Black Sea Journal of Agriculture
doi: 10.47115/bsagriculture.1618529

Open Access Journal
e-ISSN: 2618 - 6578

Research Article
Volume 8 - Issue 3 : 350-358 / May 2025

EFFECT OF CASHLESS ECONOMY POLICY ON SMALLSCALE AGRICULTURAL BUSINESSES IN ANAMBRA STATE, NIGERIA

Obot AKANINYENE[1], Okechukwu FRANCES[2], Obot ELIZABETH[3], Abuh OMACHOKO[4], Onuoha FAVOUR[5]

[1,5]Department of Agricultural Economics and Extension, Nnamdi Azikiwe University, Awka, Nigeria
[2]Federal College of Education (Technical), Asaba, Delta State, Nigeria
[3]Faculty of Engineering, Topfaith University, Mkpatak, Akwa Ibom State, Nigeria
[4]Department of Agricultural Economics, University of Nigeria, Nsukka

Abstract: This study examined the effect of the cashless economy policy on small-scale agricultural businesses in Nigeria, focusing on the awareness, perceptions, adoption, and factors affecting the adoption of cashless financial transactions by the business owners. A total of 125 respondents were surveyed across various small-scale businesses in the region, using structured questionnaires. The study analyzed the data using descriptive statistics like frequency, percentage and inferential statistics. The findings revealed that 62.4% of respondents were aware of the policy, with mobile transfers being the most commonly employed transaction method (36.8%). A smaller group perceived the policy as politically motivated or intended to cause hardship for the poor. Mobile transfers (36.8%) were the most commonly used transaction instrument, followed by POS (19.2%) and ATM (16.0%). This highlights the reliance on mobile platforms for cashless transactions. However, some factors like age, high cost of the instrument, location of business, technical knowhow and internet network availability affected the utilization of cashless financial transactions instruments among the respondents. The test of hypothesis to ascertain the effect of the cashless financial transactions on smallscale agricultural businesses indicated that there was a positive effect. The study highlights the need for better infrastructure, increased awareness, and tailored solutions to support the smooth transition to a cashless economy, particularly for small-scale businesses.

Keywords: Smallscale businesses, Cashless policy, Perception, Adoption, Factors

***Corresponding author:** Department of Agricultural Economics and Extension, Nnamdi Azikiwe University, Awka, Nigeria
E mail: ap.obot@unizik.edu.ng (O. AKANINYENE)
Akaninyene OBOT https://orcid.org/0000-0001-8775-4064
Okechukwu FRANCES https://orcid.org/0009-0002-4239-2340
Obot ELIZABETH https://orcid.org/0009-0000-6347-8915
Abuh OMACHOKO https://orcid.org/0009-0000-5907-0343
Onuoha FAVOUR https://orcid.org/0009-0003-9120-3769

Received: January 13, 2025
Accepted: March 23, 2025
Published: May 15 , 2025

Cite as: Akaninyene O, Frances O, Elizabeth O, Abuh O, Favour O. 2025. Effect of cashless economy policy on small-scale agricultural businesses in Anambra State, Nigeria. BSJ Agri, 8(3): 350-358.

1. Introduction

Until recently, both formal and informal sectors conducted business transactions primarily with physical cash, such as naira notes, coins, cheques, bank drafts, money orders, and tellers. This cash-dependent system provided a straightforward, durable, and trustworthy method for managing financial transactions, allowing businesses to operate effectively within a paper-based economy (Gbalam & Dumani, 2020). However, as international business grew, technological advancements emerged, and global education levels rose, cash-based transactions began encountering significant limitations. Issues included increased corruption, vulnerability to armed robbery, terrorism financing, potential financial losses from natural disasters, the physical burden of handling large amounts of cash, high transaction costs, and even bacterial contamination from handling banknotes (Ezinwane, 2023). Traditional cash transactions face various issues due to increasing globalization, advancements in technology, and rising literacy levels. Cash-based systems have shown limitations related to inefficiency, unreliability, and convenience, with challenges such as corruption, theft risks, and health concerns associated with handling physical currency (Ezinwane, 2023). For example, the risk of bacterial transmission through physical cash poses public health risks. These challenges highlighted inefficiencies and inconveniences in cash-based systems, encouraging a shift towards digital and cashless transaction methods. Over recent years, global trends toward digitalization have significantly influenced economies worldwide, particularly in payment systems. The financial sector has adapted through various organizational changes aimed at supporting the efficient production and trade of goods and services. Driven by deregulation, globalization, and advancements in information systems, new financial practices have emerged, enabling both banks and customers to handle transactions in innovative ways. E-cards and internet banking now allow users to manage their finances with ease, providing 24-hour access to accounts, transaction histories, money transfers, savings, and other banking

