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CASHLESS POLICY AND NIGERIA INFORMAL FINANCIAL SECTOR GROWTH AND DEVELOPMENT: PROBLEMS AND PROSPECTS

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ABSTRACT

Financial sector reform is an essential ingredient in the economic growth and development process. This is clearly underscored in the literatures linking financial sector growth with economic growth. The population was the 21 registered informal financial society's group management staffs of the operating in Ondo state, the study adopted a survey method. The entire population of Questionnaire was administered to the population of the study but 184 questionnaires were dully returned. Data was analyzed using interferential and descriptive statistics. The inferential statistics involve regression and multiple regression analysis. In recognition of this fact, managers of the Nigerian economy have targeted the banking sector as a channel for implementing economic policy reforms and policy shift. On this note, government has identified the need for the development of informal sector One of such Sectoral strategies is the introduction and pursuit of policies such as concessionary financing to encourage and strengthen the growth of informal financial house in Nigeria. However, a well-functioning and regulated informal economy will be a critical prerequisite to sustainable growth. This is because the link between, informality and employment in Nigeria is not fully understood. The study therefore recommended that there is the need for the government to utilize Informal Financial Institutions in its poverty reduction programmes, since significant percentage of the Small and Medium scale Enterprises (SMEs) could assess credit for investment through them. This will go a long way in creating employment and promoting inclusive growth in the country and the credit creation process which operates via the multiplication of deposits can be boosted to the extent to that e-money replaces time deposits and the extent to which demand deposits are substitute for e-money for informal financial sector.

KEYWORDS: *Cashless Policy, Informal Financial Sector, Growth, Development and Prospects*

INTRODUCTION

One of the prerequisite for the development of national economy according to Ajayi and Ojo (2006) is to encourage a payment system that is secure, convenient, and affordable. In this regard, developed countries of the world, to a large extent, are moving away from paper payment instruments toward electronic ones, especially payment cards (Humphrey, 2014). In these countries, for instance, it is possible to pay for a vending machine snack by simply dialing a number on one's phone bill. In recent times, the mobile phone is increasingly used to purchase digital contents (e.g. ringtones, music or games, tickets, parking fees and transport fees) just by flashing the mobile phone in front of the scanner at either manned' or unmanned point of sales (POS). In Nigeria, as it is in many developing countries, cash is the main mode of payment and a large percentage of the populations are unbanked (Ajayi and Ojo (2016). This makes the country to be heavily cash-based economy.

A cashless economy is an environment in which money is spent without being physically carried from one place to another. Electronic devices as means of information that reveal how much a person has deposited and has spent are needed. Information technology plays an important role in bringing about sustainable development in every nation. Without an optimal use of information technology, no country can attain a speedy social-economic growth and development. The future of all business particularly those in the services industry lies in information technology, in fact, information technology has been changing the ways companies and banks compete.

The dissemination of electronic factors into the workings of a modern economic system where a cash-less system is an end and the means to an efficient operation of electronic banking and payment systems. In the light of a global technological awareness and the exposure of more people to new technology and electronic devices especially in the course of economic progress, and although, not without shortcomings.

Cashless systems have been variously advocated as next level financial operation framework. The Central Bank of Nigeria (CBN) in an attempt to achieve one its macroeconomic objectives which encompasses providing a viral and stable environment for economic growth and development through effective financial system management, introduced the cashless economic policy. It had been reported that Nigerian had the highest gap between population living in poverty and those with access to financial services. This, coupled with the huge cost incurred by the CBN in minting bank notes according to Olanipekun, Brimah and Akanni (2013), culminates into short-run changes in the volume of money which causes the CBN to have little or no control over the money volume, therefore necessitating the maintenance of monetary stability which is central to the bank's economic policy.

