EFFECTS AND CHALLENGES OF THE CASHLESS PAYMENT IN NIGERIA

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Abstract

This study examined the aborted Nigeria cashless payment; its infrastructure and economic freedom. The main objective of the study is to evaluate the impact that infrastructural deficit, deprived economic freedom has on the implementation of the cashless payment. The other objective is to know the proportion of the unbanked and how cashless payment impact on the unbanked. The study adopted both primary and secondary data; the primary data was elicited through the use of questionnaires and oral interview, the secondary data through review of extant literature on cashless payment and its infrastructure. The primary data was analyzed and presented using SPSS statistical technique. The result showed that the country network, power, charges on electronic payment, bad internet services, fear of cyber-crime, low smart phone penetration and low literate level in rural area hinders participation in electronic payment. It was recommended that Nigeria need to improve on their telecommunication network coverage, expedite action in her completion of 5G network and invest in critical equipment for implementation, the central bank of Nigeria should ensure that on-line transactions remain safe and secure to enable participation, the government must continue to keep transaction charges minimal and encourage point of sale outlet to desist from charging customers at the end of every transaction, improve and stabilize power, increase sensitization and partial implementation of cashless policy.

Keyword: Cashless policy, Digital economy, CBN, Infrastructure, Economic freedom.

1. Introduction

The continued interaction and integration of the world pontificated as globalization had encouraged nations to liberalize and deregulate their economy for a global market share. This development was fueled by the development in the telecommunication infrastructure like telephone, internet, and smart phones and thus accelerating development in the financial system. The advanced economy begins to think of new ways of handling money. The cost imperative of paper money made developed countries of the world moved away or reduce the use of paper money instrument toward electronic ones like card payment. This development enhanced e-money, e-brokering and e-exchanges.

Sweden is an advanced economy that has gone complete cashless; by March 24th 2023, Sweden will no longer accept cash as a means of payment (Fourtane,2020). This is made possible because the population of Sweden is under mobile coverage and people found this alternative of payment like mobile payment, card payment and internet payment more convenient than paying with cash. America had also introduced cashless policy which in real term is a partial

cashless policy as digital payment is used side by side with a decreasing cash usage, which is a slow evolution away from cash payment.

The various advantages enjoyed by advanced economies like Sweden and U.S.A., desired to be among the first 20 world economies and the way to go in line with global trend (CBN, 2011) prompted the Central Bank of Nigeria to adopt the cashless policy. The Nigeria Banking industry had invested in infrastructures to enabled seamless implementation of cashless economy in the country. The Central Bank declared following public outcry to raise the daily cash withdrawal and deposit limit from N150,000 to N500,000 and from N1,000,000 to N3,000,000 for individual and corporate account respectively. On October 26th, 2022, the Central bank unveiled plan to redesign the naira dominations of N200, N500 and N1,000 probably to mop up cash for effective implementation of the cashless policy. As a result of the currency redesign, the Central Bank of Nigeria pegged maximum cash withdrawal limit via the Automated Teller Machines and point of sales, POS at N20,000 per day for individuals subject to N100,000 per week. Over the counter weekly cash withdrawals by individuals and corporate organization were pegged at N100,000 and N500,000 respectively. The forceful implementation of the cashless policy without due consideration of optimum cash level to enabled such policy and without adequate measures in place to mitigates against the effects, created hardship among the citizenry.

Economic freedom which is one of the main thrusts of free market was taken from the citizens as they could not make choice of which method was convenient, affordable and secure for them in payment. The unbanked populations were the hardest hit as there were no measures in place to secure their financial freedom. Many small-scale business suffered existential threat and close shop as they rely on low Naira value transaction for their businesses. Many people in rural and urban area have no access to internet facilities, smart phone and electricity, making life unbearable for Nigeria citizens.

The long queue at ATMs, with little or no success to get the new naira notes fuels anger and apathy against the policy that cumulated in thuggery against the banking system. The poor implementation of the cashless policy without proper understanding of the nation's peculiarity; poor internet facilities, poor coverage of smart phone, epileptic power supply and no power in many rural areas and sub optimal money in circulation led to chaotic and messy situation.