services from any location (Adedeji & Oluyemi, 2021). In Nigeria, the Central Bank of Nigeria (CBN) introduced the cashless policy in 2012 to enhance the efficiency of transactions, reduce cash handling costs, foster financial inclusion, and combat illicit financial activities. The policy was envisioned to shift Nigeria's economy from cash-heavy transactions to electronic payments, aligning with international standards and improving the quality of banking services. Among its goals, the policy seeks to minimize the issues related to high cash usage, including elevated transaction costs, security risks, and inefficiencies (CBN, 2011). A cashless economy refers to a system where transactions are conducted primarily through electronic media, rather than physical cash, using mobile apps, credit cards, checks, and other digital tools. The concept does not imply a complete absence of cash but rather emphasizes an economic structure where the exchange of goods and services relies on electronic payment. The informal economy, consisting of diverse, often unregulated activities, plays a critical role in economic development by fostering employment and generating revenue (Aremu & Adeyemi, 2011). This sector includes micro and small enterprises, which contribute substantially to local capital growth and support higher productivity levels (Xia, Qamruzzaman & Adow, 2022). The implementation of the cashless policy in Nigeria has encountered significant challenges. Issues include delays in confirming transactions at points of sale, non-remittance of funds, losses to payment channel operators, advanced fraud, and poor customer service. According to Institute of Chartered Accountants of Nigeria (ICAN), the policy has faced multiple reversals and amendments by the Central Bank of Nigeria (CBN), particularly since December 6, 2022 (Punch, 2022). These issues were further exacerbated by the near collapse of banking payment systems and the challenging rollout of the currency redesign, which aimed to fully transition Nigeria to a cashless economy by January 9, 2023. This situation led to considerable hardship for both individuals and businesses across the country. Heman and Anna (2023) noted that the cashless policy has introduced certain difficulties for small business owners in Nigeria, including costs for electronic payment systems, inadequate infrastructure, and varying levels of financial literacy. A number of studies have investigated the impact and effect of cashless economy policy in Nigeria. However, none of these studies has focused exclusively on the effect of cashless economy policy on smallscale businesses in Awka North. Therefore, this current study will fill such gap in knowledge by ascertaining effect of cashless economy policy on Small scale businesses in

Awka North. The specific objectives of the study were;

i. identify the types of small-scale agricultural businesses in the study area;
ii. assess the level of awareness of the cashless economy policy among small-scale agricultural business owners;
iii. investigate the perception of the cashless economy policy among small-scale agricultural business owners;
iv. examine the types of cashless financial transaction instruments used by small-scale agricultural businesses; and
v. determine the factors affecting the utilization of cashless financial transaction instruments by small-scale agricultural businesses.

Hypothesis: Ho: There is no effect of cashless financial transactions on smallscale agricultural businesses.

1.1.Literature Review

Micro enterprises in Nigeria are typically defined as businesses with project costs (excluding land) up to ₦500,000, while small enterprises have project costs up to ₦50 million and employ up to 100 workers (Nkwede & Nkwede, 2022). Small businesses, such as food vendors, farmers, artisans, and mechanics, are pivotal for self-reliance and economic growth (Koloti, 2022). Adedeji and Oluyemi (2021) found that while the cashless policy has promoted electronic payments, small businesses encounter challenges, including high transaction fees and limited access to financial services. Similarly, research by Ogbeide and Atanbori (2019), as well as Adegbaju and Oladeji (2020), revealed that despite viewing cashless systems as a means to reduce cash-handling risks, small enterprises struggle with costs associated with maintaining these systems and low financial literacy levels. Further studies by Obi (2023) suggested that the cashless policy provides SMEs with digital payment options, reducing cash dependency and minimizing theft and fraud risks. However, SMEs, particularly those in rural areas with limited infrastructure, experience unique challenges. Phinaonyekwelu and Nnabugwu (2018) conducted a study to evaluate the impact of the government's cashless policy on the performance of Micro, Small, and Medium Enterprises (MSMEs) in Anambra State. The independent variables examined were cashless transaction channels, specifically internet/online banking services, automated teller machine (ATM) services, and mobile banking services. Employing a descriptive survey design, the researchers used summary statistics, Pearson correlation, and multiple regression analysis, with all statistical tests performed at a 0.05 significance level. Initial findings indicated an F-statistic of 23.516, which was significant ($P<0.05$). The regression coefficient of 0.627 suggested a 62.7% relationship between the dependent and independent variables, while the R^2 value of 0.678 implied that 67.8% of the variance in MSME performance could be explained by the selected independent variables. Key results demonstrated that internet/online banking, ATM, and mobile banking services had a positive and significant effect on MSME performance in Anambra State. Odumusor (2023) investigated the impact of the cashless policy on the performance of small-scale enterprises in Nigeria, focusing on selected businesses in the Cross River Northern Senatorial District. The study

