



## Impact of Nigeria's Cashless Policy on Small-Scale Business Operations in Rivers State

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### Abstract

This study assessed the impact of the Nigerian cashless policy on small-scale business operations in Rivers State. Two specific objectives, research questions and hypotheses guided the study. Descriptive Research design was adopted for the study because it provided detailed understanding of the characteristics, behaviour and conditions of the population. The population of the study consisted of 5960 Small-Scale Business Operators in the three senatorial districts of Rivers State, with a sample size of 787 using Taro Yamane's formula. However, 702 copies of questionnaire were retrieved out of 787 distributed and used for the analysis. The instrument for data collection was a structured questionnaire which was validated by three (3) experts, two among the experts are Business Educators while one is a Measurement and Evaluation Expert all in the department of Business Education. The instrument was designed in 4-point rating scale of High Extent to Very Low Extent. Cronbach Alpha was used for establishing the reliability of instrument with the values of 0.94. Research questions were answered using mean and standard deviation while ANOVA was used to test the hypothesis. Findings from the study showed that internet access, financial digital literacy, and financial charges associated with Nigeria's cashless policy significantly impact Small-scale Business Operators in Rivers State. It was recommended among others that the government and telecommunications companies should improve internet connectivity in Rivers State, particularly in rural areas, to facilitate the adoption of cashless payment systems. This can be achieved through the installation of more cell towers, fiber optic cables, and other internet infrastructure.

**Keywords:** Cashless Policy, Small Business Operators, Cyber-attacks, Data Breaches, Financial Digital Literacy, Internet Frauds, Financial Charges

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### Introduction

A paradigm shift only happens when a degenerating programme loses its hold on progressive programming and a tipping point is achieved, at which point the old programme is replaced with a new one. It can also be seen as a major shift in viewpoint that frequently leads to the development of fresh methods, processes, or technical innovations. It can occur in an array of contexts, encompassing science, business, technology, and social behavior, and it has the profound ability to transform our perception of and methodology for addressing issues (Jacobs & Laybourn-Langton, 2018) <sup>[1]</sup>. Globally, economic policy drift and/or a shift in policy paradigm is usually necessitated by a need to address certain perceived anomalies in the economic landscape. Policy switch is a function of prevailing circumstance which experts believe must have potential to drive the entire process of economic transformation or change. It must also impact positively on human development indicators. Some economic policies are either completely phased out or modified largely due to inherent problems associated with their modus operandi (Edidiong, 2023) <sup>[5]</sup>. In global setting, payment system is one of such policies that have undergone substantial change, and over the course of history, there have been different forms of payment systems. Originally, barter system was the mode adopted for transaction and this was the primary method of transaction before the introduction of any form of currency. The system involved the direct exchange of goods and services without using money. The trade by barter while functional in many early societies, had several significant limitations that ultimately led to its decline and replacement by more advanced forms of currency.

Due to the shortcoming of the system such as, no unit of measure, indivisibility of products, double coincidence of wants etc., necessitated a paradigm shift to the introduction of money.

Due to the growing complexity of economies, trust and reliability, expansion of wealth, the need for a more efficient and reliable system of exchange led to the development of money. Money in its various forms such as, cowrie shells, precious metals, coins and eventually paper money, provided a common measure of value, improved the ability to store wealth, facilitated deferred payments and greatly reduced transaction costs, thereby overcoming the main issues inherent in the barter system. Monetary institutions are saddled with the responsibility of using monetary policy to grow the economy. In Nigeria, monetary policy has been used since the central bank Act of 1958, this role of the central bank has facilitated the emergence of active money market where treasury bills, a financial instrument used for open market operations and raising debt for government has grown in volumes and values becoming prominent, earning assets for investors and source of balancing liquidity in the market. The economy was fully cash or paper based and businesses were doing great, because it was an ease, durable, and trustful method of transacting business (Gbalam & Dumani, 2020) <sup>[6]</sup>. However, the cash-based transactions recorded series of problems that amounted to its lack of reliability, inefficiency, ineffectiveness and inconvenience method of business transactions due to increase in international business relationships due to the advent of computer technology and the level of education amongst the people of the world. The problems related to cash-based transactions ranging from the breeding of corruption, attracting armed robbery, terrorism financing, loss of money due to natural occurrences, burden of carrying and counting heavy cash, high attendant cost of doing business, the transmission of bacterial infections through the carrying and counting of naira notes and coins (Ezinwane, 2013) and other inconveniences in the economy, brought about the cashless policy.

