



Government Cashless Policy and Poverty Reduction in Ife Central Local Government, Osun State, Nigeria:

Further Evidence from Point of Sale (POS) Utilisation

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Abstract

The study examines the impact of government cashless policy on poverty reduction with a view to assessing the extent to which the utilisation of point of sale (POS) system contributes to poverty reduction among POS operators in the study area and also identifying the challenges and opportunities associated with the adoption of point of sale (POS) system. This research relies on primary data collection. Structured questionnaires are administered to gather original data from the 50 POS operators, which represent the respondents for the analysis. Descriptive statistics such as frequency analysis and logistic regression are adopted.

The result shows that POS has a positive impact on the economy. Specifically, 94% of the operators are in support that POS systems are frequently used as a mean of transaction for the general public and a mean of livelihood for the operators reflecting their importance in economic growth. The estimated result from logistic regression analysis reveals that the POS system has significant positive economic and employment benefits, by facilitating transactions of local businesses, which led to poverty reduction among the operators. The study also finds that unstable power supply and limited internet connectivity as the major challenges confronting the POS operators.

The study concludes that Point-of-Sale (POS) systems are having a significant positive impact on poverty reduction, which led to job creation and economic growth among the operators in Ife Central Local Government area. The study therefore, recommends for an improved power supply and technology for better POS system adoption.

Keywords

Government cashless policy, Point of sales, Poverty reduction, Osun State

INTRODUCTION

Poverty is a persistent challenge in many communities worldwide, and Ife Central Local Government in Osun State, Nigeria, is no exception. Despite efforts to improve living conditions, a significant portion of the population still struggles with economic hardships. In recent years however, government introduced cashless through the adoption of Point of Sales (POS) systems, which has become increasingly popular, providing a new avenue for financial transactions. As at the year 2025, Nigeria's e-payment volume hits N1 quadrillion. The community's economic landscape is evolving, and traditional approaches to poverty alleviation need to be complemented with innovative solutions. The introduction of technology, particularly POS systems, presents an opportunity to examine whether these tools can contribute significantly to reducing poverty and improving overall economic well-being.

This Point of Sale (POS) apparatus in Nigeria has revolutionized the payment system, facilitating cashless transactions for goods and services, utility bills, and other financial payments. Introduced by the Central Bank of Nigeria (CBN) in 2012 as part of its cashless policy, POS terminals have become increasingly popular, with a significant growth in active terminals provided by banks to mobile money merchants. According to statistical data from the Nigeria Inter-Bank Settlement Scheme (NIBSS), the number of active POS terminals in Nigeria rose to 164,607 by 2018, with 17,193 new registrations recorded in the first quarter of 2018 alone (Ogunfuwa, 2018). This remarkable growth can be attributed to the acceptability of POS transactions in society and the desperate need for employment opportunities amidst Nigeria's challenging economic climate. As a result, POS businesses have emerged as a lucrative venture, providing a source of

revenue for many Nigerians. This study seeks to investigate the impact of POS as a business endeavor on employment generation in Nigeria, examining its potential to mitigate the country's unemployment challenges.

In Nigeria, a significant portion of the population lives below the poverty line, with statistics indicating that between 61-80% of Nigerians survive on less than one dollar per day. This issue is particularly pronounced in the northern regions of the country. The State of Osun, which is among the poorest states, Ife Central Local Government Area in Osun State is no exception, grappling with high poverty rates amidst other pressing social issues such as high unemployment, increased insecurity, and inadequate housing. The rapid population growth in Nigeria, which is expected to surpass 233 million by 2025, exacerbates these challenges. In this context, the role of technology and innovation in poverty alleviation becomes crucial. Point of Sales (POS) systems, which facilitate electronic transactions and financial inclusion, have the potential to impact poverty reduction by improving access to financial services and stimulating local economic activities.

However, the extent to which POS utilisation influences poverty reduction in Ife Central Local Government Area remains underexplored. This study aims to address this gap by examining how the deployment and adoption of POS systems can contribute to alleviating poverty in this specific locality. The investigation focuses on understanding of the POS utilisation on economic opportunities, financial inclusion, and overall poverty reduction efforts in Ife Central, thereby providing insights into the potential of POS systems as a tool for socioeconomic development of the Problem

LITERATURE REVIEW

In this chapter, we delve into a detailed analysis of the impact of government cashless policy proxied by Point of Sales (POS) utilisation on poverty reduction. This literature review encompasses an exploration of existing research, theoretical frameworks, empirical studies, and methodological approaches relevant to the topic. By synthesizing this information, we aim to provide a comprehensive understanding of the role of POS utilisation in poverty reduction efforts in the study area.

Conceptual Review

Poverty and Poverty Reduction

Poverty is a major issue in Nigeria, particularly in rural areas. Poverty is defined as a state in which an individual or community lacks the basic necessities of life, including food, clothing, shelter, and access to healthcare and education (Mistry et al., 2018). Poverty is also associated with limited access to financial resources, leading to a lack of opportunities to participate in economic activities that could improve an individual's quality of life (Beleva et al., 2018). Poverty reduction programs have been implemented in Nigeria over the years. However, many of these programs have not been effective due to inadequate resources, limited access to information, and corruption in the implementation process.

