INTERDISCIPLINARY JOURNAL OF LIFELONG LEARNING VOL.1 NO.1(2025)
ISSN:3093-0286

https://journals.unilag.edu.ng/index.php/IJLL

Effect of Cashless Policy and Its Implication on Agricultural Activities of Rural Farmers in Ogun State, Nigeria

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ARTICLE INFO

Keywords:
Effects, Cashless Policy, Rural Farmer, Mobile Banking, Financial Transaction.

ABSTRACT

This study analysed the effects of cashless policy and its implication on agricultural activities of rural farmers in Ogun State, Nigeria. Multi-stage sampling procedure was used to select 240 respondents, while interview schedule was used to obtain primary data. Data were analysed using frequency, percentage, mean, and Pearson's Product Moment Correlation (PPMC) at p=0.05. The results revealed that respondents had an average of 55years of age, 75.0% were male, 4 persons per household, had an average of 19years of farming experience, and 2.53 hectares of farm size. The effects of cashless policy were positively seen among rural farmers as majority of them responded to all statements. There is moderate (56.7%) perception towards the utilization of cashless policy among rural farmers. Some of the problems facing rural farmer towards cashless policy were political/economic instability ($\bar{x}$= 2.17), lack of digital literacy ($\bar{x}$= 2.03) and lack of access to technology/infrastructure ($\bar{x}$= 2.00). The coping strategies were the use of trade by barter most times (95.8%), utilisation of POS services (87.5%) and digital payment such as moniepoint (83.3%). Significant correlation ($p < 0.05$) exists between the impacts of the cashless policy ($r = 0.682$, $p > 0.011$) and the perceptions of rural farmers regarding the implementation of the cashless policy within the designated study area. The study concluded that the cashless policy had brought about significant effects and is gradually delivering the intended benefits to the rural farmers and the people of Nigeria, particularly those in remote areas.

Introduction

The utilization of physical currency in commercial exchanges has experienced significant constraints in various nations, particularly within both developed and developing economies globally. The advent of online banking in the

early 1990s catalysed a pronounced transition away from traditional cash transactions. By the commencement of the year 2010, numerous countries had integrated online banking into their economic frameworks. A substantial number of these nations advocated for the adoption of digital payment systems for transactions, employing platforms such as Opay, Moniepoint, PayPal, among others. The concept of implementing a cashless policy in Nigeria was formulated by the Central Bank of Nigeria (CBN) in the year 2012. The primary objective of this policy was to diminish the volume of physical currency circulating within the economy by dis-incentivizing cash usage for business transactions and promoting the adoption of electronic payment systems. This policy does not aim to eradicate cash transactions entirely, but rather to curtail the reliance on physical cash within the economic landscape (Gbanador, 2023). Prior to the implementation of the cashless policy within Nigeria's economic framework, the nation was functioning under a cash-centric economic model characterized by a substantial volume of narrow liquid transactions occurring outside the formal banking sector (Kama and Adigun, 2021). The anticipation surrounding the introduction of this policy is that it will foster both economic growth and development sectors in Nigeria; however, its effectiveness has been hindered due to the country's status as an emerging economy facing various formidable challenges such as fraud, high levels of illiteracy, connectivity issues, and insufficient foundational technology necessary for the successful implementation of the cashless policy (Gbanador, 2023).

Technological progress has benefited all human endeavours, but it has been particularly beneficial in the financial industry, where it has facilitated the global shift away from cash and towards more efficient, secure, and convenient payment methods (Jameaba, 2022). The idea of a cashless economy is gaining traction globally, and several developed nations have already passed the "tipping point" into more advanced phases of implementing such a policy (Rui *et al*., 2023). Academics have proposed differing definitions of a cashless economy, with one viewing it as an economy where electronic payment is the only method of transaction, and another as one where cash and electronic payment are used concurrently to the exclusion of all other methods (Raya and Vargas, 2022). The introduction of the cashless policy in Nigeria and its nationwide implementation in 2023 has stimulated scholarly research from diverse academic disciplines (Olabimtan, 2022). Some of this research has provided an overview and assessment of the effects, challenges, and problems in the policy's implementation. The benefits of embracing a cashless economy include reduced corruption and lower service costs from banks (such as credit costs), improved operational efficiency, and enhanced financial inclusion by providing accessible and widespread transaction methods.

