EFFECT OF CASHLESS POLICY ON DEVELOPMENT SMALL AND MEDIUM SCALE ENTERPRISES IN ANAMBRA STATE

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ABSTRACT
The study investigated the effect of cashless policy on development of small and medium scale enterprises in Anambra state. Automated teller machine (ATM) point of sales (POS, mobile banking (MB) and internet banking were regressed on small and medium scale enterprises. The population of the study was 1300 staff of 15 selected small and medium scale enterprises in Anambra state. Judgemental sampling technique was used to get the desired target sample size of 350. The tools used in analyzing the data collected were simple percentages, descriptive statistics and correlation analysis. The study also employed multiple regression analysis (MRA) method to determine the effect of cashless policy on small and medium scale enterprises. The result of the study indicate that Automated teller machine has a significant effect on the development of small and medium scale enterprises in Anambra state Point of sale has no influence on the development of Small and medium scale enterprises in Anambra state. Internet banking has a significant effect on the development small and medium scale enterprises in Anambra state, and Mobile banking has significant effect on the development small and medium scale enterprises in Anambra state. The study recommended that: government should provide uninterrupted power supply and adequate communication link while shortfall should be covered by banks through back-up arrangements to power standby generators in case of power shortage; commercial banks should ensure ease of usage, and customer interactive features in ATMs, POSs, mobile and on-line shopping systems. Government and the CBN should create awareness on the benefits derivable from cashless policy for the improvement of business well as economic development

Keyword: Small and Medium Scale Enterprises, Automated Teller Machine (ATM), Point Of Sales (POS), Mobile Banking (MB) and Internet Banking (IB)

Introduction
There has been a consistent agreement in the body of extant literatures. Udensi, Igbara, Paago and Chieke, (2014), Daasi, (2012), Nelson and Nelson (2010). Gboski, Joshua and Stephen, (2007) that small and medium scale enterprises have the tendency to improve the economy of any nation through job creation. Increased flow of finance in the economy calls for policy formulation and implementation that will enhance its growth and performance. However, the recent introduction of cashless policy by the central bank of Nigeria (CBN) has relegated small and medium scale enterprises to a characterization of what is described as the declining glory of the sector. This is evident in small and medium scale enterprises performance, growth and operation, especially in the rural areas of Anambra state.
If banks are to open their doors for business transactions to their customers such as traders, market men and women, artisans, schools, churches etc (domestic and international customers) then they must have cash to meet customers’ demands on a continuous basis (Ikpefan and Ehimare 2012). 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. Information technology is more than computers. It encompasses the data a business creates and uses, as well as a wide spectrum of increasing convergent and linked technologies that process such data. Information technology thus relates to the application of technical processes in the communication of data. It is no doubt that information technology can help to reduce transaction costs for banks, which will translate to lower prices for services to customers. Information technology for banks takes different forms which include: computerization of customers’ accounts and information storage and retrieval, deposit and withdrawal through Automated Teller Machine and networking to facilitate access to accounts from any branch of the bank. Other forms include bio-metrics used in finger-printing and identification which should dispense the use of passwords or personal identification by customers. The use of internet and websites to bundle a host of services that go beyond transactional financial services which is increasing among banks.

The financial sector has undergone many organizational changes over time in order to facilitate easy production and trade of products and services. However, with accelerating development of the financial systems as a result of deregulation, globalization and new information system, new ways of handling money appeared among banks and their customers. The use of e-card, internet banking facilitates the ease and convenience in handling transactions. E- Banking customers have possibility to access online or electronic banking for 24 hours which allows them to view historical banking transactions, transfer money between accounts, make savings, perform other operations at everywhere. Moreover with the increase in knowledge and ability to manage internet banking, banks and ATMs have resulted in more independent bank customers no longer requiring bank staff. The shift in bank customers’ behavior and attitude towards cash services offered at the banks gave birth to cashless policy. This means banking is entirely relying on monetary transactions that use electronic means rather than cash.

The cashless policy was conceptualized by the apex bank to migrate Nigeria’s economy from cash based economy to a cashless one through electronic payment system, not only to enable Nigeria monetary system be in line with international best practices or discourage movement of cash manually, but at the same time increase the proficiency of Nigeria’s payment system which will in turn improve the quality of service being offered to the banking public. Cashless policy aims to curb some of the negative consequences associated with the high usage of physical cash in the economy, including high cost of cash, high risk of using cash, high subsidy, informal economy, inefficiency and corruption (CBN,2011). 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.