aimed to assess three specific objectives: the effect of Automated Teller Machine (ATM) transactions, internet banking, and Point of Sale (POS) transactions on the performance of small-scale businesses in the district. Adopting a descriptive research design, the study targeted 122 employees from Gomara Farms Ltd, Ushie Table Water Ltd, and Blessed Brother Bread Ltd., with a final sample size of 111 determined using Krejcie and Morgan's (1970) table. Simple random sampling was applied to select participants, and data analysis was conducted using Ordinary Least Squares (OLS) regression with SPSS (version 27), employing both descriptive and inferential statistics. Findings revealed that ATM transactions, internet banking, and POS transactions all have a significant positive effect on the performance of small-scale businesses in the Cross River Northern Senatorial District. Humphrey (2017) studied the impact of the cashless policy on small-scale businesses in Ogoni Land, Rivers State, Nigeria. The research aimed to assess how cashless transactions affect these businesses. Conducted in Ogoni, the study utilized purposive sampling to select 250 small business owners and operators who completed questionnaires. Data analysis involved frequency tables, percentages, and regression analysis, conducted using SPSS (Statistical Package for Social Sciences). Findings revealed that most small-scale businesses in Ogoni operate as sole proprietorships with low income, limited banking practices, and minimal reliance on substantial capital. Additionally, many businesses focused on providing services that largely depend on a "cash and carry" approach, rendering bank transactions, ATM usage, and online banking less relevant. The study found that business operators showed minimal use of ICT in business operations and transactions, presenting a significant challenge to the adoption of cashless policy in the area. Overall, the cashless policy introduction had a negative impact on small-scale business processes and growth in Ogoni Land.

2. Materials and Methods

2.1. Area of the Study

The location of this study was Awka North Local Government Area. Awka North LGA was created in 1989 from Awka LGA of old Anambra state, It is bounded on the south by Awka South LGA and on the north by Oji-River LGA of Enugu State. Awka north is one of the 21 Local Government Areas that make up Anambra State; it is made up of ten (10) communities namely: Awba Ofemili, Ugbene, Ebenebe, Achalla (the capital), Urum, Amanasa Amauke, Amansea, Mgbakwu and Ugbenu. In the past, people of Awka North were known for farming and fishing. Today, Awka North LGA prides itself as the food basket of Anambra state. The area in the past was the site of the Nri civilization (Atupulazi, 2016). According to Okafor (2015), the traditional occupation of the people of Awka North has been farming, trading, hunting, fishing and a host of others. Most people in Awka North LGA are farmers (self-employed). However, there are increasing numbers of residents who are now engaged in wage labour. Awka North Local Government Area was chosen for this study because of its strategic location and importance to the problem under investigation. The National Bureau of Statistics (2021) projected the population of Cities and Local Government Areas in Nigeria. Hence, Awka North LGA was projected for 2021 using 3.0 percent annual population growth rate to arrive at 198,065 persons. A breakdown of the population shows 108, 575 males and 89,490 females. The target population for this study were the smallscale agricultural business owners aged I8 years and above. The sample size for this study was one hundred and twenty five (125) respondents. T test analysis was used to test the hypothesis. For all purposes, p-value of 0.05 was considered as the level of significance.

2.2. Sampling Technique

Multistage sampling technique was employed in the study. First, the communities in Awka North LGA were identified as follows: Awba Ofemili, Ebenebe, Achalla (headquarters), Urum, Amanuke, Amansea, Ugbene, Mgbakwu, Ugbenu, and Isu Aniocha. Then, with purposive sampling technique, five communities were selected namely: Mgbakwu, Ugbenum, Amanuke, Ebenebe and Amansea. The third stage was the random selection of twenty five respondents from each of the communities making it one hundred and twenty five (125) smallscale agricultural businesses in the study area. Hence, a total of one hundred and twenty five (125) respondents were administered the questionnaires. The data collected was analyzed using descriptive and inferential statistics.

2.3. Data Analysis Techniques

The data collected were analyzed using descriptive statistical and econometric tools. Objectives (i) (ii) (iii) and (iv) were analyzed using frequency, percentage and mean. Objectives (v) was analyzed using regression analysis; the implicit functional form is specified as follows:

$$\text{Cashless}=\beta 0+\beta 1\text{Age}+\beta 2\text{Sex}+\beta 3\text{High Cost of Cashless Transaction Instruments}+\beta 4\text{Location of Business}+\beta 5\text{Technical Knowhow}+\beta 6\text{Internet Availability}+\epsilon$$

Where:

Cashless = Dependent variable (utilization of cashless financial transaction instruments).

Age = Age of the small-scale agricultural business owner (Independent variable).

Sex = Gender of the business owner (Independent variable, where male = 1, female = 0).

High Cost of Cashless Transaction Instruments = A variable indicating the cost of adopting cashless systems (Independent variable).

Location of Business = A variable related to the location where the business operates (Independent variable).

Technical Knowhow = The technical knowledge of the business owner about cashless financial systems (Independent variable).

Internet Availability = A variable indicating the availability of internet access for the business (Independent variable).

ϵ = Error term (captures unobserved factors affecting the dependent variable)

2.4. Test of Hypothesis

In order to express the test of hypothesis mathematically, we are working with a t-test for independent samples, where you are comparing the means of two groups (those using cashless transactions and those not using cashless transactions) to determine if there is a significant difference between them.