Furthermore, it improves the effectiveness of monetary policy in managing inflation and stimulating economic growth (Atanda and Alimi, 2018). However, implementing a cashless policy presents certain risks. As individual information and data are stored online, controlling internet hackers and thieves becomes increasingly challenging. Other drawbacks include a potential rise in cybercrimes, increased sophistication in the operations of hackers and scammers, and an increase in the theft of ATM, credit, and debit cards, among other issues (Ovat, 2017). The Central Bank of Nigeria (CBN) conceived the cashless policy in 2012. The policy aimed to reduce the amount of physical cash in circulation by discouraging the use of cash for business transactions and promoting the use of electronic payment systems. However, there is a lack of empirical work has been conducted on farmers' preferences for cashless transactions (Ukoha *et al.*, 2017), and more importantly, on the effect of a cashless economy and its implications for agricultural activities among rural farmers in Ogun State, Nigeria.

The specific objectives of the study were to:
(i) analyse the effects of cashless policy among the rural farmers,
(ii) determine the rural farmers' perception in the utilization of cashless policy,
(iii) identify the problems facing the rural farmers towards cashless policy and
(iv) identify the coping strategies utilised by rural farmers on cashless policy in the study area.

The Hypothesis tested in the is stated as follows:
There is no significant relationship between the effects of cashless policy and rural farmers' perception in the utilisation of cashless policy in the study area.

Literature review

1. Cashless economy:

A cashless economy is an economic system where money can be stored in an electronic wallet and used for business transactions. It is a system where business activities do not involve the exchange of physical cash (Akhalumeh and Ohiokha, 2012). Yaqub, *et al.*, (2021) stated that a cashless economy is a system where mobile money payments are made using internet facilities. They also noted that a cashless policy enhances convenience and provides alternative payment methods. In developed nations, business transactions are primarily conducted through mobile and online platforms using payment cards (Humphrey, 2017). Similarly, Moses-Ashike (2011) highlighted that a cashless economy system is mainly powered by e-finance, e-money, and e-exchange, among others. These media represent how business transactions and payments are conducted in a cashless economy. According to Gbanador (2023), a cashless society is an economy where commercial activities and business transactions are made through alternative payment methods such as online banking, point of sale systems, automated teller machines, checks, and electronic wallets, rather than using physical cash. Adigwe (2022) stated that a cashless society is an economic society where the internet drives business transactions; commercial activities are not carried out with physical cash but through information and telecommunication technology.

2. Concept of Cashless Economy

A cashless economy is an economic system that aims to reduce, but not eliminate, the amount of physical cash circulating in transactions. According to Adewale (2012), a cashless economy simply illustrates a gradual or radical shift of an economy's entire payment system from the use of physical cash to the systemic adoption of other non-physical cash modes of payment for settling all types of transactions. This includes all commercial, household, personal, local, and international trade in both public and private life within the economy. Under a cashless payment system, customers can conduct their normal basic transactions, such as payments for goods and services, and person-to-person transfers, directly on their electronic devices (Makee and Willy, 2014). A cashless system provides the ability to store cash in digital form and use it according to requirements. Users are issued a card or digital payment mode by a bank or financial institution. A range of terminals at consumption points are provided, which are able to read cards and digital payment modes. Money is transferred and transactions are completed simply by inserting the card into the terminal or entering a digital payment code, and following the given instructions (Lamikanra, 2019). Card readers (terminals) are installed at all points of sale (e.g., vending machines, restaurant tills, coffee bars). Since there is no physical cash exchange, it is free from theft, damage, losses, etc. Instead of carrying physical cash to the point of sale, the card or digital payment clears the total sum of the purchase quickly and accurately. The amount is deducted from the customer’s account (Ovat, 2017).

3. Cashless Policy in Nigeria

It is estimated that approximately 65 percent of the cash in circulation in Nigeria is outside the banking system, severely limiting the price and economic stability effect of the CBN's efforts (CBN, 2011). This impacts the amount of money available to banks for creating new money, as a result of savings. Consequently, the large scale of this informal sector affects the viability of banks, which rely heavily on the volume of capital available for lending (Alagh and Ene, 2014). This situation, among other factors, prompted the Central Bank of Nigeria, in collaboration with the Bankers Committee, to implement the cashless policy. This policy was designed to provide mobile payment services aimed at breaking down traditional barriers to commerce, promoting financial inclusion for millions of Nigerians, and ensuring the protection and provision of convenient financial services throughout the country’s metropolitan, semi-

