European Journal of Business and Management
ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online)
Vol.6, No.26, 2014

Challenges and Benefits of the Cash-less policy Implementation in the Nigerian Economy

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Abstract
Recently in Nigeria, issues on the CBN cash-less policy have constituted the themes and subject matters of many workshops, conferences and symposia. They have also made headlines on pages of the national dailies and periodicals and have become subjects of discussions in learned circles. The considerations range from the constitutionality of the policy to its economic advantage/disadvantage and criticisms. The robust interest which the policy has generated is hardly surprising considering the enormous implications its applicability will have on the lives of ordinary Nigerians and the business environment. Against this background, this study examines the adoption of cash-less banking, with a view to x-raying the possible challenges and benefits it poses to the Nigerian economy whilst employing an integrated approach. Analytically, this study employed descriptive statistics with experimental research design where questionnaires were administered to a sample size of 120 randomly selected respondents. The data collected were tabulated, analyzed using simple percentages and tested using chi-square. From the findings it was revealed that there are significant benefits in the implementation of cash-less policy in Nigeria despite the plethora of challenges daunting its take-off in the Nigerian economy. From the findings it was recommended that the Federal Government of Nigeria and the CBN should synchronize their efforts in ensuring cyber-safety which is a major threat of the e-payment system in order to fully harness the smiles of cash-less policy in the Nigerian nation.
Keywords: cash-less policy, cyber-safety, e-payment, POS Terminals.

1. Introduction

The recent evolution in technology for financial transactions poses interesting questions for policy makers and financial institutions regarding the suitability of current institutional arrangements and availability of instruments to guarantee financial stability, efficiency and effectiveness of monetary policy. Over the course of history, different forms of payment systems have been in existence as framework for exchange. Hildebrand (1986) took a critical look at the stages of economic development. He asserted that the key to understanding the stages of economic growth was to be found in the conditions of exchange; thus, he posited three economic stages based on barter, money and credit. Initially, 'trade by barter' was common. This depicts natural economy where goods were exchanged directly for goods and services. However, the problems of barter such as the double coincidence of wants necessitated the introduction of various forms of money.

The money exchange system meant that goods and services were exchanged in coinage, which was then the principal form of money at the time. This was done using the two precious metals – gold and silver (hence the gold and silver standards of the late 19th and early 20th centuries) (Nweke, 2012). The ultimate transition to the credit economy meant the use of paper money and paper transfer such that wages earners at the time could access credit for property purchases on account of promissory paper notes.

According to Mishkin (2004); '*payment systems refer to the methods of conducting transactions in the economy*'. These systems evolved alongside different forms of money (anything that is generally acceptable in payment for goods or services or in repayment of debts). Money is different from 'currency' which is commonly misconstrued as money but is only a type of money. The introduction of money addressed critical challenges inherent in barter economy as money:

- Became a medium of exchange (used to pay for goods and services)
- Served as a unit of account (used as value measure for goods and services)
- Served as a store value (used as a repository for purchasing power over time).

The major form of money which was prevalent was commodity money exemplified in the precious metals of 'Gold and Silver' and cowries. These were prevalent until the early 20thcentury. The heavy weights of these commodities and difficulty of transporting some over long distances especially when the volume of transaction is large, pose a serious limitation. This major limitation led to the introduction of paper currency which could as well be converted into coins or definite quantities of precious metals. Between 1944 to 1971, U.S. dollar could convert to gold at US$35 to one troy ounce of gold (FRD, 1993). This conversion collapsed in 1971. Fiat money was introduced. Fiat money was a form of paper money backed up by government decree or act. In other words, paper money or currency without any g old conversion was legal and had to be accepted as a medium of exchange and in payment of debts. However, it was bulky and therefore difficult to transfer large volume of paper hence the introduction of cheques.

Cheque is essentially an instruction from an individual (who owns an account in a bank) to the bank to transfer money from his/her account to another when the cheque is deposited. Though cheques brought about innovation and efficiency of the payment system, it has its draw backs such as delay in processing/clearing and payment. This gave rise to Electronic Payment (e-payment) and subsequently e – money. E – Money is a form of e – payments, whereby e – payment do not only substitute for cheques but also for cash. The use of debit card, credit card, stored value-card, e – cash, fund transfer, etc are among several modes of e – money. This culminated in the current “cashless policy drive” across the globe. As Masashi (2012) predicted,

> *“The evolution of payment system will never stop. Payment systems are social infrastructure that support all economic activities, and the financial market will require more sophisticated payment systems with greater safetyand efficiency”.*

In Nigeria, the post-independence era had witnessed different governments, constitutional reforms, change in economic policies and banking welfare and achieving developmental goals. However, there had been no substantial positive change in Nigeria’s Human Development Indicators. This antecedent calls to question the effectiveness and desirability of the “cash-less economy” policy by the Central Bank of Nigeria.