According to CBN, the cash-less policy aims at reducing (not eliminating) the amount of (physical cash in circulation in the economy, and encouraging more electronic – based transactions (payments for goods, services, transfers, etc.). The policy was initiated to achieve the following objectives: To drive development and modernization of Nigeria payment system in line with Nigeria's vision 2020 goal of being among the top 20 economies by the year 2020; to reduce the cost of banking services (including cost of credit and drive financial inclusion by providing more efficient transaction options and greater reach; to limit high cash usage outside the formal sector and thereby improve the effectiveness of monetary policy in managing inflation and encouraging economic growth; and to curb some of the negative consequences associated with the high usage of physical cash, including high cost of cash; robberies, corruption and leakages through money laundering, fraud and other cash-related crimes (CBN 2011). In line with the above assertion, Adedamola (2023) <sup>[2]</sup>, stated that the introduction of the cashless policy is designed to modernize the financial sector, improve transparency and further enhance efficiency in the economy. James (2023) <sup>[12]</sup>, also stated that this cashless policy is targeted to increase the volume of all available payments instruments in the country, as well as promoting end-to-end electronic payments in the country. ICAN (2023) <sup>[9]</sup> posited that the introduction of the cashless policy is primarily geared to reduce the volume of physical cash in circulation, increase the availability of other payment instruments such as Debit and Credit Cards, Bank Transfers,

Bank Direct Debits, Automatic Machines (ATM), Mobile Phone Money and Point of Sale (POS) machine. In promoting price stability and financial inclusion in a cashless economy, CBN stated that cashless policy might lower inflationary pressure, promote a cashless policy supported by the eNaira, and deepen financial inclusion as a reduction of currency outside the banks will induce the need to be financially included in order to engage in economic transactions (Okiridu, Ogwunte & Godpower, 2024) <sup>[17]</sup>.

Nwankwo, Eze and Kanyangale (2022) <sup>[15]</sup>, also suggested that there are several other benefits of the cashless policy in Nigeria for different stakeholders to pursue businesses and interact electronically. For instance, the cashless economy offers increased convenience for customers as they can access their bank accounts and transact on non-working days. For businesses, cashless economy helps to reduce exposure to the risk of cash-related crimes and armed robberies. It also makes payments from any location without physically visiting the bank (Nwani, Nwaimo, Kanu & Chinonso, 2020) <sup>[14]</sup>. In Nigeria, it is now possible for people to enjoy banking services with their smartphones without even being account holders (Ohiani, 2020) <sup>[16]</sup>. Customer purchases are no longer determined by the amount in the wallet but based on how much funds in the account. According to Nwankwo, Eze and Kanyangale (2022) <sup>[15]</sup>, the cashless economy gives Small Business Operators (SBOs) the benefit of immediacy as e-payment options are instant.

On a different light, Agwu and Ezeani (2021) <sup>[3]</sup>, advanced the notion that the adoption of cashless policy in business operations has been slow among small business operators in developing countries particularly in Nigeria, due to technological barriers, insufficient financial inclusion, unbanked masses and financial literacy of business owners, unavailability of steady power supply as well as the costs of acquiring and maintaining electronic devices (Kingsley, 2017) <sup>[13]</sup>. In the view of Herman & Anna (2023) <sup>[8]</sup>, held that the Cashless policy is an economic and monetary policy that provides opportunities for SBOs to conduct business without involving huge cash or reduced volume of money and enabling transactions to take place with little or no contact by the parties involved. This comprised digital payment system which allows business to collect payments via POS terminals, ATM, bank-to-bank transfer, debit and credit Cards and deposit funds directly into bank account. These systems are an upgrade to entire business operation, as they allow customers to make payment from anywhere, track and store digital receipts, and receive automated reminders for overdue bills. The cashless policy is designed to break down the traditional barriers hindering financial inclusion and bring low cost, secure and convenience financial services to urban, semi-urban and the rural areas across the country. It is time and money saving to small business entities by eliminating the need for counting, depositing and reconciliation of cash. However, the country faced several difficulties in implementing the cashless policy, including the inability to authenticate sums of money before leaving the point of sale or purchase, non-remittance of cash, cash loss to banks and payment channel operators advance fraud, customer unfriendliness etc. ICAN (2023) <sup>[9]</sup>, reported that the policy suffered several reversals and reviews by the CBN especially from December 6th, 2022 till date.