urban, and rural areas (Chibueze *et al.*, 2013). Effective March 30, 2012, the CBN cash policy established a combined cap of N150,000 and N1,000,000 for over-the-counter cash withdrawals and deposits by individuals and business customers in Lagos State, respectively. Individuals and private organizations making cash transactions exceeding these caps would be charged a processing fee. Furthermore, as of January 1, 2012, third-party cheques exceeding N150,000 would not be redeemable over the counter. All Nigerian banks were expected to discontinue cash-in-transit merchant-customer deposit services on January 1, 2012. According to the Central Bank of Nigeria (CBN, 2011), Lagos State was selected as the initial implementation location because it accounted for 85% of POS transactions and 66% of cheque transactions in Nigeria (Muotolu and Nwadialor, 2019). The recent development in cashless policies was implemented in October 2022, when the CBN announced its intention to redesign the currency. This was aimed at checking terrorism financing and counterfeiting, addressing imbalances in the fiscal space, and controlling the amount of money in circulation.

4. Economic development:

Like many concepts in social science, economic development lacks a universally accepted definition. Scholars have defined it from various perspectives. Economic development can be viewed as an effort to improve the economic condition and standard of living of people in a specific environment by creating or improving working conditions and income. According to Onyekwere (2016), economic development is a community's deliberate effort to improve both the local economy and the quality of life by building capacities to adapt to economic changes. This suggests a clear distinction between economic growth and development. Greenwood and Richard (2010) differentiate economic development from economic growth by describing the former as a holistic and sustainable improvement in the quality of life of the people living in the country. This means economic growth includes meaningful changes in people's well-being, using variables like quality healthcare, education, and gross domestic product. Economic development is a concept used in various ways by many professionals, such as economists, academics, and politicians.

Bank-focused Theory: This theory was proposed by Kapor (2010). The theory is based on the idea that banks utilize non-traditional, yet conventional, low-cost delivery platforms to offer financial services to their customers. These platforms include online banking, mobile payment systems, and automated teller machines, among others. Therefore, with the aid of bank-focused theory, banks can provide multiple financial services without engaging with customers at physical branches through online payment platforms. The bank-focused theory is relevant to this study because it is anchored on the online banking system that the CBN cashless policy is based on.

Method

This study employed descriptive research design. The study was conducted in the Odeda and Yewa North Local Government Areas (LGAs) in the historic area of Ogun State, in Southwestern Nigeria. Abeokuta, the capital of Ogun State, encompasses 20 local government areas and is predominantly inhabited by the Yoruba people. Economically, agricultural practices such as cassava, yam, maize, melon etc., are the primary occupations of the residents in these two LGAs, with a particular focus on cash and arable crops. However, some horticultural crops such as vegetables, spices, and fruits also play a significant role in the daily activities of rural farmers in the selected LGAs. Furthermore, they are engaged in livestock farming, including poultry, goats, cattle, and sheep. The study population were selected rural farmers in Ogun state. A total of 240 rural farmers were selected using purposive random sampling techniques and gave their consent to participate in the study.

The sample consisted of 110 participants from Odeda and 130 participants from Yewa north LGAs. The rural farmers sampled were classified into arable crop (60), cash crop (60), livestock (60), and horticultural crops (60). Face and content validity were employed in this study. For face validity, the research instrument was submitted to experts in the field of agricultural extension and rural development for review and correction. Content validity was used to

develop the instruments. The test-retest method was used to determine the instrument's consistency and was administered to respondents outside the study sample to ascertain its reliability. A reliability coefficient above 0.70 adjudged the research instrument reliable.

Measurement of Variables

The effects of cashless policy among rural farmers were measured using a three-point rating scale of: Always (3), Occasionally (2), Never (1). The rural farmers' perception in the utilization of cashless was measured at ordinal level using 5-points Likert scale of SA (5), A (4), U (3), D (2), SD (1). The problems facing the rural farmers on cashless policy was measured at ordinal level such as; Major (3), Minor (2), Not a problem (1). The coping strategies used by the arable crop farmers during cashless policy was measured at nominal level as 1= yes, 2= no. Data was analysed using descriptive statistics including frequency counts, percentage, mean, and standard deviation for the objectives. Chi-square and Pearson Product Moment Correlation (PPMC) were used to test the hypotheses.