Several scholars have attempted to analyzed the cash-less system or e – banking. However, it is crystal clear that, a comprehensive evaluation of the prospects and challenges of the “Cash-less economy” is yet to be done. Most studies ignore its economic benefits while others incompletely examine its negative implications. This research is therefore tailored to comprehensively address the issue of the benefits and challenges of the Cash-less policy in Nigeria”. It would objectively x – ray and analyze the prospects and challenges of the cash-less economy in Nigeria with a critical appraisal of Cross River State which is a microcosm of the Larger Nigeria State.

1.1 Objectives of the Study

This study was undertaken to achieve the following aims and objectives:

i) To identify and x-ray the problems and challenges of a cashless economy and to proffer solution.
ii) To make objectives recommendation for the timing of kick-off of cash-less policy in Nigeria.
iii) To identify and recommend basic infrastructural needs, resources and basic legislations that must be put in place before a successful kick-off of cashless policy.

1.2 Research Hypotheses

It is expedient to formulate hypothesis to guide any study in which objectivity and valid generalization is sought. This work would therefore not take exception. Thus, as a guide to this work, the following hypotheses were formulated:

1. Ho_1: There are no significant challenges in the implementation of cashless economy in Nigeria.
   H_1: There are significant challenges in the implementation of cashless economy in Nigeria.
2. Ho: There are no significant benefits in the implementation of cash-less policy in Nigeria.
   H1: There are significant benefits in the implementation of cash-less policy in Nigeria.

2. Literature review and theoretical framework

2.1 Theoretical Framework

In recent times, there has been a consensus that Central banks (Federal Reserve banks or Government Banks as it is identified in different countries) have the capacity to control the price level. One of the approaches is through controlling money supply advocated by monetarists and has led many central banks to implement money-supplytargeting procedures (Claudia, 2001). Okereke and Sanni (2005) defined money supply as "the total sum money in circulation that facilitates the exchange process in an economy at any given time". They added that money supply would be viewed from either a narrow perspective or from a broader horizon. The two theories that underpin this paper are advanced below:

1. **The Theory of the monetary stages of development**

According to Sen.(1983), the process of economic development necessarily entails economic growth in addition to the qualitative and quantitative changes in multiple areas of the economy such as human capital, critical infrastructure, health, literacy, to mention a few. Although the concept of economic development was popularized in the 20th century, the term actually predates this era. Economics of this era advocated a common historical based methodology to their economic analysis, as era as well as the belief that the Chief task of economics was to discover the laws governing the stages of economic growth and development. Scallet (n.d) reported that, Georg Friedrich (1789-1846), who is regarded as the forefather of the German historical school of economics, stated that economies of the temperate zone will go through four stages of economic development namely: Pastoral life Agriculture Agriculture and Manufacturing Agriculture and Commerce.

Another German economist, Bruno Hildebrand (1812-1878), took a variant yet historical approach to the study of the stages of economic growth was to found in the conditions of exchange; thus, he posited three economic stages based on barter, money and credit. This assertion is known as the theory of the monetary stages of development and this forms a major theoretical standpoint in this work. Hildebrand's vision was that a society would advance from barter (a state of natural economy where goods were exchanged directly for goods) through monetary exchange before reaching its highest synthesis in a credit economy.

Although Hildebrand eventually failed to develop a coherent system of economics his vision of a barter-money-credit advancement model of economic development provides theoretical evidence of the existing relationship or correlation between the medium of exchange and economic development.

2. The theory of payment system efficiency and Central Bank monopoly

The proponents of this theory Claudia and Grauwe (2001) and Marco and Bandiera (2004) argued that, the 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 term interest rates. They further argue that increased usage of cashless banking instruments strengthens monetary policy effectiveness and that the current level of e-money usage does not pose a threat to the stability of the financial system.