It is the bigger businesses that are already in tandem with on-line transactions, but for small and micro businesses, it is more cash based. Over 19% of small businesses had shut down as a result of the cash crunch, while many others are on the verge of closing up. It is also observed that Small Business Operators (SBOs) are struggling to stay afloat as

sales had dropped drastically due to the implementation of cash withdrawal limits over the counter, because over 80% of Small Business Operators' (SBOs), transactions were cash driven. This adoption has affected business operations in Nigeria both in the informal and the formal sectors of the economy as perceived. The economy's informal sector is defined as a diverse range of economic activities that are not subject to government regulation and control. This sector is home to small and micro businesses and has been instrumental in the development of the economy by generating income, jobs, raw materials, technical skills, delivery and distribution services, and financial intermediation (Ihenyen & Yeitaribo, 2023) <sup>[10]</sup>.

**Financial Digital Literacy on Cashless Policy Adoption:** The ability to manage money, conduct transactions, and make prudent financial decisions in a cashless economy through the use of digital financial tools, platforms, and services is known as financial digital literacy. It combines technological know-how with an understanding of financial concepts to enable safe and efficient navigation of the cashless financial ecosystem. **Financial Charges on Cashless Policy Adoption:** Financial charges are the fees or costs imposed by financial institutions, payment platforms, or service providers for doing transactions online as opposed to using real currency. Digital payment systems like point-of-sale (POS) machines, internet banking, mobile banking, and other cashless channels are associated with these expenses.

Despite the potential benefits of cashless transactions, the impact of such policies on Small Business Operators (SBOs) especially in Rivers State remains insufficiently understood. These gaps pose several challenges for Small Business owners, policymakers, and financial institutions. While cashless policy system promises to enhance transaction efficiency, their actual effect on the financial metrics of Small Business Operators (SBOs) is yet to be clearly established. The level of cashless transaction implementation on sales growth among Small Business Operators warrants investigation. To achieve this, it is essential to examine how financial digital literacy and financial charges affect small businesses operators' initiatives in adopting the cashless policy. The extent to which this cashless policy adoption impacts operational efficiency among Small Business Operators (SBOs) needs thorough examination. Technological readiness or preparedness is a vital component for the successful implementation of cashless policy amongst Small Business Operators and it remains to be explored. Hence, cashless policy challenges on financial stability amongst Small Business Operators (SBOs), along with the effectiveness of adaptation strategies, require detailed study. Addressing these challenges is fundamental to ensuring the sustainability, growth of SBOs in a cashless environment, the role of financial institutions in supporting SBOs during the transition to cashless systems and the successful implementation of cashless policies with internet connectivity, financial digital literacy, high transaction fees, cyber-attack, internet fraud and data breaches are areas that need comprehensive analysis. Understanding these roles can inform better support structures and financial products tailored to Small Business Operators (SBOs). This study aims to address these critical issues by investigating the multifaceted impacts of cashless policies initiatives amongst small business operators (SBOs) such as Artisans, craftsperson, independent bookstore owners, local restaurants or retail food services, coffee shops, photographers and barbing saloon in the three Rivers Senatorial Districts thereby providing a holistic understanding that can guide small business operators',

stakeholders, banking institutions and government in optimizing the benefits of a cashless economy.

### Statement of the problem

Cash, such as coins, bank drafts, money orders, tellers, naira notes, and cheques, are used for business transactions by all businesses, both formal and informal. All financial transactions and business activities relied entirely on currency. Due to the ease on dependability and durability of paper transactions, the economy was entirely dependent on them. However, as global business relationships, computer technology, and the general level of education among people around the world have increased, as a result of this people no longer carry huge sum of money from one location to the other, physical bank theft and robbery has reduced tremendously, financial transactions are carried out in a fiat. Irrespective of these accolades attributed to cashless policy, cash-based transactions have encountered a number of problems that have resulted to inefficiency, ineffectiveness, and inconvenience as a means of conducting business.