In most advanced economies, it was a gradual implementation of the policy until the citizens appreciate the use of digital money than cash money. The main objective of this study therefore is to evaluate the impact that the infrastructure deficit, deprived economic freedom has on the implementation of the cashless payment. The other objective is to know how cashless policy implementation impact on the unbanked.

The study therefore intends to examine the infrastructure, economic freedom and cashless policy in the country. This could be achieved through the survey of the population, to know how many have access to internet facilities, smart phone and effective electricity in Edo State and other level of infrastructure development. Such findings will help policy makers on policy redirection of cashless policy. It will help the government to appreciate the need of cash required to manage cashless policy and alternative policy for those without internet, smart phones and electricity coverage precisely those in the rural areas and the unbanked citizens. This has become necessary, until every citizen is in position to adopt digital payment methods.

2. Literature Review

2.1 Conceptual framework

Cashless economy is an economy where transaction of good and services are done without physical cash rather through electronic media like use of card in ATM machines and mobile phones. Cashless economy is not the complete absence of cash. The inherent cost associated with cash management made many nations of the world to encourage the use of non-cash payment. Sweden has become the first cashless economy in the world by going 100% digital. Many advanced economies of the world have also gone digital economy in varied degree. Humphrey (2004) posits that developed countries of the world are moving away from cash payment to digital payment. The various advantages enjoyed by developed nations prompt the Central Bank of Nigeria to adopt the cashless policy. The low level of internet penetration, and poorly developed telecommunication impede Nigeria earlier implementation of the programme that was now made possible in 2012 after huge investment by banking industry in the country on infrastructural development of the bank. The scheme becomes fully operational in 2023 after preliminary test in some states in 2012 and 2013 and implemented nationwide in July, 2014. According to the Central Bank 0f Nigeria (2011), the policy is meant to reduce cost incurred in maintaining cash based economy by 90%. In October 2022, the Central Bank of Nigeria announced plans to redesign currency denomination, a policy meant among others to mop up excess cash in the economy for effective implementation of the cashless policy. In this dispensation, the unbanked suffered greatly.

The scarcity of cash, poor network resulting from the policy created long queue at the bank. Frustration emanating from the implementation of cashless policy fueled anger and thuggery against the banks. Ajayi and Ojo (2006) posit that one way of developing the nation economy is to adopt a payment policy that is secure, convenient and affordable.

The Nigeria cashless policy meant to bring low cost, secure and convenient financial services to urban and rural areas failed woefully as a result of poor implementation. There were no considerations of the required optimum cash to support the programme, the unbanked were not considered and there were large scale poor internet, power and smart phone coverage. Ogu (2011) posits that for cashless policy to work, certain factors must be present in right quantity and quality. Herzeberg (2003) argued that the high penetration of mobile phone technology enabled electric payment in many economies. Nonor, (2011) opined that many Nigerians are unbanked and that could slow down the cashless policy.

Welfare economies under economic freedom or economic liberty argued that individual should be quarantine freedom from variety of choices. In an economically free society the government refrains from coercion or constraint on the people to behave in a particular way in term of economical goods. When people have a choice mode of payment, it leads to prosperous and healthier society. Some people may prefer to use cash payment to remove the burden of deductions that follow digital payment. Such cumulative deductions impact on the poverty level of the citizens mostly the unbanked.