Results and Discussion

Socio-economic characteristics of the smallholder farmers

Table 1 shows that the same number of respondents were selected from each local government area selected in the study. The result reveals that majority (79.2%) of the respondents were between the ages of 40 and 70 years, with the mean age of 55.2years. This implies that respondents were middle-aged rural farmers, energetic to farming activities and to perform rigorous agricultural activities on the farm. Most of the respondents (75.0%) were male, this suggest that rural farmers are more practiced by males as a result of dominant nature, drudgery and strenuous agronomic practices involved in agricultural activities. The results further show that the majority (83.3%) of the respondents were married, while very few 4.2% were widowed. This means that married people were more involved in farming than single respondents. The results on household size reveal that majority (72.5%) had a household size of 3- 5 persons, while 13.3% had a household size of 6 – 8 persons. The mean household size was 4. This implies that respondents in the study area have a relative low number of people that can help in agricultural production. In terms of educational requirement, majority (87.5%) of the respondents had a form of formal education: primary, secondary or post-secondary education. Almost 13.0% had no formal education. This implies that majority of the respondents were literates and due to their educational qualifications and literacy, the majority of the respondents were able to develop strategies to cope with the adverse effects of the cashless policy on their activities. The farming experience of the respondents shows that, majority of the respondents (87.5%) had been practicing farming for more than 10 years, while few (12.5%) had been practicing farming for a period less than 10 years. The mean years of farming experience was 18.5years. This implies that the respondents have a considerable number of years in farming experience in relation to cashless policy mechanisms as it affects their agricultural production. Also, Table 1 further revealed that most (62.5%) of the respondents had between 1 to 3 hectares of farmland, 8.3% of the rural farmers had more than 7 hectares of farmland while 29.2% had between 4 to 6 hectares. The result shows that many of the respondents were small scale farmers and that farm size is a critical factor influencing the output of farmers in the study area. Thus, many of the respondents in this study area have farm sizes of less than 9 hectares justifying the respondents as small-scale farmers.

The findings depicted in Figure 1 were derived from numerous responses provided by the participants within the designated study area. It was noted that a significant proportion (81.3%) of the participants engaged in the cultivation of maize, while 75.0% cultivated cassava. Additionally, 64.6% and 49.6% of the respondents reported planting yam and cocoyam respectively. Furthermore, 49.2% and 42.1% of the participants were involved in the cultivation of tomatoes and permanent crops, such as oil palm, cocoa, and kola, among others. Moreover, 40.4% of the respondents identified themselves as growers of leafy vegetables, while 36.3% were engaged in the farming of fruit vegetables within the study area. The aggregated data indicated that maize and cassava were the predominant crops planted by the majority of the respondents. This observation suggests that maize and cassava are frequently cultivated in the study

area. The findings delineated in Figure 2 were derived from a multitude of responses obtained from participants within the specified study region. It was discerned that a predominant proportion (91.7%) of the respondents engaged in poultry production, whereas 77.1% of them participated in the rearing of sheep and goats, 64.1% were involved in pig farming, and 66.7% of the respondents practiced turkey production within the study area. Nevertheless, a minor cohort of smallholder farmers engaged in rabbit farming, snail farming, and cattle rearing within the study region.

Table 1: Distribution based on socio-economic characteristics of respondents (n = 240)

Variables	Frequency	Percentage	Mean (x)
Sex			
Male	180	75.0	
Female	60	25.0	
Age (years)			
≤ 40	20	8.4	
41 – 50	50	20.8	
51 – 60	60	25.0	55.2years
61 - 70	80	33.3	
Above 70	30	12.5	
Marital status			
Single	30	12.5	
Married	200	83.3	
Widowed	10	4.2	
Religion			
Christianity	165	68.8	
Islam	70	29.2	
Traditional	5	2.0	
Household Size (persons)			
< 3	22	9.2	
3 – 5	174	72.5	4persons
6 – 8	32	13.3	
9and above	12	5.0	
Educational status			
No formal education	30	12.5	
Primary education	120	50.0	
Secondary education	70	29.2	
Tertiary education	20	8.3	
Farming experience			
Less than 10	30	12.5	
10 -19	150	62.5	18.5years
20 – 29	28	11.7	
Above 30	32	13.3	
Total land size (hectares)			
1 – 3	150	62.5	2.53
4 – 6	70	29.2	
7 – 9	20	8.3	