Thus, to maintain the central bank cardinal role of currency issue, regulation and control of cash volume in the economy, its monopolistic position must be enhance and strengthen. The gaps which the cash based system create buttressed the need for a paradigm shift in monetary policy and payment system, hence the need for a cashless policy in the Nigerian economy.

2.2 Review of Current Literature

This section exhumes and analyses current literature on cashless policy. Discussion shall center on evolution of cash-less economy (e-banking) in Nigeria, requirements for a smooth cashless policy, amongst others.

2.2.1 The evolution of cash-less banking in Nigeria

Umoren (2006) reported that, e-banking started in the 1980s but was truncated by the then military Junta. Though banks and other businesses showed enthusiasm by introducing credit card, debit card, charge card, etc, into the payment platform, e-banking ebbed owing to political and economic crisis of the period. However, e-banking rejuvenated in the late 1990s though tentatively. Efforts to institutionalize e-banking during this era was largely challenged by:

- Lack of necessary support infrastructure, notably electricity and telecommunication
- The yet to be fully settled distress in the banking system
- Widespread functional illiteracy
- Inadequate institutional capacities among regulatory authorities and private financial intermediaries, as the CBN severally acknowledged.
- Finance industry manpower inadequacies
- Cultural practices which mandate physical cash exchange
- Public distrust of the banking system and

- Unclear legal recognition of e-transaction and overall e-commerce.

With these challenges couple with the military insensitivity to critical aspects of Nigeria development agenda, e-banking did not receive the needed support required to ensure global conformity. The CBN did not relent notwithstanding these drawbacks.

Babalola (2008), Adeyemi (2006) and Adegbaju & Olokoyo (2008) posited that, the CBN's effort aimed at making Nigerian financial system formidable and enhancing the overall economic performance of Nigeria in line with global trend, evoked public concern. Some of its reformation was greeted with mixed feelings. There was the capitalization (to the tune of minimum ₦25billion) agenda. There was also the aborted move at redenomination of the naira. Recently the CBN came with two purportedly laudable agenda – the Islamic banking (non-interest banking) and the cash-less economy (e-payment system).

Some of the initial policies came with tremendous success despite the initial skepticisms of Nigerians. For instance, when the CBN in July 2004, set December 31, 2005 deadline for ₦25billion minimum capitalization, it was greeted with considerable cry and criticism, when the programme was completed the banking landscape was transformed out of a system dominated mainly by "fringe banks" to one made up of largely "Mega banks". The product of the exercise was to ensure a diversified, strong and reliable banking industry where there is safety of depositors' money, and reposition the banks to play active development roles in the Nigeria economy. (Akhalumeh, & Ohiokha, 2012). This remark sums up the assessment of analysis about the outcome of the reform agenda.

However, some of the policy agenda did not enjoy as much acceptance as did the recapitalization agenda; for instance, the redenomination proposal was snub and judged to be counter-productive. In the same vein, the non-interest, Islamic banking concept has been greeted with a lot of skepticism, and the initiators are accused of masking under some hidden agenda.

The same may be said of the proposal on the introduction of "cash-less economy". The formal introduction of cash-less policy was via CBN circular Ref. no COD/DIR/GEN/CIT/05/031 dated 20th April, 2011. (CBN, 2011). The reaction of one Gibson sums up the skepticism in certain quarters about the "cash-less economy", he remarks that, "I am foreseeing the ANTI-CHRIST stepping in and the fulfillment of Biblical prophecy that a time for cash-less society will come and nobody will buy or sell except you have a number, be wise (Akhahumeh & Ohiokha, 2012). This may mean that, not enough had been done to address the genuine concerns of the citizenry about the cash-less economy.

So much may have been said about the anticipated gains attendant to the adoption of e-payment and cash-less economy (or cash-less banking), but in concrete terms people have not been convince that the agenda is for the good of all. While we may point to such economies as the Japanese or U.S, we must be ready to accept the fact that these are economies with functional institutional basis which cannot also be said about Nigeria with much conviction. Apart from the institutions, one fear that has been expressed is the state of Nigeria infrastructural decay.

2.2.2 Requirements for a smooth cash-less policy

The requirements for a successful implementation of a cashless economy are quite encompassing and varies. Any effort to implement e-banking, e-payment or cashless economy must necessarily address such basic needs if such efforts are not doomed to fail. These requirements include:

- **Payment infrastructure**

It is expedient that, robust, functional and durable infrastructure is provided Automated Teller Machine (ATM), Point of Sale (POS) Terminals, Cards reader devices, etc must be provided. In addition, this device must be in the right quantity and good working condition for a 24 hour service or 7days per week.