It's unclear whether the smaller traders are benefiting from the implementation of the cashless policy, although the general perception from the public indicates that, there are many challenges being experienced in adopting the cashless policy thereby affecting their daily purchases in the market place when dealing with these set of traders. The impact of internet digital literacy and financial charges, among others affect the operations of small business owners in Rivers East Senatorial District, Rivers West Senatorial District and Rivers Southeast Senatorial Districts are among the issues that are not well understood. These issues may impede their ability to fully capitalize on the opportunities presented by the cashless policy, leading to questions about its effectiveness in fostering growth and development among small businesses. Thus, the researchers felt that there is need to investigate and empirically document the extent these challenges impact on the cashless policy initiatives amongst small business operators in Rivers State.

### Purpose of the study

The main objective of this study is to determine the impact of Nigeria's cashless policy on Small Business Operators in Rivers State. Specifically, the study determined

- To determine the extent to which financial digital literacy affect Small-scale Business Operators in Rivers State.
- To determine the extent to which financial charges from cashless transactions affect Small-scale Business Operators in Rivers State.

### Research Questions

The following research questions guided the study:

- To what extent does financial digital literacy affect Small-scale business operators in Rivers State?
- To what extent does financial charges from cashless transactions affect Small-scale business operators in Rivers State?

### Hypotheses

The following null hypotheses were formulated and were tested at 0.05 level of significance.

- There is no significant difference in the mean response of Small-scale business operators in Rivers West, Rivers East and Rivers South-East on the extent financial digital literacy, affect Small-scale business operations in Rivers State
- There is no significant difference in the mean response

of small-scale business operators in Rivers West, Rivers East and Rivers South-East on the extent financial charges affect Small-scale business operations in Rivers State

### Methodology

This study adopted descriptive survey research design. The population was 5960 registered small business operators in Rivers State with a sample size of 787 using Taro Yamane's formula. The instrument for data collection was a self-structured questionnaire titled "Assessing the Impact of Nigerian Cashless Policy Initiatives amongst Small Business Operators (ATIONCPIASBO)" which was developed by the

researcher. The instrument was designed on a four-point rating scale of "High Extent to Very Low Extent to elicit responses from the respondents. The instrument was validated by experts, one in Measurement and Evaluation, two in Business Education, and all in the Faculty of Education, Rivers State University. Cronbach Alpha was used for establishing the reliability of instrument with the values of 0.94. Research questions were answered using mean and standard deviation while ANOVA was used to test the hypothesis.

### Results

**Table 1:** Respondents Response of Mean and Standard Deviation of the extent Financial Digital with the Adoption of Nigeria's Cashless Policy affect Small Business Operators in Rivers State

S/N	Item Statement	Rivers West Senatorial District		Rmk	Rivers East Senatorial District		Rmk	Rivers South East Senatorial District		Rmk
		N=195			N=330			N=177		
		X	SD	X	SD	X	SD			
1	Knowledge of digital financial tools on small business operations	3.19	0.65	HE	3.18	0.65	HE	3.15	0.65	HE
2	Knowledge of transaction fees and costs associated with digital payments	3.41	0.49	HE	3.41	0.49	HE	3.41	0.49	HE
3	The ability to analyze digital transaction data.	3.59	0.49	HE	3.59	0.49	HE	3.59	0.49	HE
4	Ability to educate staff and customers about cashless payment options?	3.00	1.10	HE	3.06	1.05	HE	3.10	1.02	HE
5	Understanding of digital payment trends strategies for staying competitive.	3.13	0.72	HE	3.14	0.68	HE	3.14	0.66	HE
6	Knowledge of mobile payment implementation of cashless policy.	3.33	0.70	HE	3.32	0.70	HE	3.31	0.71	HE
7	Awareness of digital marketing and customer engagement tools	2.92	0.86	ME	2.91	0.85	ME	2.89	0.84	ME
8	Extent of reliability and security of cashless payment system.	3.13	0.72	HE	3.14	0.68	HE	3.14	0.66	HE
	<b>Grand mean</b>	<b>3.21</b>	<b>0.72</b>	<b>HE</b>	<b>3.22</b>	<b>0.70</b>	<b>HE</b>	<b>3.22</b>	<b>0.69</b>	<b>HE</b>