The costs associated with digital payments are sometime huge relative to infrastructure available. The citizens should look at their transaction to determine which strategy is healthier

for them. Ejiro (2012) posit that sustainability of the cashless policy should be a function of endorsement and compliance by the end users

2.2 Nigeria preparedness for cashless policy

In order to ascertain the level of Nigeria preparedness for cashless policy, we will do a comparative study with Sweden. The choice of Sweden is predicated on the fact that it has been at the forefront of banking innovation and has gone fully cashless with 95% participation of the citizens. Infrastructure is the key enabler of a cashless payment which should encompass the development of the following:

2.2.1 Internet penetration

Sasu (2023) estimated that 40.72% of over 200 million Nigeria's population make use of internet from actual of 38.73% in 2022. Sweden has a population of 10.58 million as at January 2023 and there were 10.28 million internet users as at 2023 which is 97.2% of the population (Data reporter.com, 2023). World Bank (2023) however put the figure at 9.26 million internet penetration for Sweden. Adepetun (2022) opined that Alliance for affordable internet posits that 81% of Nigerians lack meaningful internet connectivity and that only 12.1% of the Nigerian population enjoys internet services.

2.2.2 Internet Speed

Nigeria has a low internet speed which may be attributed to inadequate infrastructure. Ilic (2023) posit that Nigeria ranked 146 in the world with a global internet speed of 24.22 mbps while Sweden is ranked 23 with a global internet speed of 199.11mbps. Speed test Global Index (2023) ranked Sweden six (6) position in the world with internet speed of 91.36mbps while Udegbunam (2022) writes that Nigeria's Average fixed broadband internet speed is so low that the country ranked 151st among 182 countries in the latest Speed test Global Index published by US based internet speed analysis from Ookla. It recorded 20.97 megabits per second download speed while the world's fastest, Singapore scored 298 mbps.

2.2.3 Smart Phone Penetration

Majority of Swedish population have smart phones and tablets. 96% of internet users in Sweden owned smart phone in 2021 while 76.97 owned a desktop or laptop and 50.9% owned tablets. Jaiyeola (2022) disclose that Alliance for Affordable Internet. Com posits that only 44% of Nigerians have access to smart phones. The report also revealed that 58.2% of Nigerians living in urban areas have smart phones while 29.5%nof those in rural areas have smartphones.

2.2.4 Point of Sale (POS) machines

POS machines reduce the conventional use of the banking halls. It enabled banking facilities to be closer to the people for easy accessibility. According to the NIIBSS (2022), the number of registered POS terminals in the country rose to 976,898 in 2021 while as at April 2022, this figure reached roughly 1.1million. Akintaro (2023) posited that as at March 2023 POS machines in Nigeria hit 1.8 million. According to Statista (2023), there are more than 245 thousand POS terminals in Sweden in 2020

2.2.5 Telecommunication Penetration

Kolawole and Umejei (2023) posits that telecommunication network coverage in Nigeria is limited to urban areas while Network services in rural areas are either poor or non-existent. It was estimated that one-third of the Nigerian population has no access to telecommunication network services. Sweden has a high rate of digitalization and telecommunication in 2021. 93% of Swedish had access to the internet at home.

2.2.6 Cyber security

In-spite of Nigeria effort to create an online environment that is safe, resilient and trusted by individual users and business, there have been reports of new attacks and emerging threats. Many financial institutions had to rethink their cyber security approach and strategy. Nigerians feel that device that is being used for cashless transaction can be hacked or the transaction might be hanged in between (Kaila,2019). Compared to other countries in Europe, Cyber-crime in Sweden is relatively low.

2.2.7 Literacy rate

Government disclosed that more than 76 million adults, representing 38% of the estimated 200 million population of Nigeria cannot read and write. 99% of adult populations in Sweden are able to read and write (Sweden population, 2023). The literacy level for Nigeria in 2021 is 77.62%. (Global Data, 2022).

2.2.8 Electricity in the country

All withdrawal and deposit services require electricity and data communications. Nigeria electricity access is 59.50% in 2021 according to world bank collection of development indicators (Tradingeconomics,2021). Ajaja (2022) posit that 92 million Nigerians lack access to electricity; worst globally according to Energy Progress Report, (2022). Access to electricity, urban in Sweden was reported at 100% in 2021 according to the World Bank collection of development indicators (Tradingeconomics, 2023)

2.3 Theoretical framework

The study is anchored on two theoretical framework- deterritorialization and diffusion of innovation theory.