Source: Field survey, 2024

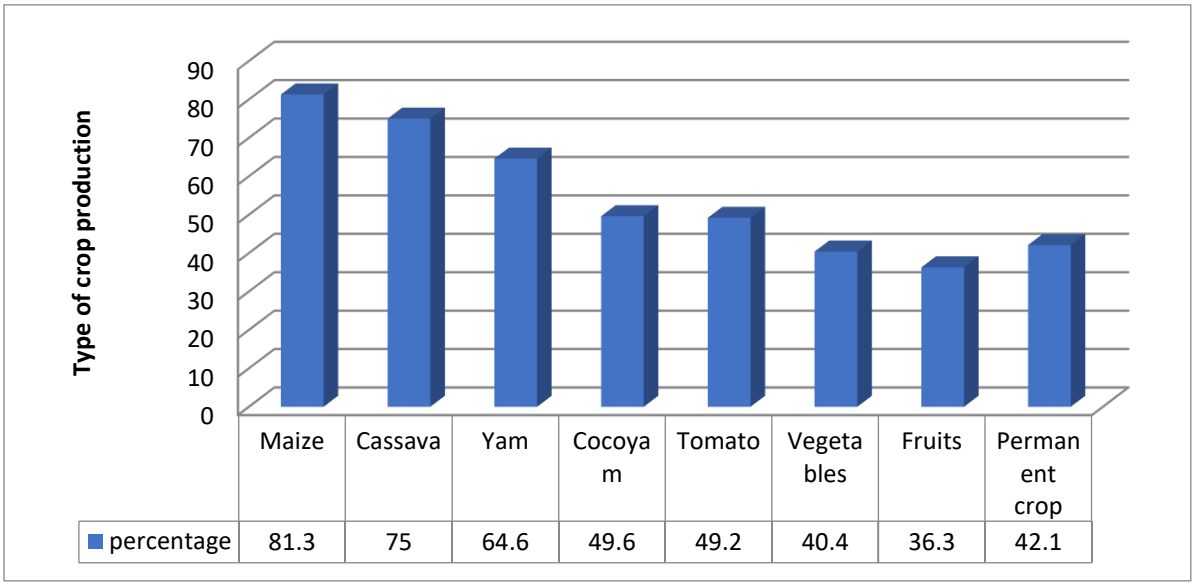
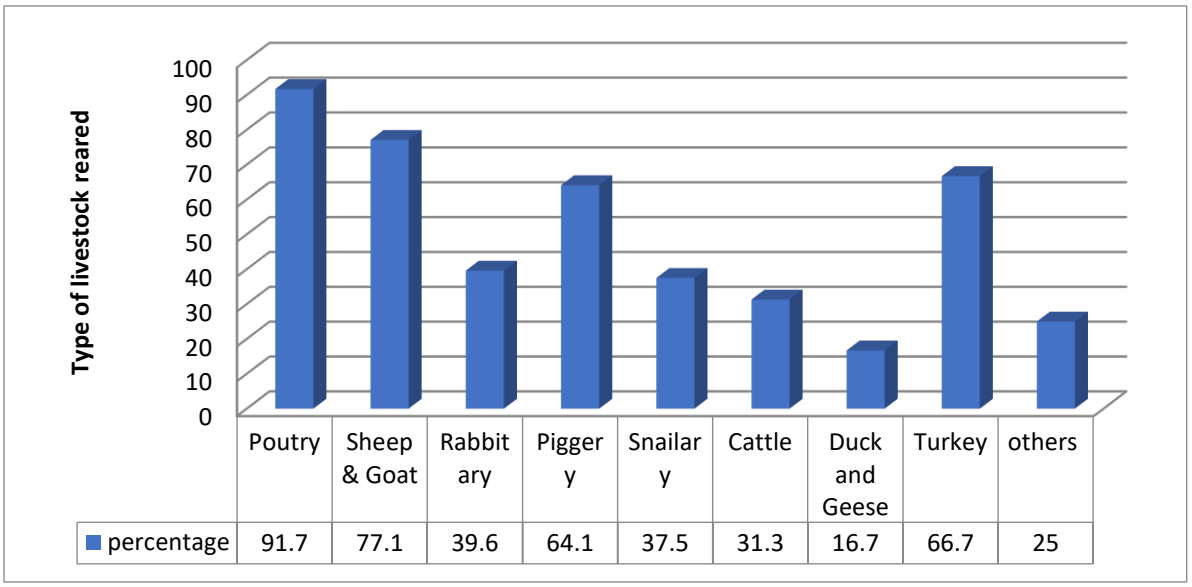


Figure 1:Type of crop produced by the rural farmers in the study area.