Source: Field Survey, 2025

The analysis in Table 1. Indicates that financial digitalization, in the context of Nigeria's cashless policy, significantly impacts small business operators in Rivers State to a high extent (grand means: 3.21, 3.22, and 3.22). Specifically, the study found that: Digital financial knowledge: Impacts confidence in adopting cashless payment methods. Transaction fees and costs: Influences adoption of cashless payment. Digital transaction data analysis: Affects use of cashless payment systems for decision-making. Digital financial literacy: Influences ability to educate staff and

customers about cashless payment options. Digital payment trends: Impacts strategies for staying competitive. Mobile payment solutions: Impacts implementation of cashless policy. Digital marketing and customer engagement: Impacts promotion of cashless payment options. Trust in digital payments: Affects trust in the reliability and security of cashless payment systems. Overall, the study highlights the significant impact of financial digitalization on small business operators in Rivers State, affecting their confidence, adoption, and trust in cashless payment systems.

**Table 2:** Respondents Response of Mean and Deviation of the extent Financial Charges affect Small-scale Business Operators in Rivers State

S/N	Item Statement	Rivers West Senatorial District		Rmk	Rivers East Senatorial District		Rmk	Rivers South East Senatorial District		Rmk
		N=195			N=330			N=177		
		X	SD	X	SD	X	SD			
1	Transaction fees influence my decision to adopt the cashless payment systems	2.92	0.93	ME	2.84	0.91	ME	2.78	0.90	ME
2	Service fees affect profitability of my business when using cashless payment systems	2.87	0.81	ME	2.86	0.82	ME	2.85	0.84	ME
3	Processing fees profitability of my business when using cashless payment systems	2.34	0.87	ME	2.31	0.88	ME	2.29	0.89	ME
4	Maintenance fees charges affect businesses in cashless payment systems	2.47	0.72	ME	2.51	0.73	ME	2.54	0.73	ME
5	Financial charges for cashless payment systems are barriers to adopting them in my business	2.48	1.03	ME	2.98	0.95	ME	3.02	0.94	HE
6	Fluctuating financial charges affected your initiative	2.35	1.07	ME	2.24	0.92	ME	2.17	0.87	ME

	to continue using cashless payment systems									
7	Customers bear the responsibility of financial charges from cashless payment systems	3.06	0.93	HE	2.38	1.07	ME	2.28	1.05	ME
8	The benefits of adopting cashless payment systems outweigh the costs associated with financial charges	2.28	0.94	ME	2.42	0.74	ME	2.42	0.74	ME
9	Financial charges prompt comparison of different cashless payment service providers	2.33	1.07	ME	2.24	1.06	ME	2.36	1.05	ME
10	Financial charges affect long-term plans for expanding businesses	2.48	0.73	ME	2.39	0.75	ME	2.49	0.71	ME
	<b>Grand mean</b>	<b>2.56</b>	<b>0.91</b>	<b>ME</b>	<b>2.52</b>	<b>0.88</b>	<b>ME</b>	<b>2.52</b>	<b>0.87</b>	<b>HE</b>

Source: Field Survey, 2025

The analysis in Table 2 indicates that financial charges associated with Nigeria's cashless policy significantly impact Small-scale Business Operators in Rivers State to a moderate extent (grand means: 2.56, 2.52, and 2.52). Specifically, the study found that financial charges: Influence adoption decisions: Transaction fees impact the decision to adopt cashless payment systems. Affect profitability: Service fees and processing fees impact business profitability. Result in unnecessary charges: Maintenance fees are encountered when using cashless payment systems. Create barriers to adoption: Financial charges are a barrier to adopting cashless payment systems. Impact continuity: Fluctuating financial charges affect the initiative to continue using cashless payment systems. Are passed on to customers: Financial charges are passed on to customers. Are outweighed by

benefits: Benefits of adopting cashless payment systems outweigh the costs associated with financial charges. Influence provider comparison: Financial charges influence the comparison of different cashless payment service providers and affect long-term plans: Financial charges associated with cashless payment systems affect long-term plans for expanding the business.