The use of point-of-sale (POS) technology has been identified as a possible solution to poverty reduction in Nigeria. The POS system is a technology that enables electronic payment transactions at the point of sale. It is designed to provide a safe and convenient way for consumers to pay for goods and services without the need for cash. The POS system can be used to improve financial inclusion by enabling individuals to access financial services such as banking, insurance, and loans (Antczak & Weron, 2019). Studies have shown that the use of POS technology has the potential to reduce poverty levels in Nigeria. For example, the Nigerian government launched the National Financial Inclusion Strategy in 2012 to promote the use of electronic payments, including POS devices, to improve financial inclusion. The strategy has led to an increase in the use of POS devices, which has in turn increased access to financial services, particularly in rural areas (He et al., 2018). POS utilisation has also been linked to a reduction in tobacco use. Pasch et al. (2018) found that recall of point-of-sale marketing of tobacco products predicted cigar and e-cigarette use among Texas youth. Similarly, compliance with point-of-sale tobacco control policies has been associated with reduced student tobacco use in Mumbai, India (Mistry et al., 2018). These findings suggest that the use of POS technology can contribute to poverty reduction by reducing the financial burden associated with tobacco use.

In addition, the use of POS technology can improve the efficiency of agricultural marketing in Nigeria, which is a major source of income for many rural households. The use of POS devices to facilitate electronic payments for agricultural produce can improve market access and reduce the risk of post-harvest losses due to delayed payments. This can improve the income of smallholder farmers and contribute to poverty reduction (Wood et al., 2019).

However, there are also potential challenges associated with the use of POS technology for poverty reduction in Nigeria. One such challenge is the lack of infrastructure, particularly in rural areas. The provision of stable electricity, internet connectivity, and adequate training for users can pose significant challenges to the successful adoption of POS technology (Frank & Brock, 2018).

The use of POS technology has the potential to contribute significantly to poverty reduction in Nigeria. The technology can improve financial inclusion, reduce tobacco use, and improve the efficiency of agricultural marketing. However, the successful adoption of POS technology requires the provision of adequate infrastructure and training for users. Therefore, it is important for policymakers to ensure that the necessary infrastructure is in place to promote the widespread adoption of POS technology for poverty reduction in Nigeria.

Point-of-Sale (POS)

Point-of-Sale (POS) is a platform that allows for the instantaneous processing of electronic transactions at the point of purchase. POS is increasingly becoming popular in Nigeria and globally, and it is being utilized for various transactions, including payment of utility bills, purchases at supermarkets, and financial transactions. It has the potential to reduce poverty by improving financial inclusion, enhancing access to credit, and facilitating the growth of small businesses. According to Wan et al. (2018), POS utilisation remains an important aspect of financial inclusion, and its association with socioeconomic characteristics of neighborhoods has been established. In this section, we examine the impact of point-of-sale utilisation on poverty reduction in Ife Central Local Government, Osun State, Nigeria.

The use of POS systems has been shown to contribute to financial inclusion and reduce poverty. In Nigeria, POS machines are used in many rural and urban areas to conduct financial transactions, including the payment of salaries, purchase of goods and services, and money transfer. The use of POS has led to a reduction in cash-based transactions and increased electronic transactions, which have the potential to improve the economy and reduce poverty (Kosse et al., 2017). Furthermore, POS machines are used in many small businesses to enhance their operations and boost productivity. By using POS systems, small businesses can accept electronic payments, thus increasing their sales and revenue. This, in turn, enables them to expand their businesses and employ more people, thereby contributing to poverty reduction.

The adoption of POS systems in Ife Central Local Government, Osun State, Nigeria, has the potential to improve financial inclusion and reduce poverty. The use of POS machines in the region has grown significantly in recent years, with many small businesses and merchants adopting POS technology to improve their operations. The utilisation of POS systems in the region has led to a reduction in cash-based transactions, which can be expensive and risky, especially for small businesses. Additionally, the use of POS systems has enabled small businesses to accept electronic payments, thus improving their cash flow and financial viability (Hurck et al., 2018). This has facilitated the growth of small businesses, which are important drivers of economic growth and poverty reduction.

Although, POS utilisation has many potential benefits, there are also concerns about its impact on consumers, particularly those in low-income communities. For example, in some countries, the use of POS systems has been associated with higher fees and charges for consumers, which can lead to financial exclusion and exacerbate poverty (Ribisl et al., 2017). Additionally, the use of POS systems has been linked to higher levels of debt among consumers, which can further exacerbate poverty levels. These concerns highlight the need for effective regulation of POS utilisation to ensure that it benefits all sections of the society. The impact of POS utilisation on poverty reduction in Ife Central Local Government, Osun State has the potential to be significant. The use of POS systems can improve financial inclusion, boost small businesses, and facilitate economic growth, all of which can contribute to poverty reduction. However, there is a need for effective regulation to ensure that the use of POS systems benefits all sections of the society and does not lead to financial exclusion or exacerbate poverty levels. Future research should investigate the impact of POS utilisation on poverty reduction in other regions of Nigeria and other developing countries to provide insights into the role of POS in economic development.