Source: Field survey, 2024

Figure 2: Type of livestock reared by the rural farmers in the study area.

Effects of cashless policy among the rural farmers.

The cashless policy undeniably has implications for rural farmers, as shown in Table 2. The table reveals that majority (98.8%) of respondents believe the cashless policy diminishes the likelihood of investing in or consuming agricultural produce in the study area. This implies a decrease in consumer consumption of these products, consequently impacting sales. The result also suggests that majority (97.5%) of respondents observed changes in the availability of cash for transaction, while 94.2% agreed that it impede transaction for citizen without a Smartphone and 91.7% of them agreed that there have been high transaction charges on transporting goods based on the effect of cashless policy. Furthermore,

majority (89.6% and 88.3%) believe that cashless policy has led to reduction in the risk of criminal attack and there is series of conflict between service providers and consumers respectively, while 87.5% agreed that it causes temporal instability/inflation, 85.4% of the respondents assert that goods are purchased at higher prices and 83.3% agreed that it has causes inability to access their funds. These findings are consistent with those of Ukoha et al. (2017), Fadayo (2018), and Adu (2019), who reported that e-banking offers various advantages to farmers, including a reduction in criminal attacks, this indicates that the cashless policy has facilitated more convenient digital payment transactions for most farmers in this sample (Soom et al., 2024).

Table 2: Effects of cashless policy among rural farmers

Variables	Yes	Percentages
Reduction on the possibility of investing/consuming agricultural produce	237	98.8
Changes in the availability of cash for transaction	234	97.5
High transaction charges on transporting goods	220	91.7
Inability to access funds	200	83.3
Reduction in the risk of criminal attack	215	89.6
Payment transaction easier than before	190	79.2
Inadequate technology for cashless transaction	180	75.0
Network failure or delay in transaction issues	176	73.3
Ability to curb unnecessary spending	140	58.3
Reduces theft/stealing rate	160	66.7
Increased data utillisation	170	70.8
Increase in online cyber crimes	185	77.1
Causes temporal instability/inflation	210	87.5
Impede transaction for citizen without a Smartphone	226	94.2
Series of conflict between service providers and consumers	212	88.3
Goods are purchased at higher prices	205	85.4

Source: Field survey, 2024

Rural farmers' perception in the utilization of cashless policy

The result in Table 3 shows the mean ($\bar{x}$) value of respondents' perception in the utilization of cashless policy introduced by the government. Finding reveals that majority of the respondents ($\bar{x}$= 4.00) with believes that the cashless policy system has increased their standard of living. This implies that most rural farmers have better their lives with the introduction of cashless policy and there is improvement in the livelihood status. The cashless policy has increased their level of knowledge in the use of technologies for transactions ($\bar{x}$= 3.96). This has implications for spread of knowledge and adoption of new techniques among these farmers (Vimal et al., 2023). The result in Table 3 shows that rural farmers indicated that cashless policy has reduced the rate of theft and fraudulent activities ($\bar{x}$= 3.95), while the problem of transportation due to cashless policy ($\bar{x}$= 3.93) was reported rural farmers. This suggests that majority of rural farmers have challenges with the policy in the area of transportation as it affects the movement of goods to appropriate areas. This suggests the cashless policy has created challenges for most arable crop farmers in selling their produce (Ezeanolue, 2022). Furthermore, cashless policy has increased the level of my livelihood diversification ($\bar{x}$= 3.90) and cashless policy has led to conflict and disassociation in the family ($\bar{x}$= 3.89) based on rural farmers perception in the utilization of cashless policy in the study area.

On overall categorization of rural farmers perception in the utilization of cashless policy result in Table 4reveals that above half (56.7%) of the rural farmers had moderate perception on cashless policy, while 25.0% of them had high perception and 18.3% of the respondents had low perception to utilization of cashless policy on agricultural activities in the study area. This suggests that most rural farmers have some familiarity with cashless systems but may need

more training and information to use them proficiently and also; expanded educational initiatives could benefit the minority with limited familiarity to the policy (Ezeanolue, 2022).