Moreover, the high dependence on cash for transactions has resulted in inefficient allocation of resources and a low depth of financial intermediation with negative effects on monetary operations and monetary policy management. It is on these bases, among other issues bedevilling the financial system that the CBN introduced the cash-less economic policy which stipulated a "Cash handling Charge" on daily cash transaction withdrawals or cash deposits, aimed at reducing (not eliminating) the amount of physical cash (coins and notes) circulating in the economy, and encouraging more electronic based transactions. The aim of this paper is to explore the issue of implementing the cash-less policy in Nigeria in collocation with the inherent challenges associated with such an initiative, as well as to offer suggestions for adequately tapping into the prospects of such a policy.

The introduction of the policy in Nigeria therefore brings up issues that touch on security, privacy, crime and computerization. According to David (2012), Nigeria did not embrace electronic banking when compared to developed countries. Nigeria adopted electronic banking system in early 2000s. Electronic banking is defined as the use of computer to carry out banking transactions such as withdrawals through cash dispensers or transfer of funds at point of sale. Cashless policy started in Lagos, pilot state. The apex bank pegged withdrawal by individual and corporate accounts at N500,000 and N3 million respectively. Processing (charges) fees for withdrawals above the limits for individual customers is 3% while that of corporate bodies is 5%. Charges for lodgements for individuals and corporate accounts are 2% and 3% respectively. However, ministries, departments, agencies, specialized banks, diplomatic missions, embassies, multilateral and donor agencies have been exempted from charges emanating from this policy. The cashless policy will potentially result in an extensive application of computer technology in the financial system which places the computer Professional Registration Council at the centre of control and regulation of the emerging in the Nigerian economy. The Central Bank of Nigeria has in recent times engaged in series of reformations aimed at both making the Nigerian financial system formidable and enhancing the overall economic performance of Nigeria so as to place it on the right path in tune with global trends. Recently, the CBN came out with two laudable agenda- the Islamic banking (non-interest banking) and the cashless economy (e-payment system) (Babalola, 2008). Some of these policy measures came with tremendous success despite the initial scepticisms of Nigerians. For instance, when the CBN in July 2004 set December 31st ,2005 deadline for N25billion minimum capitalization, it was agreed with considerable 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" (Adeyemi, 2006). The product of the exercise was to ensure a diversified, strong and reliable banking industry where there is safety of depositors' fund, and reposition of the banks to play active developmental roles in the Nigerian economy" (Adegbaju and Olokoyo, 2008). This remark sums up the assessment of analysis about the outcome of the reform agenda. In recent years, Nigeria has been experiencing growth and the condition seems right for launching unto a path of sustained and rapid growth, justifying its ranking amongst the 11 countries as identified by Goldman

Sachs to have the potential for attaining global competitiveness based on their economic and demographic settings and the foundation for reforms already laid. Constraints to the achievement of Nigeria's ambition to be among the top 20 economies of the world by year 2020 is the fact that the Nigerian economy is too heavily cash oriented in transaction of goods and services which is not in line with global trends. In its efforts to rescue the Nigerian economy from the brinks of total collapse; the CBN in collaboration with the Bankers' Committee, the cashless policy was designed to provide mobile payment services, breakdown the traditional barriers hindering the financial inclusion of millions of Nigerians and bring low-cost, secure and convenient financial services to urban, semi-urban and rural areas across the economy. The cashless policy initiated by the CBN led by its former Governor, Sanusi Lamido was introduced first in Lagos state, with the aim of achieving an environment where a higher and increasing proportion of transactions are carried out through cheque and electronic payments in line with the global trend (Obodo, 2012). So much have been said about the anticipated gains that had resulted from the adoption of e-payment and cashless economy but in concrete terms, people have been convinced that the agenda is for the good of all but the fear being expressed is the state of Nigerian infrastructural decay, lack of security on financial information, cost of ownership and adoption due to high cost of acquiring and maintaining internet data, computers and so on. The internet is perhaps one of the most useful tools to businesses and individuals in contemporary world economies. Its use has touched virtually every aspect of human endeavour especially banking. Technological breakthroughs and product designs have led to the emergence of e-banking services which in recent time has become globally popular except in developing countries including Nigeria (James, 2012). The Central Bank of Nigeria in 2011 released a circular on the introduction of "cashless policy" which sets cash deposit and withdrawal limits that the country would from June1st 2012 join the committee of nations that embrace the electronic means of payment and limit the use of cash to the very barest. The apex bank has also gone ahead to assert that the commencement of its "cashless policy" for cities such as Lagos, Abuja and Port Harcourt to demonstrate the CBN's seriousness about the policy which has generated huge debate from Nigerians. While the apex bank is of the view that the cashless policy is the way to go in line with global trends, many Nigerians both informed and uninformed have divergent views about the policy (CBN, 2011). The cashless policy of the CBN is designated to provide mobile payment services, breakdown the traditional barriers hindering financial inclusion of millions of Nigerians and bring low cost, secure convenient financial services to urban, semi-urban and rural areas across the country. The CBN has gone ahead to license six Payments Terminal Service Providers to support and maintain Point of Sale (P.O.S) terminals. This step is a bold demonstration that apex bank is determined to see the policy work which has been kick started in Lagos early 2012 (Olajide, 2012).