1. Null Hypothesis (H_0): There is no effect of cashless financial transaction instruments on small-scale agricultural businesses.

Mathematically: H0: $\mu 1 - \mu 2 = 0$

where $\mu 1$ is the population mean for small-scale agricultural businesses using cashless transactions, and $\mu 2$ is the population mean for those not using cashless transactions.

2. Alternative Hypothesis (H_1): here is an effect of cashless financial transaction instruments on small-scale agricultural businesses.

Mathematically: H1: $\mu 1 - \mu 2 \neq 0$

2.5. Test Statistic (t-statistic)

The t-statistic is calculated using the formula (equation 1):

$$t = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{s1^2}{n1} + \frac{s2^2}{n2}}} \quad (1)$$

where:

$\bar{x}_1$ and $\bar{x}_2$ are the sample means of the two groups.

s^2_1 and s^2_2 are the sample variances of the two groups.

n_1 and n_2 are the sample sizes of the two groups.

3. Results and Discussion

3.1.Types of Smallscale Agricultural Businesses in The Study Area

The result in Table 1 shows that majority (28%) of the respondents in the study area were into the selling of foodstuff, which was followed by respondents selling provisions (20.8%), 12% of the respondents were selling vegetables, 11.2% of the respondents were selling fast food, 7.2% were into food vendors, minimarket and food stall, and 8% were operating a mini supermarket. The result shows that in the study area, most of the respondents were into the selling of one agricultural goods or the other. The findings from Table 1, showing a predominance of food-related small businesses such as foodstuff, provision shops, and fast-food vendors, align with research that highlights the significance of food and essential goods retailing within local economies. Studies indicate that small businesses in emerging and developing regions often center around daily necessities, with food-related businesses being particularly prominent due to consistent demand for staple and convenience goods. The result supports Onyema et al. (2018) who pointed out that food and provision shops are crucial in fulfilling the daily needs of low-income communities, especially where larger retail infrastructures may be lacking. Similarly, Goyal and Pradhan (2020) observed that small-scale food enterprises provide affordable, accessible options for local consumers, sustaining both livelihoods and food security within the community. Furthermore, research by Tebaldi and Elmslie (2017) noted that micro and small enterprises focusing on essential goods like groceries and prepared foods tend to thrive in densely populated, low-income areas where informal economies play a critical role. This phenomenon is especially observed in sub-Saharan Africa, where small food businesses meet local demands efficiently, with relatively low startup costs and operational flexibility (Agyapong, 2010). Additionally, the prevalence of these businesses, as indicated by Table 1, may reflect a strategic adaptation by entrepreneurs to capitalize on high-demand items, such as basic foodstuffs and fresh produce, which provide a stable customer base and frequent sales turnover, as suggested by Karnani (2011).

Table 1. Types of smallscale agricultural businesses*

Variables	Frequency (125)	Percentage (%)
Mini supermarket	8	6.4
Provision shop	26	20.8
Minimarket	9	7.2
Foodstuff	35	28.0
Food stall/kiosk	9	7.2
Food vendors	9	7.2
Vegetable seller	15	12.0
Fast food	14	11.2

*Field study 2024

3.2. Level of Awareness of The Cashless Policy

The results in Table 2 reveal that a majority of respondents (62.4%) were aware of the cashless economy policy, while 8% were not aware, and 29.6% neither confirmed nor denied their awareness. This finding reflects a relatively high level of awareness among respondents, indicating that the cashless economy policy has been fairly well-publicized. Awareness levels can significantly influence adoption and acceptance, as shown by studies in similar contexts. Adesina and Ayo (2010) demonstrated that high awareness of digital financial services in Nigeria was positively correlated with the adoption of these services, suggesting that knowledge is a critical first step in successful implementation of cashless policies. A similar study by Chukwu and Ezeagba (2017) found that public awareness campaigns were essential in increasing awareness of cashless transactions in Nigeria, but they

also highlighted that awareness does not always translate to usage. People may be aware of the policy but still hesitant to adopt cashless practices due to concerns about reliability, accessibility, and digital literacy. The significant percentage (29.6%) of respondents who neither confirmed nor denied awareness could imply partial or superficial knowledge of the cashless policy people may have heard of it but lack sufficient understanding to participate confidently. The finding that 8% of respondents were not aware of the policy aligns with research suggesting that awareness of financial inclusion policies is often lower in rural areas and among people with limited access to education or technology. Sanusi (2012), in a study on financial inclusion, noted that information dissemination in urban areas generally leads to higher awareness, whereas rural populations may remain uninformed due to limited infrastructure and outreach efforts. This points to the importance of targeted education and training to bridge awareness gaps.

Table 2. Level of awareness of the cashless economy policy*

Variables	Frequency (125)	Percentage (%)
Aware	78	62.4
Not aware	10	8.0
Neither	37	29.6

*Field study 2024.