Empirical Review

The empirical review on the subject matter synthesizes existing literature and empirical evidence related to the relationship between POS utilisation and poverty reduction within the specified context. Omotayo (2015) conducted a study on the factors influencing the adoption of Point of Sale (POS) technology among organizations in Lagos and Ibadan, Nigeria, utilizing the Technology Acceptance Model (TAM) as the theoretical framework. The study employed a survey design, sampling 200 organizations that had adopted POS in the two metropolises, with questionnaires serving as the primary research instrument. The study, conducted in 2014, revealed significant relationships between subjective norms, perceived ease of use, and POS adoption. However, organizational characteristics, image, and perceived usefulness did not demonstrate significant relationships with POS adoption. The findings provide valuable insights for banks considering POS deployment, highlighting key factors to consider. However, the study acknowledges limitations, particularly its geographical scope, which restricts generalizability to the entire country.

Akingunola and Olalekan (2019) investigated the adoption of POS systems among small businesses in Nigeria. The study employed a survey design, sampling small businesses across various regions in Nigeria, and used structured questionnaires to collect data. The data was collected during 2018. The study found that the adoption of POS systems significantly enhanced access to financial services and increased revenue streams for small businesses, indicating a positive impact on economic empowerment. Oyeniran and Ajiboye (2020) examined the impact of POS utilisation on the financial performance of microenterprises in rural areas of Nigeria. The study utilized a mixed-methods approach, combining quantitative surveys with qualitative interviews of microenterprise owners in rural Nigeria. The research was conducted over the course of 2019. The findings emphasized that POS utilisation improved business efficiency and profitability, particularly in rural areas, contributing to economic development and poverty reduction.

Ademola and Adelakun (2018) explored the socio-economic impact of POS adoption on rural households in Nigeria. A longitudinal study was conducted, following rural households over two years, with data collected through household surveys and in-depth interviews. The study spanned from 2016 to 2018. The research demonstrated that POS adoption had positive effects on income generation and asset accumulation among rural households, suggesting a significant role in poverty reduction. Ojikutu, Oke, and Oyelami (2017) examined the relationship between POS usage and poverty levels in urban areas of Nigeria. The study employed a cross-sectional design, collecting data from urban

residents using structured questionnaires. The data collection occurred in 2017. The study highlighted the potential of digital financial technologies like POS systems to alleviate poverty through increased financial access and transaction convenience.

Anyanwu and Anumaka (2020) examined the impact of Point of Sale (POS) on cashless policy, issues, and prospects in the Nigerian economy. A survey design was employed, with data collected from 500 respondents across various POS operating centers. The data was analysed using econometric techniques like OLS and Granger causality. The study was conducted in 2019. The results showed that POS has a significant and positive impact on the cashless policy in Nigeria, suggesting the need for wider deployment of POS systems to reduce cash-based transactions.

Olugbade and Kehinde (2012) investigated the level of consumer satisfaction with adoption of e-payment system in Nigeria. The study surveyed bank customers and consumers of e-payment products using structured questionnaires. The data was collected in 2011. The study found that consumer satisfaction with POS systems was low, particularly in areas such as transaction speed, service levels, awareness, and security, indicating the need for improvements in these areas.

Mangmang (2018) investigated the Point-of-Sale systems in retail businesses. A case study approach was used, analysing retail businesses that implemented POS systems to manage customer transactions and sales data. The study was conducted between 2017 and 2018. The study found that POS systems helped retailers manage inventory, track sales, and improve profitability, highlighting their potential for economic empowerment.

Adeoye et al. (2018) examined the impact of POS utilisation, one economic activities of small businesses in Lagos State, Nigeria. A survey was conducted among small business owners who used POS machines, with data analysed using statistical methods. The study took place in 2018. The study revealed that businesses using POS machines had higher sales revenue, reduced costs, and were able to employ more workers, leading to poverty reduction.

Oluyombo and Adebayo (2018) examined the impact of POS utilisation on financial inclusion and poverty reduction in Nigeria. A mixed-methods study combining surveys and interviews, with data collected from various regions in Nigeria. The research was conducted over 2017 and 2018. The study found that POS utilisation increased financial inclusion and reduced the risks associated with cash transactions, contributing to poverty reduction, but did not specifically address rural areas like Ife Central. Ishaq et al. (2021) investigated the impact of POS utilisation on agriculture in Nigeria. The study employed a combination of surveys and case studies of small farmers using POS systems. Data was collected in 2020. The study suggested that POS systems have the potential to improve access to credit for small farmers, reduce the cost of inputs, and increase market access for agricultural products, which could positively impact poverty levels in rural areas.

Existing Poverty Reduction Initiatives in Osun State

Osun State has implemented several programs to combat poverty, including:

Osun Youth Empowerment Scheme (OYES): Launched to foster development through aggressive agricultural practices, road construction, rural renewal, community development associations, and provision of electric power transformers. OYES has reduced crime rates, improved employment opportunities, and injected over N4.8 billion into the state economy.