Statement of the Problem

The cashless initiative is an alternative to cash transactions through electronic means using information and communications technology (ICT). Ndifon and Okpa (2014) maintain that the future of all business, particularly those in the service industry lies in information technology. This technology as far as cashless policy is concerned is not only computer. Information technology for banks takes different forms; computerization of customers' accounts; information storage and retrieval; deposit and withdrawal through Automated Teller Machines (ATMs); and networking to facilitate access to accounts from any branch of the bank, bio-metrics, use of mobile phones to consummate transactions, internet, and websites. However, transaction made using these innovative products are accounting for an increasing proportion of the volume and values of domestic and cross border retails transaction. Currency and notes are converted into data which are transmitted through telephone lines and satellite transporters (Ovia 2002). These new financial services through electronic medium have caused substantial reduction in transaction costs and ease of transfer of funds.

Apart from the physical challenges, economic data and indicators are not fully available and reliable. There is a great challenge in attempting to analyze the true impact of the cashless policy on the economy of Nigeria as only few monetary and macroeconomic indicators can be traced with relation to the subject matter. Several scholars have attempted to analyze the cashless system or e-banking, however, it becomes clear that few studies present a comprehensive evaluation of cash-less banking implications in developing countries particularly from informal sector. Most ignore is the economic benefits of the equation while some do incomplete examination of its negative implications. This is often due to unreliable panel data for monetary and macroeconomic indicators. Although, this study focuses on Nigeria, it is difficult to translate cashless studies from one country to another. Even payments instruments that look similar across countries on the surface may be different due to historical and legal variations (Daniel et al, 2004). In view of this, the study will view the research from the angle of informal financial sector of the economy. The research examine the benefits of cashless policy to the informal sector of Nigeria Economy and discover the problem of cashless policy as it relate to informal financial sector in Nigeria. with the following questions; what are benefits of cashless policy on Nigeria informal sector? And what are problem of cashless policy as it relate informal financial sector in Nigeria?

Research Hypotheses

- **i. H_{01}:** there are no benefits accrue to Nigeria economy informal sector from clash policy.
- **ii. H_{02}:** there are no problem associated with Nigeria informal sector from cashless policy.