3.3. Perception of The Cashless Economy Policy

The data in Table 3 illustrates a range of perceptions about Nigeria's cashless economy policy among respondents, reflecting varied attitudes and understanding of its purpose. The majority, 47.2%, view the policy as a measure to reduce looting in the country, suggesting a perception that the cashless system could curb corruption and improve financial accountability. This aligns with studies highlighting the positive impact of cashless policies in enhancing transparency and reducing financial malpractice, as found in research by Akinola (2021) and Okeke & Eze (2020). These studies argue that limiting cash transactions constrains illicit financial flows, making it more challenging for individuals to misappropriate funds. Another significant group, 17.6%, believes the policy is aimed at controlling inflation, which echoes discussions by financial analysts on cashless policies as mechanisms to stabilize currency circulation and reduce cash hoarding (Sanusi, 2012). This viewpoint reflects an understanding that reduced physical cash transactions could alleviate inflationary pressures in the economy by encouraging funds to remain in the banking system, thus providing more stability. Additionally, 16.8% of respondents think the policy has political motives, particularly to curb vote-buying during elections. This perception is supported by studies such as Adekunle (2020), which discuss how cash restrictions may reduce cash-driven election malpractices, fostering fairer electoral processes. A smaller portion of respondents view the policy with skepticism. About 3.2% believe it primarily serves the wealthy, while 2.4% feel it is intended to create hardship for the poor. These perspectives align with critiques noted by Adesina & Ayo (2010), who found that cashless policies may disproportionately affect lower-income populations lacking adequate access to digital banking infrastructure, causing increased financial exclusion. Lastly, the minority who perceive the policy as "a scam" (0.8%) reflects a broader skepticism and mistrust of government initiatives, particularly in contexts where there has been historical mismanagement or policy reversals. Such skepticism can also be tied to the technical and infrastructural challenges observed during the initial phases of implementation, as noted by Chukwu & Ezeagba (2017).

Table 3. Perception of cashless economy policy*

Variables	Frequency (125)	Percentage (%)
It is a scam	1	0.8
It is for the rich	4	3.2
It is to suffer the poor	3	2.4
To check inflation	22	17.6
For political reasons/against vote buying during elections	21	16.8
It is to reduce looting in the country	59	47.2
All of the above	15	12.0

*Field study 2024.

3.4. Cashless Economy Policy Transaction Instruments Employed by The Respondents

The data in Table 4 shows the different transaction instruments employed by respondents within the cashless economy policy framework. The results highlight that mobile transfers are the most commonly used method, with 36.8% of respondents favoring this form of transaction. This aligns with recent studies showing the growing popularity of mobile banking due to its convenience, accessibility, and ease of use, especially as smartphones become more widespread (Sanusi, 2021). Additionally, mobile transfers offer flexibility and allow transactions to be completed anytime, which is particularly advantageous in areas with limited physical banking infrastructure (Oluyemi et al., 2020). The use of POS (Point of Sale) systems follows closely at 19.2%,

demonstrating a significant uptake in digital payment infrastructure within small and medium-sized businesses. According to Adesina and Ayo (2020), POS systems have become popular in retail transactions, as they offer a secure and reliable payment method, especially in rural and semi-urban areas where ATM access may be limited. ATM use ranks third at 16.0%, which reflects its continued relevance in cash withdrawal and basic financial transactions. However, studies indicate that reliance on ATMs is gradually decreasing as more people transition to digital methods like mobile and POS payments (Adeleye, 2019). The presence of checks and trade by barter, both at 2.4%, suggests that while digital options are growing, traditional forms of transaction still have limited usage, particularly in cases where technology or banking services are scarce. Interestingly, 23.2% of respondents reported using "all of the above" transaction methods, suggesting that they are adapting to various tools depending on situational needs. This adaptability is supported by research from Chukwu and Ezeagba (2017), who argue that consumers in developing economies often rely on multiple transaction methods due to inconsistent access to infrastructure and varying transaction requirements.

Table 4. Cashless economy policy transaction instruments employed by the respondents*

Variables	Frequency	Percentage
POS	24	19.2
ATM	20	16.0
Cheque	3	2.4
Mobile transfer	46	36.8
Trade by barter	3	2.4
All of the above	29	23.2

*Field study 2024.

3.5. Factors Affecting The Utilization of Cashless Financial Transactions Instruments

Table 5 outlines the key factors affecting the utilization of cashless financial transaction instruments by small-scale agricultural businesses. Statistically significant variables (P<0.05): Age, high cost of the instrument, location of business, technical knowhow and internet network availability. Not significant: Sex (P=0.520).

Constant (Intercept): B = 3.496: This is the predicted value of the dependent variable (cashless) when all independent variables (Age, sex, high cost of the instrument, location of business, technical knowhow and internet network availability) are equal to zero. t = 9.954, P=0.000: This constant is statistically significant, as indicated by the very low p-value.