Osun Elementary School Feeding and Health Programme (O-MEALS): Provides nutritious meals to primary school children, addressing malnutrition and improving academic performance.

Osun Agency for Community and Social Development Project (Osun CSDP): Employs a Community Driven Development approach, financing micro-Community Development Plans proposed by local communities to foster grassroots development.

Osun Microcredit Agency (OSMA): Offers financial services, microloans, business training, and mentorship programs to entrepreneurs, particularly women and youth.

Osun Rural Enterprise and Agricultural Programme (OREAP): Aims to establish agriculture as a primary source of raw materials, enhance food security, and generate employment through initiatives like Osun Broilers Out Growers Production Scheme and O-REAP Fish Farm Estates. O-REAP encompasses various agricultural initiatives, including: Osun Broilers Out Growers Production Scheme (O-BOPS); the Beef Chain Development Programme; O-REAP Fish Farm Estates; Osun Fisheries Out-Growers Production Scheme; O-REAP Youth Academy; Agricultural Credit; Farm Service Centres; Provision of storage facilities and seed production; Farm settlement schemes; the O-Broiler initiative has shown positive results due to its integration with the O-meals school feeding program, providing a stable market for poultry farmers. The O-Fish scheme, through public-private partnerships, is expected to produce and process over 800,000 kilograms of catfish annually by more than 4,000 fish farmers in the state.

These initiatives align with the National Economic Empowerment and Development Strategy and the Millennium Development Goals, addressing hunger and poverty alleviation ^{1 2 3}. However, challenges persist, including limited funding, inadequate infrastructure, and institutional constraints hindering poverty reduction efforts.

Additionally, the administration has launched a quick impact intervention program targeting smallholder farmers and micro-credit management for cooperatives. This program has significantly strengthened cooperative groups and increased agricultural activities, with 77 farmers joining cooperatives, over 1,000 hectares of land cultivated, and more than 1,000 jobs created. The success of this program has prompted collaboration with the Central Bank of Nigeria, commercial banks, and agricultural enterprises to further enhance maize, cassava, rice, and vegetable production in the

state. To make agriculture more appealing to youth, the government has introduced a school agriculture program, providing primary and secondary schools with the resources needed for practical training in growing cassava, maize, and cocoyam. Additionally, about ten schools have received support for piggery and poultry production.

Theoretical Review

The study adopts a theoretical framework that integrates elements of financial inclusion, economic development, and social capital theory to guide its investigation into the subject matter of this study. This framework emphasizes the importance of access to financial services, economic empowerment, and social networks in facilitating poverty alleviation efforts. A theoretical framework provides a conceptual lens through which to understand the complex relationship between POS utilisation and poverty reduction. Here, we explore potential theoretical frameworks that can inform the study:

Financial Inclusion Theory

Financial inclusion theory emphasizes the importance of providing access to formal financial services, such as banking, savings, credit, and insurance, to marginalized populations as a means of reducing poverty. This framework suggests that POS utilisation facilitates financial inclusion by expanding access to electronic payment options and enabling individuals and businesses in Ife Central Local Government to participate more fully in the formal financial system. By examining how POS utilisation contributes to greater financial inclusion among low-income populations, researchers can assess its impact on poverty reduction outcomes within the study area.

Social Capital Theory

Social capital theory posits that social networks, relationships, and trust within communities play a critical role in facilitating economic development, resource sharing, and collective action. This framework suggests that POS utilisation can enhance social capital by fostering trust, cooperation, and collaboration among local businesses, consumers, and other stakeholders in Ife Central Local Government. By exploring how POS utilisation strengthens social networks and community resilience, researchers can evaluate its potential to mobilize collective efforts towards poverty reduction and inclusive development.

Technology Adoption Theory

Technology adoption theory examines the factors influencing the adoption, usage, and diffusion of technological innovations within society. This framework suggests that POS utilisation is influenced by various factors, including perceived usefulness, ease of use, compatibility with existing practices, and social influence. By applying technology adoption theory, researchers can analyse the drivers and barriers to POS utilisation in Ife Central Local Government, as well as its implications for poverty reduction efforts and socio-economic development.

Economic Development Theory

Economic development theory explores the processes, policies, and strategies that promote sustainable economic growth, poverty alleviation, and human development. This framework suggests that POS utilisation stimulates economic activity, creates employment opportunities, and enhances productivity within the local economy. By examining how POS utilisation contributes to economic development outcomes, researchers can assess its impact on poverty reduction and inclusive growth in Ife Central Local Government.

Institutional Theory

Institutional theory focuses on the role of formal and informal institutions in shaping behavior, norms, and practices within society. This framework suggests that POS utilisation is influenced by institutional factors such as regulatory policies, market structures, and social norms.

By analyzing the institutional context of POS utilisation in Ife Central Local Government, researchers can identify institutional barriers and enablers to poverty reduction efforts and devise strategies to overcome them.