The recent evolution of technology for financial transactions poses interesting questions for policy makers and financial institutions regarding the suitability of current institutional arrangements and availability of instruments to guarantee financial stability, efficiency and effectiveness of monetary policy. Over the course of history, different forms of payment systems have been in existence. Initially, trade by barter was common. However, the problems of barter such as the double coincidence of wants necessitated the introduction of various forms of money. Nevertheless, pundits have been predicting the complete demise of study instruments and the emergence of potentially superior substitute for cash or monetary exchanges, that is, cashless society.

Since Nigeria independence in 1960, there have been different governments, constitutional reforms, change in economic policies and banking reforms, mainly directed at enhancing social welfare and achieving developmental goals, but there has been no substantial positive change in Nigeria’s human development indicators. This also calls to question the effectiveness of the cash-less policy of the Central Bank of Nigeria (CBN). According to CBN, the new cash policy was introduced for a number of key reasons including to drive development and modernization of our payment system in line with Nigeria’s vision 2020 goal of being amongst the top 20 economies by the year 2020. An efficient and modern payment system is positively correlated with economic development, and is a key enabler for economic growth. To reduce the cost of banking services (including cost of credit) and drive financial inclusion by providing more efficient transaction options and greater reach and to improve the effectiveness of monetary policy in managing inflation and driving economic growth lead to the introduction of cash-less policy by Central Bank of Nigeria. In addition, the cash policy aims to curb some of the negative consequences associated with the high usage of physical cash in the economy, including: high cost of cash; high risk of using cash, high subsidy, informal economy and inefficiency and corruption (CBN, Website, 2011)

Against this backdrop, the study seeks or aims to analyze the positive and negative policy implications of cash-less banking on small scale businesses in Anambra state, with a view to exposing the possible benefits and challenges poses on small scale businesses.
Statement of the Problem

The problem of this study is to investigate the influence of cashless policy on small and medium scale enterprises in Nigeria with a focus on Anambra State. Specifically, emphasis will be placed on: determining if cashless policy has in any way enhanced the growth of small and medium scale businesses in the study area. Data from small and medium scale enterprises access to Financial Services in Nigeria 2012 survey (A2F, 2012) highlight Nigeria’s limited adoption of electronic payments and services to date, with 0.7% of banked adults using POS terminals, 0.8% of banked adults using the internet, and less than 2.5% using mobile phones for banking transactions. The policy has since been affected by many factors namely ineffective sensitization campaign exercise; inadequate protection of the interest of merchants and people in the informal sector; non availability of Point-of-Sale (POS) terminals as well as other technological challenges.

Various empirical studies have been carried out on the impact of cashless policy on the development of small scale enterprises in Nigeria. Echekoba and Ezu (2012) in a research carried out in Nigeria, observed that 68.2% of the respondents complained about long queues in the bank, 28.9% complained of bad attitude of teller officers (cashiers), while 2.89% complained of long distance of bank locations to their homes or work places. Likewise in her 24th Nigeria Customer Service (NCS) national conference in December 2011, CBN data shows that 51% of withdrawal done in Nigeria was through ATM, while 33.6% was done through over the counter (OTC) cash withdrawals and 13.6% through Cheque. Payment was also done through point of sales machine (POS) which accounted for 0.5% and web 1.3%. Therefore, if the introduction of ATM in Nigeria reduced OTC withdrawal; then it implies that introduction of cashless policy supported by application of information technology can achieve more to reduce over dependent on cash payment. Adewoye (2013) empirically studied the impact of mobile banking on service delivery in the Nigerian Commercial Banks through the use of questionnaire. He found out that the introduction of e-banking services has improved banking efficiency in rendering services to customer. His findings showed that mobile banking improved banks service delivery in a form of transactional convenience, saving of time, quick transaction alert and saving of service cost which has recuperate customer’s relationship and satisfaction.

Olatokun and Igbinedion (2009) investigated the adoption of ATM in Nigeria. They found out that constraints such as relative advantage, complexity, observability, compatibility and trial ability were positively related to attitude to the use of ATM cards in Nigeria. James (2012) investigated the acceptance of e-banking in Nigeria. The result showed that acceptance of e-banking in Nigeria was significantly influenced by age, educational background, income, perceived benefits, perceived ease of use, perceived risk and perceived enjoyment. James (2013) used Rogers Diffusion of Innovation theory to investigate the determinants of the adoption of mobile banking in Nigeria. The study empirically showed that age, educational qualification, relative advantage, complexity, compatibility, observability and trialability were important determinants of the adoption of mobile banking. This therefore makes it imperative for relevant stakeholders to make efforts to positively influence these independent variables so as to make mobile banking more popular.