**Hypotheses**

**Ho1:** There is no significant difference in the mean ratings of Small-scale Business Operations in Rivers East, Rivers West and Rivers Southeast Senatorial Districts on the extent internet connections with the adoption of Nigeria’s cashless policy affect business operations (BOs) in Rivers State.

**Table 3:** ANOVA Result on The Extent Internet Connections Affect Business Operations (Bos) In Rivers State.

Source	Sum of Squares	Df	Mean Square	F-cal	F-Crit	Sig.	Decision
Between Groups	0.54	2	0.27	3.54	2.99	0.03	Rejected
Within Groups	40.69	698	0.08				
Total	41.23	700					

Source: Field Survey, 2025.

The result in table 1.3 shows the summary of ANOVA result on the difference between Small-scale Business Operations in Rivers East Senatorial District, Rivers West Senatorial District and Rivers Southeast Senatorial Districts on the extent internet connections with the adoption of Nigeria’s cashless policy affect business operations (BOs) in Rivers State. The result showed F- calculated of 3.54 and F-critical of 2.99 with degree of freedom of 2 and 698 between and within groups respectively. Since F-cal is greater than F-crit, (F-cal>F-crit) and p-vale is lesser than level of significance (0.03<0.05). Thus, the null hypothesis was rejected. This means there is a significant difference in the mean responses of Small-scale Business Operations in Rivers East Senatorial

District, Rivers West Senatorial District and Rivers Southeast Senatorial Districts on the extent internet connections with the adoption of Nigeria’s cashless policy affect business operations (BOs) in Rivers State. To establish where the significant difference lies among the groups, a Post Hoc test using Scheffe-test was conducted and the resulted presented in table 1.3

**Ho2:** There is no significant difference in the mean ratings of Small-scale Business Operators in Rivers East, Rivers West and Rivers Southeast Senatorial Districts on the extent Cyber-attacks with the adoption of Nigeria’s cashless policy affect business operations in Rivers State.

**Table 4:** ANOVA Result on the extent Cyber-attacks affect business operations in Rivers State.

Source	Sum of Squares	Df	Mean Square	F-cal	F-Crit	Sig.	Decision
Between Groups	0.65	2.00	0.33	1.79		0.17	Accepted
Within Groups	96.70	698.00	0.18				
Total	97.36	700.00					

Source: Field Survey, 2025.

The result in table 4 shows the summary of ANOVA result on the difference between Small-scale Business Operators in Rivers East Senatorial District, Rivers West Senatorial District and Rivers Southeast Senatorial Districts on the extent Cyber-attacks with the adoption of Nigeria’s cashless policy affect business operations in Rivers State. The result showed F- calculated of 1.79 and F- critical of 2.99 with

degree of freedom of 2 and 698 between and within groups respectively. Since F-calculated is lesser than F-critical (F-cal < F-crit) and p-vale greater than level of significance (0.17>0.05), therefore, the null hypothesis was retained. This means that there is no significant difference in the mean ratings of Small-scale Business Operators in Rivers East Senatorial District, Rivers West Senatorial District and

Rivers Southeast Senatorial Districts on the extent Cyber-attacks with the adoption of Nigeria's cashless policy affect business operations in Rivers State.