- **Power and functional telecommunication**

Infrastructure is a pre-condition for the success of any cash-less policy. In fact it is a condition sin-qua-non for cash-less policy. The functionality and workability of the banks, non-banks, and payment infrastructure largely depend on uninterrupted power supply and telecom facility. The ATM, POS Terminals, etc need to be power on a 24hour/7days. The interconnectivity and linkages between Banking Services Providers (BSPs) and other operators of the cashless banking (such as the value-card issuers etc) depend on an efficient telecommunication industry. This must be guaranteed in both quantity and quality.

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- **Information and Communication Technology (ICT)**

Education is a necessary panacea to a successful implementation of cash-less banking. Every citizen must learn basic ICT tips to enhance the functional use and operation of payment devices if they must not live at the mercy of others. Where this is not ensured, the illiterates may require a literate person to assist in the transaction thereby exposing their personal identification number (PIN) to the latter. The consequence is better imagined than experience.

- **Legislation:** Legal and regulatory framework:

There must be clear policy and legislative provisions covering modern forms of financial activities which will be transacted via electronic media. These legislations must cover global standards and enforcement procedures must be enshrined. The legislation must cover in addition to the above, cyberspace security and e-fraud. Unless this is done, e-banking would add rather than remove sorrow and uncertainty to the business community whose safety lies at the mercy of hackers. The internet scam export industry must be addressed internally with a systematic and equally advanced technological approach matching those of the internet scammers.

- **Bank majority**

For an effective take-off of e-cash or cashless-banking, every person or at least 95% of the country population must own a bank account. This is necessary for an all-inclusive policy where every citizen is a participant and all the monies in private hands/houses are mobbed into the e-platform.

- **Availability of real data**

The information on every account holder must be captured. The: name, sex, photo, location/address, employment status, and other biometric information must be obtained and made available when needed. This is needed to enable tracking and determination of the source and destination of transactions.

The list is by no mean exhaustive but suffices it to mean that, the above enumerated requirements are fundamental to the success of e-banking or cashless-banking and therefore be provided or put in place prior to take-off date.

The Cashless Lagos Policy was introduced by CBN via circular Ref. no COD/DIR/GEN/CIT/05/031 dated 20th April, 2011. This was however revised on March 19, 2012 when certain drawbacks began to raise their ugly heads.

2.2.3 Challenges of Cash-less policy in the Nigerian Society

1. **Illiteracy/computerization:** As noted in any developing country, the literacy rate is still very low in Nigeria especially in the Northern part of the country. The business men here prefer to keep their money in their own vault while there are banks scattered all over the country. Also computer usage, skills and knowledge of Nigerians even among the educated is poor.
2. **Low level of Law enforcement**: In most cases, people get away despite how grave their offence against the state is. Worse still, the law enforcement agents in most cases get involved in these businesses.
3. **Lack of Trust and the Bounced-Cheque Syndrome**: Trust is lacking in Nigeria's business environment. As a result, business operatives believe in cash and carry. Bounced cheque issue is a very common thing in Nigeria. People place less trust on the use of Cheques too.
4. **Negative public perception and apathy.** This stems from a lack of understanding of cash policy amongst both the banked and the unbanked.
5. **High e-banking charges.** As long as e-payment products remain expensive to own, acquire or use, the success of the policy will be greatly undermined.
6. **Payment infrastructure gap.** This reflects the continued infrastructure deficit in power and telecoms sector, which are two critical support sectors for the success of the cash-less policy.
7. **Unbanked majority.** This class of the society accounted for about 70% of Nigeria's population in 2010, and still remains a relatively large proportion of Nigerians that have either 'never banked' or were 'previously banked'. This is a pressing challenge to the success of the cash-less policy.

2.2.4 Benefits of the Cashless Economy

Experts have pointed out specific areas in which the cashless economy will enhance the quality of life. These include: Faster transactions – reducing queues at points of sales Improving hygiene on site – eliminating the bacterial spread through handling notes and coins. Increased sales Cash collection made simple – time spent on collecting, counting and sorting cash eliminated, managing staff entitlements. It is also noted that: It reduces transfer/processing fees, increases processing/ transaction time, offers multiple payment options and gives immediate notification on all transactions on customers' account. It is also beneficial to the banks and merchants; (there) are large customer coverage, international products and services, promotion and branding, increase in customer satisfaction and personalized relationship with customers, and easier documentation and transaction tracking .