Age (age):

B = -2.559: For each one-unit increase in age, the dependent variable (cashless) decreases by 2.559 units, holding all other variables constant. The negative sign indicates a negative relationship between age and cashless. Beta = -0.708: This is the standardized coefficient, showing that age has a strong negative effect on cashless. Age is the most influential variable among all predictors in this model. t = -10.364, P=0.000: The effect of age on cashless is highly statistically significant. Tarek & Ahmed (2019) in their study explores how demographic factors like age influence the adoption of cashless payments. Their findings indicated that older individuals are less likely to use cashless systems in agricultural marketing in Sub-Saharan Africa.

Sex (sex):

B = 0.100: There is a small positive relationship between sex and cashless, where a one-unit increase in the sex variable (e.g., male = 1, female = 0) leads to an increase of 0.100 units in cashless. Beta = 0.035: The standardized coefficient suggests that sex has a very small effect on cashless. t = 0.645, P=0.520: This is not statistically significant (p > 0.05), meaning that sex does not have a meaningful impact on cashless in this model.

3.6. High Cost of The Cashless Transaction Instruments

B = -1.066: For each one-unit increase in cashless transaction instruments, cashless decreases by 1.066 units, indicating a negative relationship. Beta = -0.283: The standardized coefficient shows that education has a moderate negative effect on cashless. t = -3.990, P=0.000: This effect is statistically significant.

3.7. Location of Business

B = -1.318: For each one-unit increase in the location of business variable (possibly an indicator of relationship status), cashless decreases by 1.318 units, showing a negative relationship. Beta = -0.356: The standardized coefficient shows that location of the business has a moderately strong negative effect on cashless. t = -5.830, P=0.000: The effect of the business location is highly statistically significant.

3.8.Technical Knowhow

B = 1.694: For each one-unit increase in technical knowhow, cashless increases by 1.694 units, showing a positive relationship. Beta = 0.450: The standardized coefficient indicates that technical knowhow has a moderate positive effect on cashless. t = 8.053, P=0.000: The effect of awareness on cashless is highly statistically significant. The findings corresponds Moran (2021) who found that educated farmers in rural India were more likely to embrace digital payment systems for agricultural goods, which positively impacts market accessibility

3.9. Internet Availability

B = 2.485: For each one-unit increase in internet availability, cashless increases by 2.485 units, indicating a positive relationship. Beta = 0.568: The standardized coefficient suggests that internet availability has a moderate to strong positive effect on cashless. t = 7.225, P=0.000: The effect of experience is statistically significant.

Table 5: Factors affecting the utilization of cashless financial transaction instruments*

Model	B	Std Error	Beta	T	Sig
Constant	3.496	.351		9.954	.000
Age	-2.599	.247	-.708	-10.364	.000
Sex	.100	.155	.035	.645	.520
High cost of cashless transaction instruments	-1.066	.267	-.283	-3.990	.000
Location of business	-1.318	.226	-.356	-5.830	.000
Technical knowhow	1.694	.210	.450	8.053	.000
Internet availability	2.485	.344	.568	7.225	.000

*Field study, 2024.

3.10. Test of Hypothesis

H01: There is no effect of cashless financial transactions instruments on the smallscale agricultural businesses.

The t-statistic is very high, indicating that the difference between the two sample means is highly significant. Degrees of Freedom (df = 143): This reflects the number of independent pieces of information available to estimate variability. P-Value (1.62745E-38 for two-tailed test): The extremely low p-value indicates that the result is statistically significant at any common significance level (such as 0.05 or 0.01). The null hypothesis (that there is no difference between the two groups) can be rejected. Critical Values: Since the t-stat (17.98) is far greater than the critical value (1.976), the null hypothesis is rejected, confirming a significant difference between the two groups. The data shows a significant difference between the two groups (those using cashless transactions and those who do not). This means that cashless financial transactions have a measurable impact on smallscale agricultural businesses. The high t-statistic (17.98) indicates that this effect is robust, with the mean difference between the two groups being far from zero. The findings is consistent with Olawunmi & Olamide (2019) who investigated the effect of cashless policies on the marketing of agricultural goods in rural Nigeria. The authors found that farmers who used cashless systems were able to reach more buyers, received payments faster, and experienced less difficulty in managing their sales, particularly in urban areas. Nwachukwu & Orji (2020) also supported the findings by stating that the adoption of ICT tools, including mobile payment systems, significantly impacted the efficiency of agricultural marketing in Nigeria. Farmers using digital financial services experienced fewer challenges in getting payments, securing better prices, and reaching larger markets. The study rejects the null hypothesis that cashless financial transactions does not affect the smallscale agricultural businesses and therefore accepts the alternate hypothesis which states that cashless financial transactions does affect the smallscale agricultural businesses.

Table 6: Effect of cashless financial transactions on smallscale agricultural businesses*

	Variable 1	Variable 2
Mean	3.568	0.592
Variance	3.18283871	0.243483871
Observations	125	125
Hypothesized Mean Difference	0	
Df	143	
t Stat	17.97520323	
P(T<=t) one-tail	8.13727E-39	
t Critical one-tail	1.655579143	
P(T<=t) two-tail	1.62745E-38	
t Critical two-tail	1.976692198	

*Field study 2024.