LITERATURE REVIEW

Conceptual Review

Concept and Origin of Informal Finance

Nelson (2015) noted that a cashless economy is an environment in which money is spent without being physically carried from one place to another. Electronic devices as means of information that reveal how much a person has deposited and has spent are needed. Acha et al (2016) Information technology plays an important role in bringing about sustainable development in every nation. Without an optimal use of information technology, no country can attain a speedy social- economic growth and development. The future of all business particularly those in the services industry lies in information technology. In fact, information technology has been changing the ways companies and banks compete. According to Morufu and Taibat (2015), Cashless policy is defined as "one in which there are assumed to be no transaction frictions that can be reduced through the use of money balances, and that accordingly provide a reason for holding such balances even when they earn rate of return". Onoh (2017) expressed the difficulty in rightly defining the electronic money but agree that it blends technological and economic characteristics. Daisi (2016) emphasized that Cashless policy does not mean a total elimination of cash, as money will continue to be a means of exchange for goods and services in the foreseeable future. It is a financial environment that minimizes the use of physical cash by providing alternative channels for making payments. Contrary to what is suggestive of the term, cashless economy does not refer to an outright absence of cash transactions in the economic setting, but one which the amount of cash-based transactions are reduced to the barest minimum (Wali,2013).

Informal finance consists of those, often unrecorded, activities that take place outside official financial institutions. It is important to note that informal sector activities are *legal*, they are *only* unregulated. Though cash transactions predominate (Hugon, 2010), informal finance can also include in-kind varieties (Soyibo, 2016). Informal activities have wide-ranging operational scope and features: some are community- or group-based, others are organised around individuals. Some mobilise savings only; others are involved in both savings and lending, while there are those that are involved only in lending. Across Africa, misguides have shown that informal financial units exhibit a lot of diversity (Chipeta and Mkandawire, 2011).

Electronic banking is a compound word that comprises two words "electronic" and "banking" were electronic is defined according to the Oxford university press dictionary as anything carried out through a computer especially over a network and banking is defined as a financial institution saddled with the responsibility of carrying out banking operations, and channeling of funds from surplus spending unit to the deficit spending units of an economy. Electronic banking (e-Banking) involves the use of the internet to perform various banking transactions.

E-Banking is also referred to as Electronic fund transfer and it is a process whereby information and other banking services can be carried out by a customer through the internet. According to Abaenewe, Ogbulu, and Ndugbu (2013), electronic banking involves driving the banks immediate and future goals through the use of information technology. It involves carrying out banking business electronically. E-Banking involves delivering banks new and traditional products or services to bank customers automatically. It is a system which allows individuals, businesses and even financial institutions transact business or obtain information on products or services through the internet (Rifat, 2013). Shehu, Aliyu, and Musa (2013) posited that e-Banking involves providing retail or small value products and also large or wholesale banking products electronically. This definition is in tandem with the types of services banks offer their customers. According to Adewolo (2015), E-Banking involves creating opportunities through the infrastructure in the digital age. Electronic Banking is a technological upgrade that encourages the movement of less cash in the economy, in other words, a cashless economy. As stated above, E-Banking involves providing services and information for customers electronically. Some of the services which are offered through E-Banking includes; balance inquiry, payment of bills, transfer of funds etc. these are the basic services that are offered by banks.

2.1.2 Types of Informal Financial Institutions

Informal financial institutions include RoSCAs, daily contribution collectors, cooperative societies and money lenders (Iganiga and Asemota, 2008).

Rotational Savings and Credit Associations Rotational Savings and Credit Associations (RoSCAs) has been locally initiated and entirely self-managed by its members. It is formed by members who agree to make regular contributions to a fund that is given in whole or in parts to each contributor in rotation (Aryeetey, 1996 in Pang, 2008). The membership may range from 2 to 30 and the money contributed to a pool by members as savings/credits is the same (Oluyombo, 2012). Thus, RoSCAs is a financial scheme where members pool money by making periodic payments into a fund which they then rotate among themselves as a lump sum payment (Yusuf, Gafar and Ijaiya, 2009). It is also a financial and non-financial scheme where members contribute money, material or labour into a common pool and the pool is handed over to a member in a rotational manner. In this RoSCAs, where three members contribute money into a common pool, the first member to pack the money is taken 100% credits. The second or middle member is taken 50% of his savings and 50% credits. The third or last member is indirectly taken 100% of his savings in rotational manner. If the period of rotation is long, the default level by members is high. Thus, it is ideal that the last member of the scheme (ROSCAs) to receive or pack the money to be the person to start the next round of rotation in receiving the money contributed to the common pool. This applies to situations where members contribute material or labour in a rotational basis. The RoSCAs is classified into financial and non-financial associations. Financial-RoSCAs is a situation where members contribute money into a common pool and the pool is handed over to a member as savings/credits. This kind of RoSCAs is common with individuals, employees and traders. But non-financial RoSCAs is a situation whereby members jointly contribute material or labour in assisting a member in rotational way. Non-financial-RoSCAs is widespread among small farmers and petty traders who jointly contribute material and labour in a rotation.