### Discussion of findings

The following discussions were made based on the findings. The study reveals that financial digitalization has a profound impact on small business operators in Rivers State, influencing their confidence, adoption, and trust in cashless payment systems. The high extent of influence (grand means: 3.21, 3.22, and 3.22) underscores the significance of this issue. The findings suggest that financial digitalization affects small business operators in various ways, including: confidence in adopting cashless payment methods, adoption of cashless payment due to transaction fees and costs, use of digital transaction data analysis for decision-making, ability to educate staff and customers about cashless payment options, strategies for staying competitive, implementation of cashless policy, promotion of cashless payment options and trust in the reliability and security of cashless payment systems. The lack of significant difference in mean ratings across the three senatorial districts suggests that financial digitalization is a universal concern for small business operators in Rivers State, regardless of location. This emphasizes the need for increased digital financial literacy and awareness to facilitate the adoption and effective use of cashless payment systems. It was also found that there is no significant difference in the mean ratings of Small-scale Business Operators in Rivers East Senatorial District, Rivers West Senatorial District and Rivers Southeast Senatorial Districts on the extent digital literacy with the adoption of Nigeria's cashless policy affect business operations in Rivers State. This finding is in line with Prasad, Meghwal and Dayama (2018), as they stated that digital financial literacy involves understanding how to use online systems to conduct financial activities, such as online payments and digital banking services. And agreeing with the view of Widyastuti, Umi, Respati, Mahfirah and Fatarina. (2024) [18], opined that digital financial literacy encompasses numerous characteristics, including; knowledge of digital services and products; digital financial risk management; awareness of digital financial risks and; consumer rights and compensation procedures

The study reveals that financial charges associated with Nigeria's cashless policy have a significant impact on Small-scale Business Operators in Rivers State, influencing their adoption decisions, profitability, and continuity. The moderate extent of influence (grand means: 2.56, 2.52, and 2.52) underscores the significance of this issue. The findings suggest that financial charges affect small-scale business operators in various ways, including: influencing adoption decisions due to transaction fees, impacting business profitability due to service fees and processing fees, resulting in unnecessary charges, such as maintenance fees, creating barriers to adoption due to financial charges, impacting continuity due to fluctuating financial charges, being passed on to customers, influencing provider comparison and affecting long-term plans for expanding the business. Although financial charges are a significant concern, the study also found that the benefits of adopting cashless payment systems outweigh the costs associated with financial charges. The lack of significant difference in mean ratings across the three senatorial districts suggests that financial charges are a universal concern for small-scale business operators in Rivers State, regardless of location. This emphasizes the need for policymakers and financial institutions to reconsider and restructure financial charges

associated with cashless payment systems to facilitate their adoption and effective use. It was finally found that there is no significant difference in the mean ratings of Small-scale Business Operators in Rivers East Senatorial District, Rivers West Senatorial District and Rivers Southeast Senatorial Districts on the extent financial charges with the adoption of Nigeria's cashless policy affect business operation in Rivers State. This finding is in line with the study of Acha, Kanu & Agu (2017) [1], over a ten-year period, from 2006 to 2015. The Nigerian Interbank Settlement System (NIBSS) website and the Central Bank of Nigeria (CBN) Annual Report provided the data, which was analyzed using the ordinary least squares method. In order to promote further use of e-payment platforms, the study concluded that there was no discernible effect of electronic banking tools on the amount of money in circulation and suggested, among other things, that transaction fees be further examined and reduced to either zero or a single digit.

### Conclusion

In conclusion, Nigeria's cashless policy has had a mixed impact on small business operators in Rivers State, highlighting both opportunities and challenges. The policy has introduced modern payment methods, promoting convenience, security, and efficiency in transactions. However, its effectiveness is hindered by critical challenges, particularly limited internet connectivity, poor infrastructure, and inadequate technological adoption. Key barriers such as unstable internet, power outages, and the high cost of digital infrastructure have restricted the full-scale adoption of cashless systems, impeding small businesses from fully benefiting from the policy.

To maximize the potential of the cashless policy, efforts must be made to improve internet connectivity, ensure reliable power supply, and provide affordable access to digital tools and training for small-scale business operators. Addressing these challenges will not only enhance the adoption of cashless payment systems but also foster economic growth, financial inclusion, and business efficiency in Rivers State. Ultimately, a collaborative approach involving the government, private sector, and stakeholders is essential to bridge the existing gaps and unlock the transformative potential of the cashless policy for small businesses.

### Recommendations

The following recommendations were made based on the findings:

- The government, financial institutions, and other stakeholders should provide financial literacy and education programs for small business operators in Rivers State. These programs should focus on developing skills in financial management, digital payment systems, and financial technology.
- The government and financial institutions should reduce financial charges associated with cashless payment systems to make them more affordable for small business operators. This can include reducing transaction fees, processing fees, and other charges.

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