2.3.1 Deterritorialization theory was developed by Gilles Deleuze and Felix Guattari (Casinader, 2023). They opined that activities and context in a geographical location can be altered in acceptance of a global activities or context from other geographical location thus give way to territorialization. Which mean, global event like telecommunication, digital computer can occur every place in the world due to detterritorialization activities in a particular geographical area to enabled reterritirialization of the activities. Thus deterritorialization is synonymous with globalization.

2.3.2 Diffusion of innovation theory: This concept was introduced by Rogers in 1962 (Rogers,2003). He opined that innovation is diffused to members of social system overtime by interaction between individual through interpersonal network. In a globalized world,

innovation that is convenient and cost effective like the cashless payment can diffuse or spread easily. Such will prompt the adoption of such policy without coercion within the society.

These theories are apt for this research work as cashless would be a global phenomenon which every country will adopt at different space of time. The driving force is voluntary and readiness of nations. Therefore, society must ensure adequate infrastructure before implementation. This may be the beginning of the end of cash payment in the world; Just as trade by barter was made obsolete by cash payment. The world would gradually adopt cashless payment. The globalized world is like a system theory in which what happened to one part, impact on the whole part. To fit into the globalized world, a common system of payment may be the new trend.

2.4 Empirical Review

Ogbeide (2019) examined the effects of cashless policy on financial inclusion in the Nigeria economy. The secondary data were analyzed by ordinary least squares method. The findings revealed that cashless policy has no significant relationship with financial inclusion both in urban and rural areas of Nigeria. The findings show a significant effect on increasing customer deposits in commercial banks of Nigeria. Volume of Automated Teller Machine (ATM) has a positive and significant effect on financial inclusion indicators in urban center compared with the rural areas. Volume of point of sales (POS) shows more significant and positive influence on financial inclusion in urban area than rural area.

Agu and Agu (2020) studied the impact of cashless policy on economic growth in Nigeria over the periods of Q1 2010 to Q4 2018. It employed quarterly time series data using ordinary least squares (OLS) technique. The data was obtained from World Bank Development Indicator and Central Bank of Nigeria Statistical Bulletin, Annual Report and Statement of Account for the year 2019. Findings revealed that cashless policy has been a veritable tool in influencing economic performances especially as it relate to Automated Teller machine (ATM) transactions and point of sale (POS) payment patterns. Muhammad (2012) examined trends of banking habit in Nigeria across banking regimes of regulation and deregulation hinged on historical perspective of banking development in Nigeria from the period of independence to 2012. The findings suggest a static behavior across the monetary policy regime and thus cautioned rushing the cashless policy until measures are in place to encourage and push fast the banking cultures changes for the success of the cashless economy.

3. Methodology

The study adopted exploratory and descriptive research to analyze the infrastructure, consumer economic freedom and cashless economy in Edo State. Purposive random sampling method was used to select 300 sample people in Benin City. The low sample size is due to lack of finance to pursue larger population. The sampled people consist of unemployed, daily paid workers, public and private workers, market women and men. The choice of Benin City is informed by ease of access and Benin City was among the states in Nigeria that witness heavy destruction of bank facilities. The primary sources of data for analysis are questionnaire and personal interview while the secondary data is review of extant literature. The research instrument is made up of two sections. Section A, elicit demographic information while Section B contain questions relevant to the subject matter. Most of the question was adopted from varied literature.

A response scale research instrument was used to generate the required data for analysis. The scale 5-1 was used for each question. The questions ware scored on a likert scale from strongly Agreed (S.A.), Agreed (A), Neutral (N), Disagreed (D) and strongly Disagreed (S.D) with a score of 5-1. The interview questions consist of non- scaled questions that help elicit detailed information on subject matters. Data was analyzed using descriptive and inferential analysis. The description and inferential analysis flow from the questionnaire and extant literature review. The interview was for the purpose of clearer picture on what was investigated. The statistical package for social sciences soft- ware was used.

4. Result and Discussions

This section captures items in the questionnaire relating to infrastructure deficit, economic freedom and the unbanked in Benin City.