As a policy instrument, CBN has heaped a lot of praises on the cashless system. CBN has hinged economic development on the cashless system; it sees it as a tool for tackling corruption and money laundering. It has been pointed out that: "Among the reasons glibly advanced by the CBN for this policy include reducing the cost of cash management, making the Nigerian economy cashless, checking money laundering and the insecurity of cash in transit". Statistics show that cash management in 2009 cost N114.5 billion and this is projected to stand at N200 billion in 2020. In the same vein, the cashless system provides the opportunity of being able to "follow the money" and thus check money laundering across boarders. Added to this is the perceived impact on the Naira. The system will reduce the pressure on the Naira. This can only happen if there is effective and standard cross-boarder electronic transmittal's reporting system. Following from the above therefore, it is anticipated that the cashless system will bring with it transparency in business transactions. In the same token, the cashless economy will bring with it a leaning towards banking culture. It is seen that the effort is directed at "… ensuring 'cashless economy' and nurturing the culture of saving in the unbanked majority in the country". Most of Nigerians are still unbanked, and so we have large proportion of the citizenry not subject to such monetary policy instruments as are used in the banking system. This development will make CBN's policy tools more effective for achieving economic development and stability goals.

3. Research Methodology

This study adopts the experimental research design. Given the resources constraint (time, funds and materials, etc) required to undertake a census, vis-à-vis the implication of analyzing data obtained from the entire population if census were to be carried out, it became expedient to adopt survey design. This method allowed the researcher to obtained data from a representative sample (typical of the entire population strata) for an objective analysis and valid inference. The survey design also has the advantage of wider area coverage. Thus, data relevant to this study was obtained from sampled respondents.

3.1 Sample Size and Sampling Technique

The difficulty of conducting a census makes it imperative to choose from the accessible population certain subjects for inclusion in this research. A sample is a part systematically selected from the population for examination or study. The sample size for this work is 120 respondents drawn from among the bankers, bank customers and unbanked public.

The sample included in this study was drawn disproportionately from three categories of subjects – the bankers, bank customers/bank account owners and the unbanked public. The research employed random sampling technique using "lucky dip" method for inclusion of subjects as sample. Forty subjects/respondents each where drawn from each of the senatorial district of Cross River State. Twenty respondents were selected from each of the six Local Government Areas.

3.2 Data Treatment Technique

The data obtained from the research instrument were analyzed using Chi-Square Test. The researcher choice of Chi-Square (x^2) technique was informed by the nature of data obtained. Besides, the suitability and ease of manipulation of data using the Chi-Square, buttressed the use of this test. The formula for Chi-Square (x^2) is given by:

$$X^2 = \frac{\Sigma(O - E)}{E}$$

Where:

Σ = summation
O = frequency observed
E = frequency expected
X^2 = chi-square

Decision Rule

The null hypothesis would be accepted if the calculated value of the Chi-square is less than the critical or tabulated value (i.e accept Ho if $x^2{}_{-cal} < x^2{}_{-crit}$). Otherwise reject.

4. Analysis and Findings

4.1 Data analysis

Table 1: Increase in the awareness of cash-less policy in Nigeria

Responses	Frequency (observed)	Percentage (%)
SA	50	42
A	56	47
D	10	8
SD	4	3
	120	100

Source: Researcher field work 2014

Table 2: Cash-less policy would ensure effective control and regulation of public cash level in Nigeria

Responses	Frequency (observed)	Percentage (%)
SA	68	57
A	34	28
D	13	11
SD	5	4
	120	100

Source: Researcher field work 2014

Table 3: Cash-less policy implementation in Nigeria is daunted by negative public perception and apathy.

Responses	Frequency (observed)	Percentage (%)
SA	42	35
A	50	42
D	21	18
SD	7	5
	120	100

Source: Researcher field work 2014

As can be seen from table 1, 42% strongly agreed, 47% agreed, 8% disagreed and 3% strongly disagreed that there is an increase in the awareness of cash-less policy in Nigeria.
In table 2, 57% strongly agreed, 28% agreed, 11% disagreed and 4% strongly disagreed that Cash-less policy would ensure effective control and regulation of public cash level in Nigeria
In table 3, 35% strongly agreed, 42% agreed, 18% disagreed and 5% strongly disagreed that cash-less policy implementation in Nigeria is daunted by negative public perception and apathy.

