



## **SOCIOLOGICAL IMPLICATIONS OF CASHLESS POLICY ON WOMEN ENTREPRENEURS IN NIGERIA**

**Omoyibo Kingsley Ufuoma<sup>†</sup>**

*Department of Sociology & Anthropology, University Of Benin, Benin-City, Edo State, Nigeria*

**Iduemre Ochuko**

*Department of Sociology & Anthropology, University Of Benin, Benin-City, Edo State, Nigeria*

### **ABSTRACT**

*This paper attempts a holistic sociological perspective in understanding of the Central Bank of Nigeria's "cashless policy" on women entrepreneurs in Nigeria. It draws on secondary information documented in texts, and stakeholders' views, among other published scholarly materials on the subject matter.*

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### **1. INTRODUCTION**

According to Central Bank Governor, Mallam Sanusi Lamido, "women invaluable role in creating wealth and the low risks associated with lending to women compared to men has provoked the banking sector under his leadership to embark on a number of measures to empower more women entrepreneurs in Nigeria. Adding that though women are more in population in Nigeria, they are the most poor" (Agabi, 2012a).

The above position clearly underscores the role and position of women in the socio-cultural, political cum economic development of any society, and by extension countries, the world over. Yet, the status of women have been greatly impaired by what in this authors opinion is best captioned by the concept of "gender gap". And gender gap here simply refers to any statistical gap between the measured characteristics of men and women in areas such as educational attainment, wage rates, or labour force participation (Todaro and Smith, 2009). Thus, the paper therefore takes the position that the status, and role of women in the world today, especially in the developing world where Nigeria is classified; is to be a large extent hinged on the gender gap imbalance. As such any attempt at understanding the sociological implication of any

<sup>†</sup> Corresponding author

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development policy in relation to women, just like the cashless policy of the CBN; should consider the above its fundamental imperative. (Oshodi and Imasuen, 2009) lends credence to the above when they noted thus “ the social structures which affect the rural women that may have to change include market structure, credit-structure, land-holding structure, information structure, transportation structure and external resources system...”

Consequently the above premise constituted the bedrock upon which the subject matter of this paper is built. However, before proceeding any further, the author deemed it necessary to clarify some key concepts that are important to our understanding of this essay in the following paragraphs.

## **2. CLARIFICATION OF SOME CONCEPTS**

### **2.1. What is cashless policy?**

According to (Agabi, 2012b), “ the cash-less policy is the migration from cash based economy to electronic payment channels... the cash-less policy does not also prohibit withdrawals/ lodgments, daily limits are pegged at #150,000 and #1 million for individuals and corporate organization respectively. The limits apply to the account so as it involves cash, irrespective of channel (e.g over the counter, ATM, 3<sup>rd</sup> party cheques and cashed over the counter, #150,000 from ATM on the same day, the total amount withdrawn by the customer is #200,000, and the service charge will apply on #50,000- the amount above the daily free limit)... penalty fee of #100 per thousand and #200 per thousand will be charged for individual and corporate organization respectively that transacts business above the limit... and that the pilot scheme started in Lagos January 1, 2012....,

### **2.2. Entrepreneur Defined**

Scott and Marshall (2005) pointed out that “there are at least four distinct meanings given to this term, which overlap in part. At a basic level, an entrepreneur is a person who owns and runs a business-not necessarily a new, small, growing, or successful business. Economist defined the entrepreneur as a person who risk capital and other resources in the hope off substantial financial gain or as someone who specialized in taking judgmental decisions about the use and co-ordination of scare resources. The emphasis is on calculated risk-taking. Sociologists define the entrepreneur as a creative innovator in the business sphere, in contrast to the conventional business-owner, capitalist, or professional manager, who conforms more often to established procedures and objectives... and finally, the term is sometimes used more loosely to refer to the owner or creator of a new, small, growing, and successful business, or even to any person who sets a small business, or changes from an employed job to being self employed, even though neither need involve any significant degree of innovation or capital investment...” Giddens (2009), also shares one or two of the above position. Hence, this author is inclined to applying the term entrepreneur in this paper, in its all-embracing sense.

Women entrepreneur in Nigeria to this author therefore connotes all women who own and runs a business (es), risking capital and other resources; as well as creative innovators in the business sphere, who are self employed, and also employers to some extent (emphasis mine). And it is on the above conceptual meaning off CBN cash-less policy and women entrepreneur in

Nigeria that this essay attempts an understanding of its sociological implication holistically. The following paragraphs focuses on doing some justice to the above position.

### **2.3. Implications (Sociological) of the CBN Cashless Policy on Women Entrepreneurs in Nigeria**

Sociologically, it should be pointed out that the CBN cash-policy would have far-reaching implication on women entrepreneurs in Nigeria; and by extension the women folk in general. As noted earlier on, women's socio-cultural, political cum economic status and roles in human societies have been adversely affected by gender and gender related issues, most specially in the so called developing countries. In the words of [Macionis \(2007\)](#), "gender refers to the personal traits and social position that members of a society attach to being female or male... More important, gender also involves hierarchy, ranking men and women differently in terms of power, wealth, and other resources. This is why sociologists speak of gender stratification, the unequal distribution of wealth, power, and privilege between men and women. Gender in short, affects the opportunities and constraints we face through our lives..." ([Thirlwall, 2006; Todaro and Smith, 2009](#)), also affirmed the above position.