S/N	Statement of Questions	N	S/A	A	N	D	S/D
1	I do not have a bank account	300	3(1%)	15(5%)	-	52(17.3%)	230(76.7%)
2	Cash is easier way of payment for services/consumer goods than other stop-off wallet like mobile payment, card payment and internet payment	300	38(12.6%)	89(29.7%)	58(19.3%)	68(22.7%)	47(15..7%)
3	The country network is a major setback to electronic payment transaction	300	137(45.7%)	89(29.6%)	53(17.7%)	5(1.7%)	16(5.3%)
4	I do not have a mobile coverage in my area	300	6(2%)	42(14%)	67(22.3%)	95(31.7%)	90(30%)
5	I do not have a smart phone to enable my participation in electronic payment	300	5(1.7%)	11(3.7%)	16(5.3%)	94(31.3%)	174(58%)
6	The state of power in my area do not support	300	63(21%)	74(24.7%)	74(24.7%)	63(21%)	26(8.6%)

	smooth operation of electronic payment						
7	I do not have adequate technical knowledge and skills to participate in electronic payment	300	22(7.3%)	26(8.7%)	26(8.7%)	105(35%)	121(40.3%)
8	Charges with electronic payments hinder my participation in electronic payment	300	32(10.7%)	100(33.3 %)	74(24.7%)	52(17.3%)	42(14%)
9	Bad internet services hinders my participation in electronic payment	300	89(29.7%)	116(38.7 %)	53(17.7%)	26(8.6%)	16(5.3%)
10	The fear of cyber- crime hinders my participation in electronic payment	300	63(21%)	79(26.3%)	74(24.7%)	58(19.3%)	26(8.7%)
11	Fear of losing my phone hinders my participation in electronic payment	300	42(14%)	47(15.7%)	42(14%)	95(31.7%)	74(24.6%)
12	I will prefer partial cashless society(the use of cash and electronic)	300	116(38.7 %)	64(21.3%)	47(15.7%)	47(15.7%)	26(8.6%)

Authors Compilation, 2024

On the statement; I do not have a bank account, 18(6%) respondents agreed that they do not have a bank account while 282(94%) disagreed.

On the statement as to whether cash is easier way of payment for services/consumer goods than other stop-off wallet like mobile payment, card payment and internet payment. Findings revealed that 115(38.3%) respondents disagreed that cash is easier way of payment while

127(42.3%) agreed that cash payment is easier way of payment. 58(19.3%) respondents were neutral. The statement as to whether the country network is a major setback to electronic payment transaction, 226 (75.3%) were of the view that the country network is a major setback to electronic payment. 21 (7%) respondents do not believe that the county network constitute setback to electronic payment. 53 (17.7%) were neutral. 185 (61.7%) respondents were of the view that they have a mobile coverage in their area. 48 (16%) respondents believe that they do not have a mobile coverage in their area. 67 (22.3%) respondents were neutral. The statement as to whether people have smart phone to enable them participate in electronic payment, 268 (89.3%) respondents have smart phone to enabled participation in electronic payment. 16 (5.4%) respondents do not have a smart phone while 16 (5.3%) were neutral.

About 137 (45.7%) respondents believe that the state of power in their area do not support smooth operation of electronic payment. 89 (29.6%) respondents disagreed that the state of power do not support smooth operation of electronic payment while 74 (24.7%) are neutral. The statement as to whether people have technical knowledge and skills to participate in electronic payment, 226 (75.3%) respondents believe that they have adequate knowledge and skill to participate in electronic payment. 48 (16%) respondents believe that they do not have adequate knowledge and skills to participate in electronic payment while 26 (8.7%) respondents were neutral. On the statement as to whether charges with electronic payment hinders their participation in electronic payment, 132 (44%) respondents believe that charges in the use of electronic payment hinders their participation in electronic payment, 94 (31.3%) respondents disagreed while 74 (24.7%) were neutral. 205 (68.4%) respondents believe that bad internet services hinders their participation in electronic payment while 42 (13.9%) respondents disagreed and 53 (17.7%) are neutral. The statement, the fear of cyber- crime hinders participation in electronic payment, 142 (47.3%) respondents agreed while 84 (28%) respondents disagreed and 74 (24.7%) were neutral. 89 (29.7%) respondents were of the view that fear of losing their phone hinders participation in electronic payment while 169 (56.3%) respondents disagreed and 42 (14%) respondents were neutral. The statement as to whether people will prefer partial cashless society, 180 (60%) respondents believe that they will prefer partial cashless society that permits the use of cash and electronic payment. 73 (24.3%) respondents disagreed and 47 (15.7%) were neutral.