4.2 Test of hypotheses

Hypothesis I

Ho: There are no significant challenges in the implementation of cash-less economy in Nigeria.
H_1: There are significant challenges in the implementation of cash-less economy in Nigeria.

Table 4: Challenges of cash-less policy

Responses	Frequency (observed)	Frequency (Expected)
SA	32	30
A	48	30
D	28	30
SD	12	30
	120	120

Source: Researcher field work 2014

Table 5: calculated chi- squared value of the challenges of cash-less policy

Responses	O	E	O-E	$(O-E)^2$	$(O-E)^2/E$
SA	32	30	2	4	0.13
A	48	30	18	324	10.80
D	28	30	-2	4	0.13
SD	12	30	-18	324	10.80
					$X^2 = 21.86$

Researcher's computation from table 4

Tabulated / critical chi- squared value = (n-1) df @ 0.05 level of significance. $X^2 = (4-1)$ @ 0.05 = 7.81473

Decision/Inference

Since the value of $x^2_{-cal} > x^2_{-crit}$ at 0.05 level of significance and 3 df, the null hypothesis (Ho_1) that: "there are no significant challenges in the implementation to cash-less economy in Nigeria" is hereby rejected and the alternative hypothesis (Ha_1) upheld that is the result of data analysis show that there are significant challenges in the implementation of cash-less economy in Nigeria.

Hypothesis II

Ho: There are no significant benefits in the implementation of cash-less policy in Nigeria.
H1: There are significant benefits in the implementation of cash-less policy in Nigeria.

Table 6: Analysis of the benefits of cashless policy

Responses	Frequency (observed)	Frequency (Expected)
SA	28	30
A	36	30
D	46	30
SD	10	30
	120	120

Source: Researcher field work 2014

Table 7: calculated chi- squared value of the challenges of cash-less policy

Responses	O	E	O-E	$(O-E)^2$	$(O-E)^2/E$
SA	28	30	-2	4	0.13
A	36	30	6	36	1.20
D	46	30	16	256	8.53
SD	10	30	-20	400	13.33
					$X^2 = 23.19$

Researcher's computation from table 6

Critical chi- squared value of 3 df @ 0.05 level of significance = 7.81473

Decision/Inference

The result of data analysis presented in table 7 reveals that the null hypothesis (Ho_3) is rejected and the alternative upheld because the calculated X^2 is greater than the critical X^2. That is, the result of data analysis showed that there are significant benefits in the implementation of cash-less policy in Nigeria.

5. Conclusion and Recommendation

The findings of this paper are summarized below:

- A major challenge in the implementation of the policy is lack of adequate power and telecommunication infrastructure. The epileptic nature of power supply with the frequent break down in telecom facility required for a smooth functioning of the payment infrastructures would impede smooth implementation.
- The frequent break down in payment infrastructure coupe with the problem of functionality of the telecom facility posed a serious challenge to the implementation of the cash-less policy.
- Reluctance of Nigerians to accept global dynamics is another challenge. There is incontrovertible evidence that the excessive liquidity in the system measured by broad money (m_2), narrow money (m_1) and currency in circulation is partly attributable to the high cash transaction for economic activities,

which has continued to undermine the efforts to achieve price stability. Yet the cash-less policy has faced significant resistance despite its prospect for economic growth and development and global trend in the intensity of usage of e-payment.

- Another key challenge is the quality of manpower: real strategic change can only take place with competent and committed workforce that is constantly exposed to training and development. The competitive financial sector environment requires a highly skilled workforce that would effectively contribute to value creation within financial institutions. Hitherto, employer recruitment was merely to comply with regulatory requirements, while training was views as a non-revenue function that was costly and unnecessary.
- Also, there is gross lack of basic literacy and I.C.T skills among 60% of rural dwellers. In Lagos where the scheme was pilot tested, more than 40% of the inhabitants lack ICT skills required for the policy.

Having critically analyzed the findings of this work, the following recommendations are made:

- The Federal Government of Nigeria and the CBN should synchronize their efforts in ensuring cyber-safety which is a major threat of the e-payment system.
- That the CBN should direct banks to open more branches in rural areas to address the problem of financial exclusion among rural dwellers.

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