4. Conclusion

This study assessed the effect of cashless economy policy on smallscale agricultural businesses in Anambra State, Nigeria. The location of this study was Awka North Local Government Area where one hundred and twenty five

(125) respondents were selected for the study. The general questions was analyzed using descriptive (frequency, percentage and mean) and inferential statistics (regression). To test the hypothesis, t test was employed. The results from the study revealed various challenges and opportunities associated with the adoption of the cashless economy policy by small-scale businesses. The result findings indicated that a large majority (62.4%) of respondents were aware of the cashless policy, while 8% were not aware. However, a significant portion (29.6%) remained indifferent, suggesting a gap in effective dissemination of information. The majority of respondents believed that the policy was aimed at reducing looting (47.2%) and controlling inflation (17.6%). A smaller group perceived the policy as politically motivated or intended to cause hardship for the poor. Mobile transfers (36.8%) were the most commonly used transaction instrument, followed by POS (19.2%) and ATM (16.0%). This highlights the reliance on mobile platforms for cashless transactions. The factors affecting the utilization of cashless financial transactions instruments were Age, high cost of the instrument, location of business, technical knowhow and internet network availability. The factors reflect infrastructural and awareness challenges in the implementation of cashless systems. The test of hypothesis to ascertain the effect of the cashless financial transactions on smallscale agricultural businesses indicated that there was a positive effect. The findings indicated that while there is a significant awareness of the cashless economy policy, challenges such as poor infrastructure, network issues, and insufficient patronage persist, hindering the effective adoption of digital payment systems in small-scale businesses. The policy's perceived impact on income, sales, and cash flow suggests that the transition to a cashless system has been met with some resistance, especially among businesses that depend heavily on cash transactions. However, the policy has had some positive effects, such as reduced theft and increased security in transactions.

1. Infrastructure Development: There is a need for enhanced infrastructure, particularly in rural areas, to support mobile and online transactions. This includes expanding internet connectivity, ensuring the availability of POS terminals, and improving banking facilities to reach more businesses and consumers.
2. Awareness and Training: Efforts should be made to increase awareness and provide training on the benefits and use of cashless transactions. Government agencies and financial institutions should collaborate to educate small business owners and the general public about the advantages of digital payments.
3. Customer Incentives: To encourage adoption, businesses and financial institutions can offer incentives for customers who use cashless methods. This could include discounts, rewards, or even financial literacy programs aimed at educating the public on the advantages of mobile payments.
4. Addressing Network Issues: Strengthening mobile networks and ensuring reliable internet access is crucial for the smooth operation of cashless transactions. Partnerships between the government and private telecom companies may be beneficial in addressing these issues.
5. Tailored Solutions for Small-Scale Businesses: Given the challenges faced by small-scale businesses, especially in rural areas, the government and financial institutions should create policies and support programs that are specifically tailored to meet the needs of these businesses. These programs should consider the unique challenges faced by these businesses, such as limited access to financial services and digital platforms.

Author Contributions

The percentages of the authors' contributions are presented below. All authors reviewed and approved the final version of the manuscript.

	O.A	O.F	O.E	A.O	O.F
C	90		10		
D	100				
S		20	30	30	20
DCP		100			
DAI	100				
L	20	20	20	20	20
W	100				
CR	20	20	20	20	20
SR	20	20	20	20	20
PM	20	20	20	20	20
FA					

C= concept, D= design, S= supervision, DCP= data collection and/or processing, DAI= data analysis and/or interpretation, L= literature search, W= writing, CR= critical review, SR= submission and revision, PM= project management, FA= funding acquisition.

Conflict of Interest

The authors declared that there is no conflict of interest.

Acknowledgments

The authors acknowledges the smallscale businesses for their support in the course of the data collation.

References

Adedeji O, Oluyemi A, 2021. Impact of cashless policy on small businesses in Nigeria. J Econ St, 29(3): 125-139.

Adegbaju A, Oladeji M, 2020. Benefits and challenges of the cashless economy for SMEs in Nigeria. Afri J Bus Fin, 15(4):