4.1 Implication of Findings

Literature review shows that Nigeria has a low internet penetration evident from Sasu (2023) of 40.70% and Adepetun (2022) of 81% of Nigerian lacking meaningful internet connectivity. Internet plays a vital role in digital payment. To embrace digital financial platform, a country must developed its internet infrastructure to enabled performance. Sweden with a population of 10.58 million has 97.2% population internet penetration. This show that Sweden has a long plan to implement cashless policy and has developed its infrastructure to enabled there cashless policy. The strong internet infrastructure of Sweden enhanced the trust and confidence of the people to embark on full digital payment. It is the Sweden citizen that prefers digital payment which demonstrates the level of acceptability. Despite the humongous amount spend by Nigeria government on internet infrastructure, there is still more to be done to enable performance. The implication is that it was hasten to embark on full cashless policy without considering the adequacy of internet infrastructure in the country. Since internet penetration is low, the central bank would have allowed partial implementation of cashless policy. People will switch to full cashless policy when they see the advantage imminent in the policy. Forceful implementation

of the policy without due consideration of those that does not have access to internet facilities spur anger, frustration and thuggery against the banks.

Another important consideration is the internet speed. Findings revealed that Nigeria has a low internet speed, evident from Ilic (2023) who posit that Nigeria ranked 146 in the world with a global speed of 24.22mbps and 151 among 182 countries by Speed test Global Index, where it records 20.97 megabits per second download speed while the world fastest, Singapore scored 298 mbps. Sweden ranked 23 with a global internet speed of 199.11 mbps. This is an indication of grossly inadequacy in providing e-payment services. Most often, Nigeria banks are full of people frustrated due to inability to access services due to low internet speed that often result in hanging payment or spending a lot of hours at the bank to access their services. Though, there are indications of central bank attempt to address this issue by improving on their infrastructure which includes provision of 5G technology but the hasten implementation without due consideration of present reality exposes the central bank unpreparedness toward the program. Most of the advance economies that embark on digital policy have strong internet speed which is a strong pre-requirement for digital economy.

The report shows Nigerians with smart phone to enabled performance is low evident from 44% of Nigerians that have access to smart phone as opined by Alliance for Affordable Internet. When compared to Sweden population of 96% that have smart phone and tablets in 2021 is a far cry to enabled implementation of cashless policy. Though there are POS terminals and ATMs, people need more convenient to access digital payment through their smart phone and tablets. People in rural areas are mostly affected as greater number of people do not have a smart phone and have to go a long distance to access e-payment facilities. This trigger anxiety and loss of confidence on the scheme. The POS machine growth rate hit 1.8 million in March 2023. This is a fantastic improvement since many people do not have a smart phone, it will facilitate their participation in digital payment. The low number of POS in Sweden of 245 thousand terminals in 2020 is a clear indication of the number of the population that made use of their smart phone and tablets in e-payment. Nigeria should encourage more the use of POS machines to facilitate e-payment, and for easy accessibility by the people. Embracement of POS machine in Nigeria is an indication of switch to digital means. The government needs to improve on this and capture the people confidence before full implementation of the policy.