RoSCAs had being in existence for long period of time and it started with local poor farmers, then to traders and now to employees of both private and public organizations. Iganiga and Asemota (2008) state that RoSCAs is old as rural communities or semi urban towns. They are being practice and arranged around social-cultural activities of particular communities. The idea of RoSCAs is traced to periods when people who are farmers started to farm for each other on rotational basis. This led to farming for money and then savings/credits to its members. According to Seibel (2001), the financial-RoSCAs started in 16 century (between 1500 and 1599) by Yoruba traders and in phases.

Effects of Cashless Policy

Prompt Settlement of transactions: E-banking speeds up settlement of transactions both locally and internationally, where the bank stands as paying bank to the customers for settlement of transaction or as collecting bank for collection of payment on transactions. Oyetade and Ofoelue, 2012).

Reduction in the Frequency of visits to Banks: Unlike before customers can now transact their banking businesses in branches nearer to them and they can also withdraw money from any ATM including the ones located outside the bank where they have account. They can also transact banking business at home with the aid of telephone.

Stimulation of Cashless Policy: E-banking paves way for cashless society as the introduction of electronic machine has reduced the use of raw cash thereby transiting the country into a cashless society. Oyetade and Ofoelue, (2012)

Reduction of Theft: Since robbers are attracted by volume of cash movement through bullion vans, the use of alternative electronic payment system will no doubt reduce incidence of robbery in the society, this is one of the reasons why CBN continues to emphasize that people should buy into the policy as soon as possible.

Clearance of Goods: Payment system in the custom services help in ensuring easy facilitation of clearance of goods by importer, this is apart from the fact that money due to government would be paid electronically to the right account, thereby reducing the incidence of fraudulent practices of diverting government funds to individual pockets.

With cashless policy, CBN will reduce cash management costs by as much as N192 billion annually. CBN is of the opinion that the cash handling accounts for at least one third of infrastructural and labour costs in the sector, hence cashless policy will impact negatively on employment of those handling cash in the bank. The policy will also reduce cash related vices like robbery, cost of processing cash, revenue leakages from cash handling and inefficient treasury management through cash processing.

Negative Effects
The following are the constraints that affect effectiveness of e- banking in Nigeria presently:
Erratic power supply and communication link: Power failure negatively affects e- banking infrastructures like ATM, network failure of communication link due to much congestion, change in weather also affect the policy.

Non- existence of computer back-up: There is bound to be total loss of data on customers' accounts if there is no back up and the entire file is damaged. This may lead to misappropriation of customers' account, hence bank should maintain back up of all its information outside the bank's premises.

Inadequacy of fund to invest in information technology: Most banks find it difficult to fund procurement of modern equipment needed for e-banking. Nevertheless, there has been tremendous improvement in automation of bank operation in the country in the last five years but there are still rooms for further expansion so as to catch up with hi-tech, which is in vogue in developed countries.

Replacement of Workforce by Machine: Electronic banking has now somehow reduced the number of employees needed to handle most transactions in the bank as most work done by workers are now being handled by machines thereby translating to increase in the rate of unemployment in the country;

High bank Charges for the use of E-Banking Machines
Commission charged by bank on ATM transactions, as an example, is too high, thereby discouraging customer from using it; Central Bank of Nigeria is working out a modality to stop forthwith charges for usage of ATM. This will be a sort of relief and stimulates the effectiveness of the policy in Nigeria, if fully implemented.