Morufu and Taibat (2012) used qualitative survey to ascertain bankers’ perceptions of electronic banking in Nigeria. The results suggest that bankers in Nigeria perceive electronic banking as a tool for minimizing inconvenience, reducing transaction costs, altering customers’ queuing pattern and saving customers banking time. Olajide (2012) investigated cashless banking in Nigeria and its implications on the economy. He found out that cashless banking will boost the economy in the long run. Egwali (2008) used consumer acceptance theory to investigate customers’ perception of security indicators (SI) in online banking sites in Benin, Nigeria. He found out that SI were not very effective at alerting and shielding users from revealing sensitive information to fool e-banking sites in Nigeria.

Following the aforementioned gap created by the earlier researchers in the light of mixed views in findings and conclusion reached by different researchers, this study will aim at filling the gap by introducing a profound and clearer variables and analysis on the effect of central bank of Nigeria (CBN) cashless policy on the development Small and medium scale enterprises in Anambra state.

Objectives of the study

The main objective of the study is to investigate the effect of cashless policy on small and medium scale enterprises in Anambra state. The following are the specific objectives:
1. To investigate the effect of automated teller machine (ATM) on the development small and medium scale enterprises in Anambra state.
To examine the influence of point of sale (POS) on the development of small and medium scale enterprises in Anambra state

3. To assess the effect of mobile banking on the development of small and medium scale enterprises in Anambra state

4. To determine the effect of internet banking on the development of small and medium scale enterprises in Anambra state

**Research Questions**
The following research questions are formulated to guide this research work:

1. To what extent has automated teller machine influenced the development of small and medium scale enterprises in Anambra state?
2. To what degree has point of sale influenced the development of small and medium scale enterprises in Anambra state?
3. How has mobile banking affected the development of small and medium scale enterprises in Anambra state?
4. To what extent has internet banking affected the development of small and medium scale enterprises in Anambra state?

**Research Hypotheses**
The following hypotheses have been formulated to guide the study:

Ho₁: Automated teller machine has no influence on the development of small and medium scale enterprises in Anambra state

Ho₂: Point of sale has no influence on the development of small and medium scale enterprises in Anambra state

Ho₃: Mobile banking has no significant effect on the development of small and medium scale enterprises in Anambra state

Ho₄: Internet banking has no significant effect on the development of small and medium scale enterprises in Anambra state

**REVIEW OF RELATED LITERATURE**

**Concept of Cashless Policy**

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.

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 where the amount of cash-based transactions are reduced to the barest minimum. It is an economic system in which transactions are not done predominantly in exchange for actual cash. It is not also an economic system where goods and services are exchanged for goods and services (the barter system). It is an economic setting in which many goods and services are bought and paid for through electronic media.

According to Woodford (2003), 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”. Basel Committee (1998) expressed the difficulty in rightly defining the electronic money but agree that it blends technological and economic characteristics. Other renowned institutions and experts have tried to define concept of electronic money which they all believe is the backbone of the cashless economy. For European Central Bank (1998), electronic money is broadly defined as an electronic store of money value on a technical device that maybe widely used for making payments to undertakings other than the issuer without necessarily involving bank accounts in the transactions, but acting as a prepaid bearer instrument. Electronic payments as argued by scholars have a significant number of economic benefits apart from their convenience and safety. These benefits when maximized can go a long way in contributing immensely to economic development of a nation.
Automated electronic payments help deepen bank deposits thereby increasing funds available for commercial loans – a driver of all of overall economic activity.

Efficient, safe and convenient electronic payments carry with them a significant range of macro-economic benefits. The impact of introducing electronic payments is akin to using the gears on a bicycle. Add an efficient electronic payments system to an economy, and you kick it into a higher gear. Add better-controlled consumer and business credit, and you notch up economic velocity even further. In a similar narrative by Hord (2005), electronic payment is very convenient for the consumer. In most cases, you only need to enter your account information such as your credit card number and shipping address once. The information is then stored in a database on the retailer's web server. When you come back to the Web site, you just log in with your username and password. Completing a transaction is as simple as clicking your mouse: All you have to do is confirm your purchase and you're done (Hord, 2005). Hord (2005) further emphasizes the fact that electronic payment lowers costs for businesses. The more payments that is processed electronically, the less money is spent on paper and postage. Offering electronic payment can also help businesses improve customer retention. A customer is more likely to return to the same e-commerce site where his or her information has already been entered and stored (Hord, 2005).