Table 3:Rural farmers' perception in the utilization of cashless policy

Variables	Mean	Rank
The cashless policy system has increased my standard of living	4.00	1st
Decrease in the number of sales	3.50	16th
The cashless policy has increased the level of my livelihood diversification	3.90	5th
The cashless policy has reduced the rate at which I invest in my business	3.30	17th
The cashless policy has helped to increase the yield of my farm produce	3.60	14th
Reduced labour availability	3.63	13th
The cashless policy has reduced the rate of theft and fraudulent activities	3.95	3rd
The cashless policy has caused inflation in market price	3.74	11th
The cashless policy has increased my level of knowledge in the use of technologies for transactions	3.96	2nd
It has reduced the level of transparency in payment.	3.84	8th
The cashless policy system increases my convenience in making transactions	3.80	10th
It provides cheaper access to banking services	3.53	15th
The cashless policy creates faster access to capital, reduces revenue leakages, and reduces cash handling costs.	3.87	7th
It reduces the level of transparency in payment.	3.66	12th
It has led to conflict and disassociation in the family	3.89	6th
It has helped to reduce unnecessary spending	3.83	9th
The problem of transportation due to cashless policy	3.93	4th

Source: Field Survey, 2024

Table 4: Categorization of rural farmer perception in the utilisation of cashless policy

Score range	Frequency	Percentage	Status
17 – 39	44	18.3	Low
40 – 62	136	56.7	Moderate
63 – 85	60	25.0	High
Total	**240**	**100.0**	

Source: Field survey, 2024

Problems facing rural farmers towards cashless policy

Certain impediments have been identified that obstruct the implementation of a cashless policy for many rural farmers in the study area. Within the context of Nigeria, it is evident that access to internet facilities is not readily accessible to the populace (Ali, 2020). Taking this into account, as illustrated in Table 5, most of the respondents with the mean value of ($\bar{x}$= 2.17) reported that political and economic instability in neighbouring community were major problems facing rural farmers towards cashless policy, while most of the respondents with ($\bar{x}$= 2.03) indicated that lack of digital literacy on the usage of mobile phone to access information, also respondents with ($\bar{x}$= 2.00) reveals that lack of access to technology and infrastructure were the major problems facing rural farmers towards cashless policy in the sampled area. Nonetheless, most respondents with ($\bar{x}$= 1.95) asserted that there is lack of trust in digital payment platform among the populace, while respondents with ($\bar{x}$= 1.88 and $\bar{x}$= 1.78)) indicates cyber security risks and insufficient training and support for rural farmers respectively were also identify as problems facing rural farmers towards cashless

policy, and respondents with ($\bar{x}$= 1.76) noted transaction charge cost and fees as problems and poor internet connectivity was with the mean value of ($\bar{x}$= 1.73) as the problems facing rural farmers towards cashless policy in the study area. This suggests that the problems of inadequate power supply within the country significantly impede the effective implementation of a cashless policy causes connectivity problems and others. These charging fees impacted the productivity of rural farmers by cutting farmers' cut-throat thin profit margins. Any additional costs to farmers make it harder for farmers to invest in things like seeds, equipment, labour etc. that can improve productivity (Pipitwanichakarn and Wongtada, 2020). This assertion aligns with the findings of Acha, Kanu and Agu (2017), who noted that Nigeria generally grapples with unreliable power supply and a lack of adequate electronic-based infrastructure. They further stated that certain regions of the country have never benefited from a stable electricity supply, as they consistently experience frequent power interruptions. This situation profoundly impacts the efficacy of the electronic payment system and undermines the success of the cashless policy among many farmers. This also implies that the majority of rural farmers found it relatively difficult to access government financial support through cashless policy means. However, over one-third still experienced challenges accessing support without cash (Lisana 2021).

Table 5: Problems facing rural farmers towards cashless policy

Problems facing rural farmers towards cashless policy	Mean	Standard deviation
Lack of access to technology and infrastructure	**2.00**	0.669
Lack of digital literacy on the usage of mobile phone to access information	**2.03**	0.712
Transaction charge cost and fees	1.76	0.756
Lack of trust in digital payment platform	**1.95**	0.623
Cyber security risks	**1.88**	0.761
Insufficient training and support for rural farmers	**1.78**	0.585
High cost of bank charges	1.72	0.715
Poor internet connectivity	1.73	0.686
Poor developed telecommunication impede smooth transaction	1.48	0.676
Political and economic instability in neighbouring community	**2.17**	0.693
Banks/bankers attitude most times	**1.43**	0.564

Source: Field survey, 2024

Coping strategies utilised by rural farmers on cashless policy in the study area.