Low Acceptance by the Public
Many people have burnt their fingers as a result of fraudulent withdrawals from their accounts through the use of ATM by unscrupulous individuals who believe in using master cards to withdraw money from unsuspecting individuals. Not to mention situations whereby customers are debited by the ATM with withdrawals not supported by cash that fail to drop down from the machine as expected. Customers are discouraged to use the machine as it takes longer time before the wrong debit is reversed if it does not end up unsolved.

Okafor, Imhonopi and Urim (2011) carried out a study on internet service utilization and the impact on research outputs and teaching. Where they carried out a survey and the result of the survey indicated that majority of their respondents were computer compliant/literate (94.4%), while the remaining (5.6%) were not computer literates. However it was based on self-assessment. If 94.4% of their study population are highly information and communication technology (ICT) compliant, it can therefore be inferred that the awareness of cashless policy, cyber security, inters witch problems and other related e-payment issues needs to be checked and resolved in other to strengthen the confidence of the public to patronize modern e-payment platforms.

Ejoh and Okpa (2014) examined the cashless economic system so as to assess its feasibility and practicability in the Nigeria context Vis-à-Vis; timeless preparedness and adequacy against the backdrop of our level of development both technologically and educationally. The study used a sample size of 120 respondents. Results showed that majority of Nigerians are already aware of the policy and adequate payment facilities in the banking sector have been developed to enhance the policy in the economy. Moreover, Ejoh, Adebisi, and Okpa (2014) carried out a study that examined the cashless economy in other to evaluate the relationship between ICT and implementation of cashless policy. They administered 120 questionnaires and tested the data using chi-square. The results showed that there exists a significant level of relationship between ICT and cashless policy implementation in the Nigerian financial environment. Moreover, public awareness should be done to encourage cashless economy in Nigeria.

Research Design
The research adopted the survey method. This approach is a research method that studies people or objects, their attitudes, belief systems, opinions and other behavioral manifestations. The study employed survey research design to evaluate effect of cashless on performance of small and medium enterprises in Ondo State, Nigeria. This study covered

400 small and medium enterprises in Akure and Owo as the population of the study but, the study randomly sampled 200 small and medium enterprises. The study will make use of primary data, the data will be gathered from sampled small and medium enterprises via questionnaire and interview. The questionnaires will be coded on the basis of five Likert Scale which are Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree. The population of the study comprise all employees of the fifteen selected small and medium scale enterprises in Ondo state, two out major town in Ondo State will be the area of concerned with population of 1300 staff. The research employed judgmental sampling technique to choose the employees and management of the selected SMEs to get the desired target. Thus, a sample size of 350 respondents will be chosen through purposive sampling from Restaurant, Groceries Stores, Hair Salon, Typing and Printing Business Centre, Tailoring.

The construct of the questionnaires were model in equation 1 and 2. The model for this study is stated in linear forms as:

IFS= f (AMT, POS, BOS)…………………………………………………....1

IFS= $\beta_0 + \beta_1$AMT + β_2POS + β_3BOS + U…..………………………….………..2

Where: Cashless Policy; represents ATM denotes Automated Teller Machine, POS signifies Point of Sale, MOB represents Mobile Banking, U represents Error terms and; α_0-α_4 represents the parameters of the model. And Informal Financial Sector Growth and Development is dependent variable.

Method of Data Analysis

Data collected was analyzed using descriptive statistics alongside with regression estimation as well as post-estimation diagnostic tests for evaluating the consistency and efficiency of the estimates.