Discussion of the Variables
According to Ikpefan and Ehimare (2012), the payment system plays a very crucial role in any economy, being the channel through which financial resources flow from one segment of the economy to another. The CBN in order to achieve a cashless policy for the Nigerian economy came up with a circular Ref: COD/DIR GEN/CIT/05/031 dated 20th April 2011. The circular which was titled “Industry policy on retail cash collection and lodgement, was addressed to all banks in Nigeria, CIT (Cash In Transit) companies, Payment system service providers, Switches, Card acquirers, Issuers and processors that “commencing from June 1, 2012, a daily cumulative limit of N500,000 and N3,000,000 on free cash withdrawals and lodgment’s by individuals and corporate customers respectively with deposit money banks (DMBs), shall be imposed. By this, even third party cheques above N500,000 would no longer be cashed over the counter as it would be expected to go through the clearing house. The new policy on cash-based transactions (withdrawals and deposits) in banks, aims at reducing (Not Eliminating) the amount of physical cash (coins and notes) circulating in the economy, and encouraging more electronic-based transactions (payments for goods, services, transfers, etc.).

The following electronic channels are available for automated deposits or withdrawals:

**Point of Sale (POS) Terminals:** Point of Sale terminals are deployed to merchant locations where users slot their electronic cards through POS in order to make payments for purchases or services instead of using raw cash. As the POS terminals are online real-time, the customer’s bank account is debited immediately for value of purchases made or services enjoyed. There are indeed alternatives to handling or transacting cash for transfers and for payments of goods and services purchased. These include: ATMs, mobile banking/ payments which can be done through the use of mobile phones for balance enquiry, fund transfer, bills payment, internet banking which can be used for instantaneous balance enquiries, fund transfer, bills payment and other transactions. Most banks require you to have a token device for internet banking services in order to give some security for customers banking application. Yet, other alternative includes Point of Sale(POS) terminals which allow merchants access to card payments for sale of products and services e.g recharge cards, bill payments, lottery tickets etc and finally there is electronic fund transfer through which one can transfer money electronically from his account to other account. Some banks also offer an instant electronic fund transfer service. However, most of these e-payment channels require you to have an ATM/ Debit card (Oyetade and Ofoelue, 2012).

**ATMs:** Automated Teller Machines will be used much frequently for making variety of online payments such as utility bills, T.V subscriptions, GSM recharges etc. Customers are advised to keep their ATM cards (Debit and Credit) safe and never to divulge their PINs.

**Internet Banking** – Internet banking platform will enable one make third (3rd) party payments (e.g transfers, subscriptions, taxes, etc) across Nigerian banks or outside Nigeria from one computers or mobile devices (iPad, mobile phones, etc) anytime and anywhere across the globe.

Internet banking is also referred to as online banking. It involves conducting banking transaction on the internet (www) using electronic tools such as the computer without visiting the banking hall. Internet banking, like mobile banking, uses the electronic card infrastructure for executing payment instructions and final settlement of goods and services over the internet between the merchant and the customers (Siyanbola, 2013).
Mobile Banking: Mobile banking refers to the provision of banking and financial services with the help of mobile telecommunication devices. It is a system that allows customers of a financial institution to conduct a number of financial transactions through a mobile device such as mobile phone. It involves the use of mobile phone for settlement of financial transactions. Mobile banking is popular and exciting to customers, given the low infrastructure requirements and a rapidly increasing mobile phone penetration in Nigeria. Services covered by this product include account enquiry, funds transfer, phone vending, changing password, and bill payments (Siyanbola, 2013). Banks like FirstBank, Ecobank, Guarantee Trust Bank, United Bank for Africa and others have begun using mobile banking to serve their customers. First Bank brand for mobile banking is First monies. Some of the features of mobile banking are: the GSM phone number serves as the account number which is linked to the customer’s account; it has a wallet which can be loaded just by moving cash from bank account. Mobile banking platform will enable one to make third (3rd) party payments from his mobile phones, anytime, anywhere there is network coverage. This is a product that enables users to conduct fund transfer, make payment or receive balance enquiries on their mobile phones.

Telephone Banking: This is electronic banking product that allows customers to access banking services through a dedicated telephone line from the comfort of their homes, offices etc. Services rendered here include; balance transfer; change of pin; authorization of inter-branch money transfer; transaction alert (withdrawal or deposit) and enquiry (Adewuyi, 2011).

Concept of Small and Medium-Scale Enterprises
SMIEIS (2006) claimed that small and medium scale enterprises are those enterprises that have a total capital employed not below one million five hundred thousand but not exceeding two hundred million including working capital but excluding cost of land, with an employee strength of not below ten and not above three hundred.