Table 6 illustrates the coping strategies employed by rural farmers to alleviate the repercussions of the cashless policy in the system of the country. The predominant strategies utilized among the rural farmers were trade by barter at most times, which constituted 95.8% of the participants. Similarly, additional coping strategies employed by the respondents included the utilization of Point of Sale (POS) services, accounting for 87.5%, whereas the adoption of Automated Teller Machine (ATM) payments recorded 81.3% of respondents engaging in this method. Furthermore, half (50.0%) of the respondents executed payments through the Bank Application method. Additionally, the respondents also adopted digital payment systems utilization for coping such as Moniepoint (83.3%), Opay (75.0%), Kuda (71.7%) and Palmpay (70.8%). The data presented in Table 6 indicates that a substantial majority of the respondents engaged with these digital payment options, as evidenced by 83.3% favouring Opay and 68.5% employing both Palmpay and Kuda. In the industrialized nations of the globe, commercial exchanges predominantly occur via mobile and digital platforms facilitated by the utilization of payment cards (Humphrey, 2017). As articulated by Gbanador (2023), a cashless society is characterized as an economic system wherein commercial operations and business exchanges are executed through alternative payment mechanisms, namely online banking, point of sale systems, automated teller machines, cheques, electronic wallets, etc., rather than the utilization of tangible currency.

Table 6: Coping strategies utilised by rural farmers on cashless policy in the study area.

Coping strategies	Yes (%)	No (%)
Trade by barter most times	230 (95.8)	10 (4.2)
Utilisation of POS services	210 (87.5)	30 (12.5)
ATM payment methods	195 (81.3)	45 (18.7)
Utilisation of bank transfer	120 (50.0)	120(50.0)
Digital payment such as (i) Opay	180 (75.0)	60 (25.0)
(ii) Moniepoint	200 (83.3)	40 (16.7)
(iii) Kuda	172 (71.7)	68 (28.3)
(iv) Palmpay	170 (70.8)	70 (29.2)
(i) Others	166 (69.2)	74 (30.8)

Source: Field survey, 2024

Testing of hypothesis

There is no significant relationship between the effects of cashless policy and rural farmers' perception in the utilisation of cashless policy in the study area.

The findings presented in Table 9 indicate that a statistically significant correlation ($p < 0.05$) exists between the impacts of the cashless policy ($r = 0.682$, $p > 0.011$) and the perceptions of rural farmers regarding the implementation of the cashless policy within the designated study area. This indicates that the influences exerted by the cashless policy substantially affect the perceptions of rural farmers concerning the application of the cashless policy in the specified study region.

Table 9: Correlation result on the effects of cashless policy and rural farmers' perception in the utilisation of cashless policy in the study area.

Variables	r – value	p – value	Decision
Effects of cashless policy and rural farmers perception in the utilization of cashless policy	0.682	0.011	**S**

Source: Field survey 2024

Decision criteria: Reject null hypothesis if $p \leq 0.05$, accept null hypothesis if $p > 0.05$

Conclusion

In conclusion, this study provides important insights into the effects of the cashless policy on the agricultural activities of rural farmers in the study location. The findings reveal that a cashless policy holds promise for improving financial inclusion and convenience but requires overcoming barriers to technology access and trust. The impact is highly dependent on the specific conditions and demographics of the local agricultural systems. The intention behind introducing a cashless policy into the economic system is ambitious and commendable to the people of the country: to increase and facilitate rapid financial transactions through mobile banking. However, it has gradually delivered the intended benefits to the rural farmers and the people of Nigeria, particularly those in remote areas. The implementation of a cashless policy in Nigeria has significant effects on farming activities, businesses and society as a whole. The world has become a global village thanks to information and communication technology, which has led to the gradual decline of traditional business transaction methods. A cashless economy offers a convenient and safer alternative to physical cash. While the potential benefits of a cashless policy are numerous, they are not being realized by rural farmers or residents of local communities in Nigeria.

Recommendation

Based on the outcome of this study the following recommendations were drawn as follows:

1. The government should revise the cashless policy to align with the current economic realities in Nigeria and to take into account the needs of less-developed communities, particularly rural residents.
2. Regulatory bodies must properly educate rural farmers on the use and benefits of the cashless policy to ensure its effectiveness.
3. Rural farmers' (customers') complaints regarding cashless transactions should be addressed as quickly as possible to build confidence in the cashless system.
4. Providing training and support programs to improve rural farmers' understanding of digital financial services can lead to greater adoption and utilization of cashless transactions.

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