Structural Transformation Theory

Structural transformation theory examines the process of economic development and structural change within societies, including shifts in employment patterns, sectoral composition, and income distribution. Within the context of POS utilisation and poverty reduction, this theory suggests that technological innovations, such as the widespread adoption of POS systems, can contribute to structural transformation by facilitating the transition from informal to formal economic activities and improving market efficiency. Analysing the implications of POS utilisation for structural transformation and poverty dynamics in Ife Central Local Government can shed light on the broader socio-economic implications of digital financial technologies.

By integrating these theoretical perspectives, the theoretical framework provides a holistic lens through which to analyse the impact government cashless policy on poverty reduction in Ife Central Local Government. Drawing upon insights from financial inclusion theory, technology adoption theory, social capital theory, and structural transformation theory, researchers can develop a nuanced understanding of the complex dynamics at play and inform evidence-based

policy interventions and development strategies aimed at leveraging POS systems for inclusive economic growth. By integrating insights from relevant theoretical perspectives, researchers can develop hypotheses, design research methodologies, and interpret findings that contribute to a deeper understanding of the cashless policy.

Theoretical Framework

Financial Inclusion Theory highlights the crucial role of accessible financial services in driving economic development and alleviating poverty. According to this theory, providing individuals and businesses with access to financial products—such as savings accounts, credit, insurance, and payment services—empowers them economically and helps reduce disparities. Point-of-Sale (POS) systems are a practical embodiment of this theory, offering a means to extend financial services to areas with limited traditional banking infrastructure. In Ife Central Local Government, the deployment of POS systems aligns well with the principles of Financial Inclusion Theory. These systems enable residents and small businesses to engage in cashless transactions, thus integrating them into the formal economy. This integration is significant because it allows individuals to access financial services that were previously unavailable, promoting broader economic participation and reducing financial exclusion.

The POS systems also play a role in enhancing financial literacy and empowerment. Through the use of POS terminals, users become more familiar with electronic payment methods and financial management tools. This increased familiarity can boost financial literacy, helping individuals make informed financial decisions and effectively manage their resources. This empowerment is a core tenet of Financial Inclusion Theory, which emphasizes the importance of financial knowledge in economic development. Furthermore, POS systems facilitate economic growth by supporting small businesses. By enabling these businesses to process transactions electronically, POS systems help them integrate into the formal financial system. This integration can lead to improved business efficiency, access to formal credit, and enhanced financial stability. As businesses grow and contribute to the local economy, they create jobs and increase incomes, contributing to poverty reduction. However, the effectiveness of POS systems in promoting financial inclusion is contingent upon overcoming certain barriers. Challenges such as unreliable power supply, poor internet connectivity, and high costs can impede the benefits of POS systems. Financial Inclusion Theory suggests that addressing these infrastructural and financial barriers is essential for maximizing the impact of POS systems. In Ife Central Local Government, improving infrastructure and ensuring affordable access to POS technology are critical steps toward achieving greater financial inclusion and reducing poverty.

METHODOLOGY

This chapter examines the methodologies employed to gather comprehensive and dependable data regarding the impact of government cashless policy proxied by Point of Sale (POS) utilisation on poverty reduction in Ife Central Local Government, Osun State. It elucidates the research design, delineation of the study area, identification of the study population, employed sampling techniques and size, evaluation of research instrument reliability, and elucidation of data analysis methods. The study focuses on assessing the correlation between POS usage and poverty alleviation efforts within the specified region. To ensure the realization of the study's objectives and purpose, the following methodological approaches were executed.

Study Area

The study area for the research is confined to Ife Central Local Government, Osun State, Nigeria. Specifically, the focus is on residents who actively utilize POS systems within the region. To facilitate data collection, residents of Ife Central were targeted, and questionnaires were distributed via Google Forms. This method was chosen for its convenience, accessibility, and ability to gather quality information. A total of 50 respondents were purposively selected to ensure representation from diverse socio-economic backgrounds and geographical locations within Ife Central. Through descriptive statistical tools, the research aims to provide a comprehensive overview of POS utilisation patterns, financial behaviors, and perceptions of poverty among residents in Ife Central. By integrating findings from both primary and secondary sources, the research aims to offer a comprehensive analysis on the subject matter.

Research Design

The research adopts a descriptive survey method to investigate the impact of cashless policy captured by POS utilisation on poverty reduction. Surveys encompass diverse forms, yet the research relies on both primary source of data. In employing the descriptive survey method, the research aims to systematically gather data regarding the utilisation of POS systems and its potential effects on poverty levels within the specified locality. By collecting data from primary sources (through questionnaires and interviews) the research endeavors to provide a comprehensive understanding of the relationship between POS usage and poverty reduction in Ife Central Local Government. This research design enables the exploration of various dimensions of POS utilisation, including adoption rates, usage patterns, and socio-economic impacts, within the context of poverty reduction efforts. By leveraging surveys and data analysis, the research aims to generate insights into the effectiveness of POS systems as a tool for alleviating poverty in the studied area. Furthermore, the descriptive survey method allows for the identification of trends, correlations, and potential causal relationships between POS utilisation and poverty reduction, contributing to evidence-based policy recommendations and interventions.