SME DAN (2005) defines small and medium scale enterprises based on the following criteria: small scale enterprises are businesses with ten to forty-nine people with an annual turnover of five to forty-nine million Naira while a medium scale enterprises that have fifty to one hundred and ninety-nine employees with a year turnover of fifty to four hundred and ninety-nine million Naira.

In Nigeria, small and medium scale enterprises cover economic activities within all sectors. It is clear from the various definitions, showing that there is no single concept that constitutes small and medium scale enterprises; the definitions vary across industries and the globe. Small and medium scale enterprises are heterogeneous group, and small and medium scale enterprises owners may or may not be poor. Some are dynamic, growth-oriented, and innovative while others are not; there preferred to remain small and also to continue as usual.

In some countries, small and medium scale enterprises owner and workers are (or are perceived to be) dominated by a member of particular ethnic groups (Hallberg, 2000). Generally, a small business is one that is independently owned and operated and not dominant in its field of operation. Criteria such as sales volume and the number of employees in the firm are also used in assessing the size of businesses.

Theoretical Framework
The study was anchored upon the Theory of Money which has its roots in the 16th century during which classical economists such as Jean Bold in at that time sought to know the cause of the increases in French prices. He concluded that, among other factors, increases in gold and silver which served as currencies were responsible for the rise in the demand for French-made goods, hence French prices, thus linking movements in prices to movements in money stock. By the 1690s, the quantity theory of money was further advanced by John Locke to examine the effects of money on trade, the role of interest rate and demand for money in the economy (Omanu kwuwe, 2010).

In particular, the role of money as a medium of exchange to facilitate trade transactions was born. Economists at the time inferred that the quantum of money needed for such transactions would depend on the velocity of money in circulation and the relationship between the demand from and supply of money such that where there was excess demand over supply interest rates rose and vice versa (Cantillon, 1755; Locke 1692 as cited in Ajuzie, et al, 2008). The theory of money has been described by different schools of thought in their different opinions. For example, the modern classical schools of thought who are also called the monetarist are concerned with the explanation for the changes in price level. To them, a stable and equilibrating relation exists between the adjustments in the quantity of money and the price level. In other words, they refute any form of monetary influence on real output both in the short-and long-run. The less stringent monetarists agree that money influences output in the short-run, but only prices in the long-run. Nevertheless,
irrespective of the path of adjustment, the monetarists all seem to concur that in order to reduce or curtail inflationary growth, money growth should be less than or equal to the growth in output.

The quantity theory of money is hinged on the Irvin Fisher equation of exchange which states that the quantum of money multiplied by the velocity of money is equal to the price level multiplied by the amount of goods sold. It is often replicated as $MV = PQ$. $M$ is defined as the quantity of money, $V$ is the velocity of money (the number of times in a year that a currency goes around to generate a currency worth of income), $P$ represents the price level and $Q$ is the quantity of real goods sold (real output). By definition, this equation is true. It becomes a theory based on the assumptions surrounding it.

The introduction of the modern banking system has to a great extent brought about the gradual elimination of cash-based economy in most countries. In Nigeria for instance, most banks have adopted this cashless policy to form and gain a strong competitive ground over other banks.

**Empirical Review**

Various empirical studies have been carried out on the effect of cashless policy on the development of small and medium scale enterprises in Nigeria.

Adeyewo (2013) studied the impact of mobile banking on service delivery in the Nigerian Commercial Banks through the use of the questionnaire. He found out that the introduction of e-banking services has improved banking efficiency in rendering services to customer. His findings showed that mobile banking improve banks’ service delivery in a form of transactional convenience, savings of time, quick transaction alert and saving of service cost which has recuperate customers’ relationship and satisfaction.

Olatokun and Igbinedion (2009) investigated the adoption of ATM in Nigeria. They found out that constraints such as relative advantage, complexity, observability, compatibility and trial ability were positively related to attitude to the use of ATM cards in Nigeria. Oluronsegun (2010) used cluster sampling technique to study the impact of electronic banking in the Nigerian banking system. He found out that a bank has an effective electronic banking system which has improved its customer relationship and satisfaction.

James (2012) investigated the acceptance of e-banking in Nigeria. The result showed that acceptance of e-banking in Nigeria was significantly influenced by age, educational background, income, perceived benefits, perceived ease of use, perceived risk and perceived enjoyment. James (2013) used Rogers Diffusion of Innovation theory to investigate the determinants of the adoption of mobile banking in Nigeria. The study empirically showed that age, educational qualification, relative advantage, complexity, compatibility, observability and trialability were important determinants of the adoption of mobile banking. This therefore makes it imperative for relevant stakeholders to make efforts to positively influence these independent variables so as to make mobile banking more popular.