87-101.
Adekunle T, 2020. The political impact of cashless policies in developing economies. Glo J Econs Pols, 8(1): 78-91.
Adeleye M, 2019. ATM services in Nigeria: Impact on cashless policy adoption. J Bnk Fin Rev, 8(2): 102-115.
Adesina A, Ayo C, 2010. An empirical investigation of the level of users' acceptance of e-banking in Nigeria. J Int Bnk Comm, 15(1): 1-13.
Agyapong D, 2010. Micro, small and medium enterprises' activities, income level, and poverty reduction in Ghana - A synthesis of related literature. Intl J Bus Mgt, 5(12): 196-205.
Akinola O, 2021. Transparency and financial accountability in the Nigerian banking sector. J Fin Pol Res, 12(2): 104-120.
Aremu M, Adeyemi S, 2011. Role of small scale businesses in Nigerian economy. Intl J Bus Devt, 10(2): 215-230.
Atupulazi O, 2016. A historical overview of the Nri civilization and its cultural heritage. J Nig Hist Cul, 14(2): 45-58.
Central Bank of Nigeria (CBN), 2011. Cashless Nigeria project policy framework. Abuja: Central Bank of Nigeria, Abuja, Nigeria, pp: 54.
Chukwu C, Ezeagba C, 2017. Adoption of cashless banking system for financial transactions in Nigeria: The benefits and challenges. IOSR J Bus Mgt, 19(10): 88-94.
Ezinwane B, 2023. Challenges in cash-based transactions: Health, security, and economic implications. Nig J Comm, 25(1): 45-60.
Gbalam P, Dumani M, 2020. Cashless policy and financial inclusion in Nigeria. Intl J Res Sci Inno, 7(2): 45-53.
Goyal A, Pradhan R, 2020. Food security through small-scale food retailing in developing countries. J Fd Agri Org, 45(3): 345-353.
Krejcie RV, Morgan DW, 1970. Determining sample size for research activities. Educ Psychol Meas, 30(3): 607-610.
Heman K, Anna T, 2023. Barriers to cashless policy adoption among small businesses in Nigeria. J Fin Lit Incl, 8(1): 33-48.
Humphrey D, 2017. Replacement of cash by cards in U.S. consumer payments. J Econs Bus, 8(56): 211-225.
Karnani A, 2011. Fighting poverty together: Rethinking strategies for business, governments, and civil society to reduce poverty. Palgrave Macmillan, London, UK, pp: 28.
Koloti L, 2022. The role of small-scale businesses in self-reliance and employment generation. Ent Devt J, 12(3): 75-84.
Moran C, 2021. The influence of education on digital payment systems in agricultural goods marketing: Evidence from rural India. J Agri Econ Mkt, 9(1): 45-60.
National Bureau of Statistics (NBS), 2021. Annual report on Nigerian economic statistics. Abuja, Nigeria: National Bureau of Statistics, Abuja, Nigeria, pp: 23.
Nkwede J, Nkwede C, 2022. Financial structure of micro and small enterprises in Nigeria. J Afri Econ Res, 18(2): 99-113.
Nwachukwu I, Orji C, 2020. The impact of ICT and mobile payments on agricultural development in Nigeria. Afri J Agri Econ, 15(1): 101-116.
Obi T, 2023. The impact of cashless policy on SMEs in Nigeria: Opportunities and challenges. Nig J Sma Bus Mgt, 14(4): 102-117.
Odumusor C, 2023. Effect of cashless policy on the performance of small-scale businesses in Nigeria. J Cont Res (JOCRES), 2(2): 23-44.
Ogbeide M, Atanbori E, 2019. Cashless economy: Perceived benefits and challenges for SMEs. J Entrship Inno, 6(1): 145-158.
Okafor C, 2015. Traditional occupations and socioeconomic activities in Awka North, Nigeria. J Afri Cult Stud, 9(3): 112-130.
Okeke M, Eze O, 2020. Cashless policy and financial crime reduction in Nigeria. J Econ Pol Rev, 14(3): 45-67.
Olawunmi AO, Olamide AF, 2019. Impact of cashless policy on agricultural marketing in Nigeria: Evidence from rural farmers. J Rural Devt, 38(4): 558-573.
Oluyemi T, Adebayo T, Olaniyi S, 2020. Financial inclusion through mobile banking in rural Nigeria. J Devt Stud, 10(2): 45-60.
Onyema C, Adebayo F, Okafor F, 2018. Role of small-scale food businesses in local economies: A study of urban markets in Nigeria. J Devt Agri Econs, 10(8): 268-276.
Phinaonyekwelu N, Nnabugwu C, 2018. Effect of cashless economy on the performance of micro, small and medium scale enterprises in Anambra State, Nigeria. Intl J Sci Res (IJSR), ISSN: 2319-7064.
Punch Newspapers, 2022, November 16. ICAN advises CBN on naira redesign, economic growth. Punch Newspapers, London, UK, pp: 34.
Sanusi L, 2012. Banking reform and its impact on the Nigerian economy. Lecture presented at the University of Warwick's Economic Summit, London,UK, pp:52.
Tarek G, Ahmed H, 2019. The role of demographic factors in cashless payments adoption in Sub-Saharan Africa: A case of Nigeria. Intl J Marketing, 7(4): 215-227.
Tebaldi E, Elmslie B, 2017. The role of small and medium enterprises in economic growth: Lessons from emerging economies. J Econ Devt, 42(3): 77-94.
Xia F, Qamruzzaman M, Adow K, 2022. Micro and small-scale enterprises as engines of growth in emerging economies. Glo Bus Econs Rev, 23(2): 229-244.