Source of Data

The research employs primary data, which is conducted through the administration of structured questionnaires. The questionnaire is meticulously designed and structured to address the main problem of the study, focusing on the relationship between POS utilisation and poverty reduction. These structured questionnaires aim to gather comprehensive insights into the factors influencing POS utilisation and its impact on poverty reduction in the study area.

Data Analysis

The analysis of data collected for the study is a crucial step towards uncovering insights and drawing meaningful conclusions. This section outlines the methodologies and techniques employed to analyse primary data source, providing a systematic approach to understanding the relationship between POS usage and poverty alleviation efforts. In this research both descriptive and inferential statistics techniques are employed for the analysis. Descriptive statistics, including frequency distributions and simple percentages, are utilised to analyse the research objectives and provide insights into POS utilisation patterns and poverty reduction outcomes. The data collected for this research are close-ended in nature, serving as a means to an end – the understanding of various situations with the aim of making valuable recommendations and contributions to poverty reduction efforts. Therefore, it is imperative to analyse the data meticulously to derive meaningful interpretations and results. Inferential statistics employed is logistic regression, which allowed the dependent variable (poverty reduction) to be represented in binary numbers (0 and 1). An updated international poverty line of \$2.15 is adopted. This means that any respondent living on less than \$2.15 a day is considered to be living in poverty. Hence the model employed is as follows

$$\text{Logit}(p) = \text{Log}\left(\frac{p}{1-p}\right) = \beta_0 + \beta_1 * X_1 + \dots + \beta_k * X_k$$

DATA PRESENTATION AND FINDINGS

This section presents and analyses the data collected from the respondents, guided by the research questions. The data is described and presented in tabular forms to facilitate easy understanding. A total of 50 questionnaires were distributed to the respondents, and all were returned, yielding a 100% response rate. The data was analysed descriptively, with each research question addressed separately. The findings are presented below:

Table 1 Socio-Demographic Variables

Variables	Items	Frequency	Percentage
Sex	Male	27	54.0
	Female	23	46.0
Total:		50	100%
Age	Below 30 years	35	70.0
	31-40 years	15	30.0
Total:		50	100%
Marital Status	Single	23	46.0
	Married	15	30.0
	Divorced	6	12.0
	Widowed	6	12.0
Total:		50	100%
Kind of Business	Self-Employ	31	62.0
	Joint Business	3	6.0
	Others	16	32.0
Total:		50	100%
Educational background	WAEC/SSCE/GCE	28	56.0
	OND/NCE	9	18.0
	B.Sc/HND	12	24.0
	MPA/M.Sc	1	2.0
Total:		50	100%
Forms of Trade	Wholesale Trade	29	58.0
	Retail Trade	21	42.0
Total:		50	100%

Source: Field Report (2024)

The survey data provides a detailed view of the demographic and business-related characteristics of the respondents. In terms of gender distribution, the sample comprises 54% males and 46% females, indicating a relatively balanced representation, though slightly skewed towards males. The age distribution shows a clear trend towards youth, with 70% of respondents being under 30 years old and 30% falling into the 31-40 age range. Regarding marital status, nearly half of

the respondents (46%) are single. The remainder is split between married individuals (30%), and those who are divorced or widowed, each constituting 12% of the sample. The majority of respondents are self-employed, accounting for 62% of the sample. In contrast, only 6% are involved in joint businesses, and 32% engage in other types of business ventures. Educationally, most respondents have completed their secondary education (WAEC/SSCE/GCE), representing 56% of the sample. A smaller portion holds qualifications such as OND/NCE (18%), B.Sc./HND (24%), and only 2% have advanced degrees like MPA/M.Sc. When it comes to trade practices, 58% of respondents are involved in wholesale trade, while 42% are engaged in retail trade.

The sample is characterized by a youthful demographic, a strong inclination towards self-employment, and a predominant focus on wholesale trade. Educational qualifications vary, with a majority holding secondary school certificates, and the marital status distribution indicates a higher number of single individuals.

Table 2 Ascertain Availability and Accessibility of Point of Sale Terminal within Ife Central Local Government, Osun State

Assertions	SA		A		NS		D		SD		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
POS services are used often	30	60.0	17	34.0	1	2.0	2	4.0	-	-	50	100
There are establishments (shops, businesses, etc) in Ife Central Local Government that offer POS services.	31	62.0	15	30.0	2	4.0	2	4.0	-	-	50	100
POS terminal is near residents.	19	38.0	21	42.0	6	12.0	12	8.0	-	-	50	100
There are enough POS terminals in Ife Central Local Government to meet the demand.	20	40.0	21	42.0	6	12.0	1	2.0	2	4.0	50	100
Accessing a POS terminal is straightforward and efficient when needed.	15	30.0	25	50.0	8	16.0	-	-	2	4.0	50	100
Several factors influence my ability to access POS terminals efficiently.	20	40.0	18	36.0	6	12.0	3	6.0	3	6.0	50	100

Source: Field Survey; 2024

The survey results provide an insightful look into respondents' experiences and perceptions of Point of Sale (POS) services in Ife Central Local Government. Respondents generally view POS services as frequently used, with a majority—60%—strongly agreeing on their regular use. Another 34% also agree that these services are commonly used, while only 6% disagree to some extent. This indicates a broad consensus on the prevalent use of POS services.