Morufu and Taibat (2012) used qualitative survey to ascertain bankers’ perceptions of electronic banking in Nigeria. The results suggest that bankers in Nigeria perceive electronic banking as a tool for minimizing inconvenience, reducing transaction costs, altering customers queuing pattern and saving customers’ banking time. Olajide (2012) investigated cashless banking in Nigeria and its implications on the economy. He found out that cashless banking will boost the economy on the long run. Egwali (2008) used Consumer Acceptance Theory to investigate customers’ perception of security indicators (SI) in online banking sites in Benin, Nigeria. He found out that SI were not very effective at alerting and shielding users from revealing sensitive information to fool e-banking sites in Nigeria.

Ezeoha (2006) used descriptive survey to examine regulating internet banking in Nigeria, with its problems and challenges. He found out that Internet banking in Nigeria is slowly being embraced by customers because Internet practice in Nigeria has been abused by cyber fraudsters who use real and deceptive banking websites to fool users and set their sensitive information and funds.

Ovat (2012) stated that the essence of cashless policy is to shift the economy from a cash-based economy to a cashless one. This policy is geared towards engendering an efficient payment system anchored on electronic based transactions. Electronic-based transactions seek to drive the development and modernization of Nigeria payment system in line with her vision 2020 goal of being among the top 20 economies of the world by the year 2020 (Central Bank of Nigeria 2011). An efficient and modern payment system is positively correlated with economic development, and is a key enabler for economic growth (CBN 2011). Ovat (2012) equally stated that an efficient and modern payment system is a key enabler and a sine qua-non for driving growth and development. The policy also aims at improving the effectiveness of monetary policy in managing inflation in the economy. March (2013) opines that a cashless economy is an environment in which money is spent without being physically carried from one person to the other. Olu-Akiindende (2011) notes that cashless society is one in which physical cash as a transaction medium is
reduced to the barest minimum. Substituted in the place of cash would be an electronic payment system in one form or another

METHODOLOGY
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.

Population
The population of the study comprise all employees of the fifteen selected small and medium scale enterprises in Anambra state, five from each of the three senatorial in zone in Anambra State. The total population of 1300.

Sample and Sampling Technique
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 was chosen through purposive sampling.

Instrument of Data Collection
The instrument employed for data collection is questionnaire constructed by the researcher. The instrument consists of two parts. Part 1 contained demographic information about the respondents. Part 2 of the instrument was designed to elicit information on the cultural imperative of small and medium scale enterprises in Anambra State, using 5 point likert scale.

Validity of the Instrument
The researcher used face and content validity to assert that the instrument was valid

Reliability of the Instrument
The reliability of the questionnaire used for data collection was also tested. This was done by administering 20 copies of it to 20 respondents. Thereafter, the responses were collated and recorded. The Cronbach Alpha was used to determine the reliability of the instrument. The Cronbach Alpa value of 0.637 and 0.694 respectively for cashless policy of related small and medium scale enterprises was obtained.

Method of Data Analysis
The need to enhance easy comprehension and analysis prompted the use of the frequency distribution table to present the data gathered. The tools used in analyzing the data collected include simple percentages, descriptive statistics and correlation analysis. The study also employed Multiple Regression Analysis (MRA) to determine the effect cashless policy on the development small and medium scale enterprises. The regression model is represented as:

\[ Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \]

Where:

\[ Y = \] Small and Medium Scale Enterprises (SMSE)
\[ \alpha = \] Constant Term
\[ \beta = \] Beta coefficients
\[ X_1 = \] Automated Teller Machine (ATM)
\[ P_2 = \] Point of sale (POS)
\[ X_3 = \] Mobile banking (MB)
\[ X_4 = \] Internet Banking (IB)
\[ \varepsilon = \] Error Term

ANALYSIS AND INTERPRETATION OF DATA
Descriptive Characteristics of the Variables

<table>
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<th>Variables</th>
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<th>Standard Deviation</th>
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<td>Small and Medium Scale Enterprises</td>
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<tr>
<td>Automated Teller Machine</td>
<td>17.82</td>
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<tr>
<td>Point of sale</td>
<td>17.86</td>
<td>3.697</td>
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<tr>
<td>Mobile banking</td>
<td>18.27</td>
<td>4.109</td>
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</table>
This table presents the summary of statistics used in the analysis. It provides information about the mean and standard deviation of the variables used in the study. The mean value for small and medium scale enterprises is 20.28, while the standard deviation is 3.330. Automated Teller Machine and Point of sale recorded a mean value of 17.82 and 17.86 with a standard deviation values of 4.255 and 43.697 respectively. Mobile banking and Internet Banking have mean values of 18.27 and 18.78 with standard deviation of 4.109 and 4.264 respectively.

