Bayan International Academy, Wuse Abuja, University of Abuja, Abuja, Sixth Form College of Capital Science Academy, Kuje, Abuja and Galaxy University Preparatory Centre, Wuse II, at Advanced Level Cambridge, Edexcel, International University Foundation and Alhikmah university, Ilorin. He was also involved in the World Bank Project of Out- of –School Children in Nigeria under the National Institute of Legislative Studies, Maitama, Abuja, all in Nigeria, holding various portfolios such as teaching, lecturing, Head of Department, Vice Principal and research officer. Over the years, he has undergone Professional Development courses with the University of Cambridge International Examination, trainings and seminars in various institutions and attended conference with quality paper presentations. He is presently a reviewer at Economics Department, University of Dubai, an Associate Consultant on Education and Training at Eecmasec Education Solutions Ltd, London, UK, an Associate Lecturer at the Sultan Maccido Institute for Peace, Leadership and Development Studies, University of Abuja, FCT, and the Head of Department and lecturer in both undergraduate and post graduate programmes of the Department of Economics, Faculty of Management Sciences, Al-Hikmah University, Ilorin, Nigeria.