Are Nigerians literate enough to make use of digital payment? According to Sasu (2023), Nigeria has a literacy rate of 62% while 99% of adult population in Sweden can read and write (Sweden population, 2023). The low access to education in the Northern part of Nigeria worsens Nigeria level of digital literacy. 38% of Nigerians that cannot use digital payment made implementation difficult mostly in the rural area. Lack of cash created a lot of trouble in many homes; many could not spend money on basic facilities which led to abuse in many banks and anger against government. The implementations of the policy do not consider the literate level of the population to use digital payment. Sweden had a long walk into implementation as the country spends a lot of money on educating the population long before implementation. Nigeria was hastened to join the global world in implementation. Despite the huge investment in educational facility in the country, the 38% illiterate in the country is significant enough for government to have allowed for partial implementation of the policy instead of mopping up cash beyond the reach of the unbanked.

Nigeria electricity access is 59.50% in 2021 according to World Bank (Trading economics, 2021) though Ajaja (2022) posit that 92 million Nigeria lack access to electricity according to Energy Progress Report, 2022. Sweden has 100% access to electricity in 2021 according to World Bank (Trading economics, 2022). Electricity facilitates internet payment. The implication is that Nigeria is grossly inadequate in infrastructure to implement digital economy. The poor power developments in the country hinder efficiency of the program and erode participation. The cost associated with participation may prevent many organization and individuals not to appreciate the benefits of participation. Cashless policy must have a comparative advantage which triggers interest and participation against cash payment. Though some institutions have gone completely green that is on solar energy but a lot need to be done to encourage e-payment. Inability for Nigeria to get power sector right should have encourage partial implementation of the policy leaving people with choice until full acceptability.

The penetration of banks and ATMs in Nigeria though huge is not adequate against developed countries. World Bank (2023) posit that Nigeria has 16.15 automated teller machine (ATM) to 100,000 people as at 2021 while Sweden which is a smaller country of 10.58 million population has 28.30 automated teller machines to 100,000 people as at 2020. Nigeria is far behind developed economies in terms of bank and ATMs penetration. Though Nigeria has invested so much in bank and ATMs spread, is not adequate to force implementation. Ease of access to digital payment is one of the cardinal requirements for digital economy. Some rural area do not have banking facilities, the telecommunication network coverage in Nigeria is relatively limited to urban area. It was estimated that one-third of the Nigeria population have no access to communication network services but 93% of Sweden had access to the internet at homes. Infrastructure development is a basic requirement for digital implementation. The advanced economies are adequately prepared for implementation. Nigeria needs to improve on their telecommunication network coverage. People will be happy to participate if they have access to facilities that enabled digital economy. Inability to have access to digital facilities can make policy messy and chaotic. The anger and frustration could have been triggered due to inability to access telecommunication facilities.

Adequate efforts have be made by central bank of Nigeria to improve on the country cyber securities but there are reports of attack and threats that keep organizations and individuals on continuous alert. On-line financial transactions have been vulnerable to securities breaches in Nigeria. Isiavwe (2023) posit that MoMo Payment Service Bank the new financial services subsidiary of telecom company MTN Nigeria, suffered a breach, losing 22 billion Naira. Nigeria payment service bank operate with a mobile money license reserved for non-bank institutions. They offer deposits and withdrawals and cross-border remittances. They can issue debit cards but not credit cards and a fourth of their operation must be in rural areas where most financially excluded Nigerians live. The breach of the systems of MoMo service bank involved approximately 700,000 unauthorized transfers to about 8,000 accounts in 18 Nigeria commercial banks. There are also instances where people or organization accounts are hacked. Sometimes ATMs and smart phone are stolen which they use to hacked accounts of members of the public. This activities has hinders many participation in digital payment. Though no part of the world is free from activities of hackers but the advanced economies have reduced theirs. The central bank of Nigeria must continue to ensure that on-line financial transactions remain safe and secure to enable participations in digital economy in the country.

From the Questionnaire administered and oral interview, 18respondents (6%) that do not have a bank account are daily workers, petty traders and unemployed. They said the income is too low to be banked and it is just for daily survival. One of the respondents said the total money for his trade is N20,000 and its big men that bank. The implication is that he has no money during the policy implementation to conduct daily activities. According to him, I was begging for money to eat.