Interpretation of Result

Table 1: Method: Least Squares

Dependent Variable: IFS			
Variables	**Coefficient**	**t-Statistic**	**Prob.**
Constant	25.0047	1.2006	0.9047
AMT	7.5253	2.2336	0.0396
POS	56.9231	5.1457	0.0014
BOS	24.86599	1.5734	0.1267
R-squared		0.5896	
Adjusted R-squared		0.5786	
F-statistic		21.84775	
Prob(F-statistic)		0.009533	
Durbin-Watson stat		1.619831	

Source: Authors' Computation, (2024)

Table 1 explains the impact of informal sector on employment generation. The regression co-efficient of (7.525) means that, a unit increase in formal sector output brings about 75 percent decrease in unemployment rate. The co-efficient of (56.923) means that, a unit increase in informal sector output brings about 569 percent decrease in unemployment rate. The co-efficient of 0.921 means that holding all other variables constant, a unit increase in the human capital brings about 92 percent increase in the unemployment rate. The overall co-efficient of determination (R^2) shows that the equation has good fit with 63 percent of unemployment rate explained by the variables in the equation. The reason for being a good fit is that it is significantly above the bench mark of 50 percent. As the adjusted variables R tends to be affected by the number of included explanatory variables. The adjusted (R^2) was made to purge the influence of the number of included explanatory variables, the model is still of good fit, and the dependent variable explained by the equation by 57.8 percent.

Hence in terms of goodness of fit we can say that the test is conclusive. The Durbin Watson (D.W) statistics of 1.619 as it is significantly around the bench mark of two, we can conclude that there is no autocorrelation or serial correlation in the model specification hence, the linear assumption is not violated. The estimated coefficient for the error correction term reveals which of the variables adjust to correct imbalance in the unemployment situation whilst the variable coefficients show the short-run effects of the changes in the explanatory variables on the dependent variable.

The significant coefficients of all exogenous variables clearly state that Nigeria's employment growth depends on formal sector output and informal sector output in the short run. Above all, informal sector activities in the Nigerian economy have positive impact on employment generation. The results of this paper authenticate the findings of Akerele (2017), that informal sector activities have substantially absorb the large pool of labour force than the formal sector, hence, reduces the rate of unemployment.

Discussion of Hypotheses Testing

H_{01}: there are no benefits accrue to Nigeria economy informal sector from clash policy. Since t-calculated is greater than the table value (i.e. 2.2336 > 1.49), then the null hypothesis is rejected, while the alternative hypothesis is accepted and we conclude that there is significant relationship between benefits accrue to Nigeria economy informal sector from clash policy.

H_{02}: there are no problem associated with Nigeria informal sector from cashless policy. Since t-calculated is greater than the table value (i.e. 5.1457 > 1.49), then the null hypothesis is rejected, while the alternative hypothesis is accepted and we conclude problem associated with Nigeria informal sector from cashless policy can surface.

Conclusion and Recommendations

The introduction of electronic banking in Nigeria has impacted positively on the development of payment system in particular and the banking system in general. Electronic banking is the platform on which cash-less policy sails. Most of the informal sector workers are of low-level education and skills. They seek knowledge and skills. They employ about 96% (Adeyemi, 2017) of the economy in the in the non-agricultural sector. The Therefore contribute significantly in the minimization of unemployment problem. However, the conclusion, which results from this research work seems to concur with observations and recommendations made by many economists. Informal financial institutions such as RoSCAs, mobile collectors and cooperative societies have provided financial assistance to individuals, households and small business owners inform of savings and credits. However, they are faced with problems and challenges that hinder their operational strategies. Government through its regulatory agencies must come up with policies that will sustain informal financial institutions in developing economy like Nigeria. This is because the institutions help in bridging financial gaps created by formal financial sector such as banks and other formal credit institutions.

Given the failure of most Nigerian government rural financial intervention programmes, the researchers therefore recommended following;

i. There is the need for the government to utilize Informal Financial Institutions in its poverty reduction programmes, since significant percentage of the Small and Medium scale Enterprises (SMEs) could assess credit for investment through them. This will go a long way in promoting employment generation and inclusive growth in the country.
ii. CBN should set up modalities to liaise with the Nigerian Communications Commission to compel telecommunication outfits comply with their existing agreed service level agreement and requisite support for e-transaction and apply stiff sanctions for non-compliance.

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