**Correlation Analysis**

Here, Pearson correlation was employed to measure the strength of relationship between independent variables. The Pearson correlation coefficient is a measure of the strength of a linear association between two variables, and is denoted by r. Table below shows the summary of correlation coefficient.

<table>
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<th>SMSE</th>
<th>Automated Teller Machine</th>
<th>Point of sale</th>
<th>Mobile banking</th>
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<td></td>
<td>.350</td>
<td>350</td>
<td>350</td>
<td>350</td>
<td>350</td>
</tr>
<tr>
<td></td>
<td>.216**</td>
<td>-.049</td>
<td>-.020</td>
<td>1</td>
<td>.075</td>
</tr>
<tr>
<td>Mobile banking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.350</td>
<td>350</td>
<td>350</td>
<td>350</td>
<td>350</td>
</tr>
<tr>
<td></td>
<td>.290**</td>
<td>.024</td>
<td>-.075</td>
<td>.075</td>
<td>1</td>
</tr>
<tr>
<td>Internet Banking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.350</td>
<td>350</td>
<td>350</td>
<td>350</td>
<td>350</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed).
** Correlation is significant at the 0.01 level (2-tailed).

**Multiple Regression Analysis**

Multiple regression result was employed to test the effect of cashless policy on small and medium scale enterprises. The result of the multiple regression analysis is presented in the tables below.
Table above shows that $R^2$ which measures the strength of the effect of independent variable on the dependent variable have the value of 0.682. This implies that 68% of the variation in small and medium scale enterprises is explained by variations in degree of automated teller machine, point of sale, mobile banking, internet banking. This is supported by adjusted $R^2$ of 0.570.

In order to check for autocorrelation in the model, Durbin-Watson statistics was employed. Durbin-Watson statistics of 1.767 in table 4.4 shows that the variables in the model are not autocorrelated, and that the model is reliable for predictions.

**ANOVA Result**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>281.805</td>
<td>4</td>
<td>70.451</td>
<td>6.830</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>3156.413</td>
<td>306</td>
<td>10.315</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3438.219</td>
<td>310</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The f-statistics value of 6.830 in table 4.5 with f-statistics probability of 0.000 shows that the independent variables has significant relationship with the dependent variable. This shows that Automated Teller Machine, Point of sale, mobile banking, internet banking can collectively explain the variations in small and medium scale enterprises in the selected multinational companies.

**Coefficients of the Model**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>18.325</td>
<td>1.834</td>
<td>9.994</td>
</tr>
<tr>
<td></td>
<td>Automated Teller Machine</td>
<td>.118</td>
<td>.044</td>
<td>.151</td>
</tr>
<tr>
<td></td>
<td>Point of sale</td>
<td>.081</td>
<td>.051</td>
<td>.090</td>
</tr>
<tr>
<td></td>
<td>Mobile banking</td>
<td>.091</td>
<td>.046</td>
<td>.109</td>
</tr>
<tr>
<td></td>
<td>Internet Banking</td>
<td>.174</td>
<td>.045</td>
<td>.215</td>
</tr>
</tbody>
</table>

The test of hypotheses formulated in chapter one was tested using t-statistics and significance value of the individual variables in the regression result. The essence of this is to ascertain how significant are the effect of individual independent or explanatory variables on the dependent variables. The summary of the result is presented in the table below.

**Test of Hypotheses**

Here, the four hypotheses formulated in chapter one was tested using t-statistics and significance value of the individual variables in the regression result. The essence of this is to ascertain how significant are the effect of individual independent or explanatory variables on the dependent variables. The summary of the result is presented in the table below.

**Table T-Statistics and Probability Value from the Regression Result**
Independent Variables & t & Sig. \\
| (Constant) & 9.994 & .000 \\
| Automated Teller Machine & 2.660 & .008 \\
| Point of sale & 1.591 & .113 \\
| Mobile banking & 2.980 & .041 \\
| Internet Banking & 3.908 & .000 \\

a. Dependent Variable: small and medium scale enterprises

Source: Authors Compilation from the Regression Result

Test of Hypothesis One

Ho: Automated teller machine has no significant effect on the development small and medium scale enterprises in Anambra state
Hi: Automated teller machine has a significant effect on the development small and medium scale enterprises in Anambra state

In testing this hypothesis, the t-statistics and probability value in table 4.7 is used. Automated teller machine has a t-statistics of 2.980 and a probability value of 0.041 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypotheses which state that Automated teller machine has a significant effect on the development Small and medium scale enterprises in Anambra state.