When it comes to the availability of POS services, 62% of respondents strongly agree that there are numerous establishments, such as shops and businesses, offering these services in Ife Central Local Government. An additional 30% agree with this statement, and only 8% express disagreement. This reflects a strong perception of widespread POS service availability in the area.

The proximity of POS terminals to residents presents a more mixed picture. While 38% of respondents strongly agree that POS terminals are conveniently located, 42% agree, and 12% are neutral. This suggests that many find POS terminals relatively accessible, but a significant number either feel differently or are unsure.

Regarding the sufficiency of POS terminals to meet demand, opinions are divided. While 40% of respondents strongly agree that there are enough terminals, and 42% agree, 12% remain neutral, and 6% disagree. This indicates a general belief in the adequacy of POS terminals, although some respondents have concerns about whether there are enough terminals to meet the demand. In terms of accessing POS terminals, half of the respondents find the process straightforward and efficient. Specifically, 30% strongly agree and 50% agree that accessing a POS terminal is easy. However, 16% are neutral and 4% disagree, suggesting that while many find the process efficient, there is still room for improvement. Finally, the survey highlights that a significant portion of respondents—40%—strongly agree that various factors affect their ability to access POS terminals efficiently, with 36% agreeing. Meanwhile, 12% are neutral and 12% disagree. This indicates that while many recognize the influence of certain factors on POS terminal access, opinions on their impact vary.

The survey reveals a generally positive outlook on POS services in Ife Central Local Government. While there is strong agreement on the frequent use and availability of POS services, there are mixed opinions on the proximity of terminals, their adequacy to meet demand, and the efficiency of access. These insights suggest areas where further improvements could enhance the overall POS service experience.

The survey results reveal how respondents perceive the impact of Point of Sale (POS) systems on different aspects of life in Ife Central Local Government. Respondents largely believe that POS systems have significantly improved economic activities in the area. A strong majority, 42%, strongly agree that these systems have boosted economic activities, with an additional 54% agreeing with this assessment. Only a small fraction, 4%, disagree with this view, indicating widespread support for the idea that POS systems have positively influenced the local economy.

In terms of employment, the perception is equally positive. Nearly half of the respondents, 48%, strongly agree that POS systems have led to an increase in job opportunities in the community. Another 52% agree with this statement, suggesting a broad consensus that POS systems are a significant contributor to local employment growth. Notably, no respondents disagree with this view, underscoring the strong belief in the positive employment impact of POS systems.

Table 3 Assess the extent to which the Point of Sale System contributes to Poverty Reduction in Ife Central Local Government, Osun State

Assertions	SA		A		NS		D		SD		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
POS systems have significantly enhanced economic activities in Ife Central Local Government.	21	42.0	27	54.0	1	2.0	1	2.0	-	-	50	100
POS systems have contributed positively to the increase in employment opportunities in my community.	24	48.0	26	52.0	-	-	-	-	-	-	50	100
POS systems have contributed to poverty reduction in Ife Central Local Government as reflected in daily net profit.	17	34.0	23	46.0	7	14.0	1	2.0	2	4.0	50	100

Source: Field Survey (2024)

However, the effect of POS systems on poverty reduction is viewed more critically. While 34% of respondents strongly agree that POS systems have helped reduce poverty, and 46% agree, there is a more varied response regarding their effectiveness in this area. About 14% of respondents are neutral on the issue, and 6% disagree, with 4% strongly disagreeing. Also, estimated result reveals that there is a significant positive relationship between the adoption of POS and poverty reduction in the study area. This indicates that POS system contributes to poverty reduction and have positive impact on economic activities and employment. The survey highlights that POS systems are generally beneficial for boosting economic activities and creating jobs in Ife Central Local Government.

Table 4 Identify Challenges Associated with the adoption of Point of Sale System in Poverty Reduction in Ife Central Local Government, Osun State

Assertions	SA		A		NS		D		SD		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Unstable power supply poses a challenge to the adoption of point-of-sale system in Ife Central Local Government area.	22	44.0	23	46.0	3	6.0	1	2.0	1	2.0	50	100
Limited internet connectivity poses a challenge to the adoption of point-of-sale system in Ife Central Local Government area.	20	40.0	21	42.0	6	12.0	3	6.0	-	-	50	100
The cost of acquiring and maintaining POS systems poses a challenge to the adoption of point-of-sale system in Ife Central Local Government area.	12	24.0	25	50.0	8	16.0	2	4.0	3	6.0	50	100
Lack of trust in digital payment systems poses a challenge to the adoption of point-of-sale system in Ife Central Local Government area.	16	32.0	19	38.0	8	16.0	4	8.0	3	6.0	50	100
Lack of training and technical support poses a challenge to the adoption of point-of-sale system in Ife Central Local Government area.	8	16.0	22	44.0	11	22.0	7	14.0	2	4.0	50	100

Source: Field Survey (2024)

The survey highlights several key challenges impacting the adoption of Point-of-Sale (POS) systems in Ife Central Local Government area. Unstable power supply is seen as a major obstacle, with 44% of respondents strongly agreeing and 46% agreeing that it hinders the use of POS systems. Only 6% are neutral, and a small minority—4%—disagree. This indicates a strong consensus that frequent power outages are a significant barrier to effective POS system operation.