It is obvious that many people in the investigated area prefer cash payment than any other source of payment. Evident from 127 (42.3%) who believed that cash payment is easier way of payment. This preference could be occasioned by functional inadequacies in implementation of the cashless policy evident from 226 (75.3%) respondents who believe that the country network is a major setback to electronic payment transaction, 137 (45.7%) respondents who believe that the state of power do not support smooth operation of electronic payment, 132 (44%) respondents who believe that charges with electronic payment hinders their participation in electronic payment, 205 (68.4%) respondents that believe bad internet services hinders their participation in electronic payment and 142 (47.3%) respondents that believe fear of cyber- crime hinders their participation in electronic payment. The implication is that the country network, power, charges on electronic payment and bad internet services are major setback to cashless policy implementation in Nigeria. The country must increase her bandwidth, improve and stabilize their power to enable participation. Though charges are minimal but most Nigerian are critical about any amount of money deducted as a result of the transaction. The government must continue to keep transaction charges minimal and encourage point of sale outlet to desist from charging customers at the end of every transaction. The efficiency of transaction will outperform the low cost of transaction, which the customers will consider minimal at the long run.

Bad internet services is another hindrance; the country must urgently expedite action in her completion of 5G network and invest in critical equipment' for implementation. This is occasioned by low internet speed in the country and sometime failure of internet services. Cyber- crime is still very high in Nigeria; people are very protective of their hard-earned money and would not want to be a victim of cyber theft. When people are sure of the safety of their money and transactions, it will encourage more participation. Refusal to participate despite mobile coverage, smart phone penetration and adequate knowledge and skills is a reflection of dissatisfaction with operations. Those larger percentage of respondents must be brought into user group by addressing their discontent with the operation. The country should encourage partial cashless policy to enabled full participation until people are fully convinced of full cashless policy. Forceful implementation would be chaotic and messy.

5. Conclusion and Recommendations

5.1 Conclusion

The emergence of cashless payments and on-line financial transactions have revolutionized financial transaction all over the world in terms of easiness, fastness and convenient of engagement in commerce. Nigeria participation triggers anger and thuggery against Nigeria banks. This behavior could be a function of inadequate infrastructure to enabled implementation. Cashless economy should be demand driven that is it should be a function of trust and confidence of the people to secure implementation. Sweden has a robust card payment system, internet infrastructure, mobile payment app and mistrust for cash before

implementation. Which mean the people were psychologically prepared to accept digital ‘’payment’’. Nigeria poor infrastructure development, literacy level of the citizens and the unbanked were not considered before implementation. Many Nigerians were not wily to participate in digital economy because of cyber- crime.

The mop up of cash created a cash crunch that made the available cash inadequate to meet the needs of the people, more probably the unbanked. People become disillusioned about the whole process and feel it was politically motivated. The frustration led to thuggery against banks. It is recommended that the central bank should deepened infrastructure development in the country that will enable full implementation of the policy. The cash withdrawal should be gradual until the citizen appreciates the use of digital payment. Forceful implementation of the digital payment will not work in Nigeria with high illiteracy level in Northern part of Nigeria. More efforts should be put in place by central bank of Nigeria on cyber security to gain the support of the people.

From the forgoing, partial implementation of the policy will be more appropriate for Nigeria development. Nigerians would willingly have mistrust for cash and embrace digital economy

There is no doubt that cashless payment has come to stay but Nigeria must evolve to participate in cashless society. The government should ensure all the necessary infrastructure, are available for implementation. The people would willingly participate when advantage outweighed their fears. This could take a long period of time, partial cashless policy should be encouraged so that people on their own will graduate into full cashless payment after seeing the advantages of the program. Cashless payment is a new normal in the world. Many countries will join in the use of digital payments, those who refuse will be left behind. Therefore, adequate sensitization, partial cashless payment is the way to go in the new globalized world.

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