Test of Hypothesis Two

Ho: Point of sale has no influence on the development Small and medium scale enterprises in Anambra state
Hi: Point of sale has influence on the development Small and medium scale enterprises in Anambra state

Point of sale has a t-statistics of 1.591 and a probability value of 0.113 which is statistically insignificant. Therefore, we accept the null hypothesis and reject the alternative hypotheses which state that Point of sale has no influence on the development Small and medium scale enterprises in Anambra state.

Test of Hypothesis Three

Ho: Mobile banking has no significant effect on the development Small and medium scale enterprises in Anambra state
Hi: Mobile banking has significant effect on the development Small and medium scale enterprises in Anambra state

Mobile banking has a t-statistics of 2.980 and a probability value of 0.041 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypotheses which state that Mobile banking has significant effect on the development Small and medium scale enterprises in Anambra state.

Test of Hypothesis Four

Ho: Internet banking has significant effect on the development Small and medium scale enterprises in Anambra state
Hi: Internet banking has a significant effect on the development Small and medium scale enterprises in Anambra state

Internet banking has a t-statistics of 3.908 and a probability value of 0.000 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypotheses and conclude that Internet banking has a significant effect on the development Small and medium scale enterprises in Anambra state.

Discussion of Findings

This work examined the effect Cashless policy on small and medium scale enterprises in Anambra State. A total of five multinational companies in Nigeria were studied. The hypotheses formulated were tested using multiple regression analysis. At the end of the analysis, the following were discovered. The study found that Automated teller machine has significant effect on small and medium scale enterprises in Anambra State. This argues with the findings of Olatokun and Igbinedin (2009) who’s found out that constraint such as relative advantage, complexity, observability, and compatibility and trial ability were positively related to attitude to the use of ATM cards. Oyetade and Ofoelue (2012) findings that Automated
Teller Machines are mostly used, much frequently for making variety of online payments such as utility bills, T.V subscriptions, GSM recharges by Small and medium scale enterprises.

The study also found that Point of sale has influence on the development Small and medium scale enterprises in Anambra state. This disagrees with the findings of Ikpefan and Ehimare (2012), that Point of Sale terminals are deployed to merchant locations where users slot their electronic cards through POS in order to make payments for purchases or services instead of using raw cash.

The study further revealed that Mobile banking machine has significant effect on small and medium scale enterprises in Anambra State. The study agrees with findings of Siyanbola (2013) that states that Mobile banking is popular and exciting to the customers given the low infrastructure requirements and a rapidly increasing mobile phone penetration in Nigeria. Services covered by this product include account enquiry, funds transfer, phone vending, changing password, and bill payments.

Finally, the study shows that Internet banking has a significant effect on the development Small and medium scale enterprises in Anambra state. This agrees with the findings of Morufu and Taibat (2012) that the used internet banking as a tool for minimizing inconvenience, reducing transaction costs, altering customers queuing pattern and saving customers banking time.

Summary of Finding
1. Automated teller machine has a significant effect on the development Small and medium scale enterprises in Anambra state.
2. Point of sale has no influence on the development Small and medium scale enterprises in Anambra state.
3. Internet banking has a significant effect on the development Small and medium scale enterprises in Anambra state.
4. Mobile banking has significant effect on the development Small and medium scale enterprises in Anambra state.

Conclusion
In line with the research objective and hypothesis, the result of the study indicates that Internet banking mobile payment and automated teller machine (ATM) has positive and significant effect return on asset (SMSE) while Point of sale has no influence on the development of SMSE. The study thus concludes that cashless policy has positively influence on the development of Small and medium scale enterprises in Anambra state.

Recommendations
The recommends that
1. Government should provide uninterrupted power supply and adequate communication link while shortfall should be covered by banks through back-up arrangement to power standby generator in case of power outage;
2. Commercial banks should ensure the ease usage, and customer interactive features in ATMs, POSs, mobile and on-line with the development small and medium scale enterprises in Anambra state systems.
3. Government and the CBN should create awareness on the benefits derivable from cashless policy for the improvement of Small and medium scale enterprises businesses and economic development.
References


Central Bank of Nigeria (2012).Guidelines on point of sale and acceptance services in Nigeria