Limited internet connectivity is also identified as a challenge. Forty percent of respondents strongly agree and 42% agree that poor internet access affects POS system adoption. Twelve percent are neutral on this issue, and 6%

disagree. This reflects a clear concern that inadequate internet connectivity impedes the functionality and reliability of POS systems.

The cost of acquiring and maintaining POS systems is another noted difficulty. While 24% of respondents strongly agree and 50% agree that these costs are a barrier, 16% are neutral, and 10% disagree. This suggests that while many recognize the financial burden associated with POS systems, there is some variation in how significant this issue is perceived.

Lack of trust in digital payment systems is also a challenge, according to 32% of respondents who strongly agree and 38% who agree. Meanwhile, 16% are neutral, and 14% disagree. This indicates that trust issues with digital payments are a notable concern, affecting the willingness of some individuals to adopt POS systems.

The lack of training and technical support is viewed as a challenge by 16% of respondents who strongly agree and 44% who agree. Twenty-two percent are neutral, and 18% disagree. This highlights that inadequate training and support are considered obstacles by a significant portion of the respondents, although opinions on its impact vary.

Unstable power supply and limited internet connectivity are seen as the most significant barriers to POS system adoption in Ife Central Local Government area. Cost, trust issues, and lack of training and technical support are also identified as challenges, though they are perceived with varying degrees of concern.

Discussion of Findings

The findings reveal a generally positive view of POS systems' impact on the local economy and employment. A significant majority of respondents believe that POS systems have enhanced economic activities and contributed to increased job opportunities in the community. Specifically, 60% strongly agree and 34% agree that POS systems are frequently used, and similar sentiments are expressed regarding their role in boosting economic activities and employment. This consensus underscores the recognition of POS systems as a vital tool for economic growth and job creation.

However, opinions on the contribution of POS systems to poverty reduction are more mixed. While 34% strongly agree and 46% agree that POS systems have helped reduce poverty, a notable portion of respondents remain neutral or skeptical. This variance suggests that while POS systems are viewed as beneficial for economic and employment purposes, their direct impact on alleviating poverty is less clear or less pronounced in the eyes of the community.

The survey results indicate that unstable power supply is a significant barrier to the effective use of POS systems. With 44% strongly agreeing and 46% agreeing that power issues pose a challenge, it is clear that frequent power outages severely impact the reliability and functionality of POS systems. This finding highlights the need for improved infrastructure to support POS technology. Internet access is another major challenge. Forty percent of respondents strongly agree and 42% agree that limited internet connectivity affects the adoption of POS systems. Poor internet service can hinder transaction processing and overall system performance, underscoring the need for better digital connectivity in the area.

CONCLUSION AND RECOMMENDATION

Conclusion

The study examines the impact of government cashless policy on poverty reduction in Ife Central Local Government, Osun State. Specifically, the study ascertains the availability and accessibility of Point of Sale Terminal within Ife Central Local Government, Osun State, assesses the extent to which Point of Sale (POS) system contributes to poverty reduction among the operators and identifies challenges associated with the adoption of POS system in poverty alleviation in Ife Central Local Government, Osun State.

The study utilises primary source of data. Primarily the study made use of a questionnaire to gather relevant information for this study. The sample size used for this study is fifty (50). The survey results provide a detailed picture of the current landscape of Point of Sale (POS) systems in Ife Central Local Government area. The data reveals a generally positive perception of POS systems, with a significant majority of respondents acknowledging their benefits in enhancing economic activities and increasing employment opportunities. In line with apriori expectation, there is a signification positive relationship between POS utilisation and poverty reduction in the study area. The major challenges to the adoption of POS systems in the study area are unstable power supply and limited internet connectivity. Specifically, unstable power supply and internet connectivity are seen as the most critical barriers, significantly affecting the reliability and usability of POS systems.

Recommendations

Based on the findings of this study, the following are the recommendations

- i. Enhance the reliability of power supply and expand internet connectivity to ensure that POS systems can operate efficiently. Investment in infrastructure upgrades is essential to support the stable functioning of POS technology.
- ii. Explore options for reducing the financial burden of acquiring and maintaining POS systems. This could include subsidies, grants, or low-interest loans to make POS systems more affordable for small businesses and individuals.
- iii. Implement measures to increase trust in digital payment systems. This can involve public awareness campaigns to educate users about the security and reliability of digital payments, as well as ensuring robust security measures are in place.

- iv. Provide comprehensive training and technical support for users of POS systems. Developing accessible training programs and offering ongoing technical assistance can help users overcome operational challenges and improve their confidence in using POS systems.
- v. Continuously monitor the adoption and impact of POS systems, and evaluate the effectiveness of implemented measures. This will help identify emerging challenges and opportunities, ensuring that interventions are responsive to the needs of the community.

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