Thus, Nigerian women, and hence women entrepreneurs in Nigeria are faced with the same predicament. Corroborating the above, ([Agabi, 2012a](#)) credited to the CBN governor Mallam Sanusi Lamido as noting that the role of women in creating wealth is invaluable...; and that though women are more in population in Nigeria, they are the most poor. Recognizing the disadvantaged position of women further, it was said the CBN helmsman announced some of the measures aimed at empowering women in the banking sector to include; between now and 2014, 40 percent of the top management positions in banking should be held by women and at least 30 percent of banks' board members should be women.

In line with the above position, Sanusi had earlier on in 2011 declared that about 70% of Nigerians are very poor, and are currently living below poverty line. And that majority of the poor people resides in rural areas and cut across youth, women and elderly people. It is estimated that 12 million out of the 150 million Nigerians are unemployed, youth and women form the chunk of these figures and majority of them lack access to credit facility... He said the greatest challenge is to address the constraints that exclude people from full participation in financial sector... The financially excluded people in Nigeria are 46.3 percent of the population and there is low level of bank penetration in the country.... The challenge of financial exclusion in Nigeria implies that the target people are sparsely located with poor infrastructure. They lack awareness, have low income, are socially excluded and distant from bank branches... Empowering these segments of population is a sine qua non to enhancing economic growth and development. He said there is increasing need to device more appropriate mechanism to deliver services to the disadvantaged and low income earners, who are made up of farmers, women, unemployed school leavers, socially excluded people and the aged population... Starting further that figures from the National Bureau of Statistics (NBS) put the number of unemployed women in the urban areas at 22 per cent and those in the rural areas at 24 per cent". This means that 46 percent of the women are unemployed in Nigeria, and with the current trend the number might have increased (emphasis mine).

It should be emphasized that the above scenario represents a picture of the Nigeria socio-cultural, political cum economic environment, and the plight of women generally. Moreover, in these authors' opinion, the condition of women entrepreneurs in Nigeria is not much different from the disadvantages position of the women folk in general; and considering the fact also that they are part and parcel of the above painted picture. This brings us again to our earlier position that the disadvantaged position of women, hence women entrepreneurs in Nigeria or elsewhere in the world, to a large extent is socially determined. In other words, society has predetermined a disadvantaged position for women in favour of the men abinitio. This is due especially to the widespread practice of patriarchy – a form of social organization in which males dominate (Macionis, 2007). And this has in turn created what we have earlier on described as “gender gap”.

The point is, like the women folk in general, women entrepreneurs in Nigeria lacks or is disadvantaged in terms of the fundamental basics required for entrepreneurship. For example, majority of them are illiterate (i.e. lack adequate education), they lack adequate access to power (i.e. decision making), they are discriminated against occupationally (i.e.) in most jobs), etc. compared to their men counterpart .Nwoye in Okafor (2011) affirmed the above thus “... In order for a woman to be empowered, she needs access to the material, human, and social resources necessary to make strategic choices in her life. The concept of bringing gender issues into the mainstream of society was clearly established as a global strategy for promoting women's visibility. The Platform for Action was adopted at the United Nations Fourth World Conference on Women, held in Beijing in 1995... In Nigeria women have historically been disadvantaged in accessing not only material resources like property and credit, but also have been deprived of resources like education, market information and modern technology. All of these factors have negative implications for the type of enterprises that women are engaged in..., Nigeria women who engage in micro and small enterprises started their business to overcome gender discrimination and economic disadvantages including the challenges of poverty and its consequences...”

On a general note, while critically evaluating the CBN activities over the years, Irogboli (2012) observed that the steps taken by the CBN in recent past especially from the regime of Professor Chukwumav Soludo up to this era of Mallam Sanusi Lamido with the cash-less policy being the most recent steps is borne out of the desire to follow global trend, control the cost of minting currency, reduce the risk associated with handling and carrying cash, check the scourge of money laundry and most importantly, aid speedy transaction and efficient resource mobilization for production, economic growth and development. The overall objective is for efficiency, safety and reliability... Pointing out further that despite this revolution in e-business, the Nigeria economy remains largely a cash and carry affair due to low level of literacy especially financial literacy, technical inadequacy, low level of trust on financial instrument, on-line payment fraud, system unreliability, absence of credit facility and poor credit administration due to the absence of credit bureau. There is also the problem of adverse socio-political environment, dualistic nature of Nigerian economy and the legal and institutional weakness in monitoring credit administration. Noting also that, added to these is the fact that Nigeria is grossly under banked. Over 60% have neither access to banking facilities nor financial and economic institutions. Thus achieving cashless economy will be much more than pegging the deposit and withdrawal limits as CBN has done, fixing ₦150,000 for individual and ₦1,000,000 for corporate bodies. It must involve developing

internal structures and the use of cash substitutes that will make cash transactions unattractive. Putting a ceiling on deposit and withdrawal with the intention of encouraging cashless transaction is equivalent to attacking the effect rather than the cause... So, attempt to achieve cashless economy by putting a withdrawal and deposit ceiling without necessarily strengthening the entrenched distortions in the system will amount to an exercise in futility. Genuine economic progress is not achieved by fiat or propagation but by planning and developing systems, structures and institutions that will support productive activities. Essentially it requires a holistic developmental approach. Often times, a marked difference exists between actual and expected result of a programme when the critical success variables are not factored in to the design process...”

Towing the above line of thought, [Aginam \(2011\)](#) also observed that “although the cashless society initiative of the apex bank, the Central Bank of Nigeria appears to be gaining the attention of the industry, stakeholders have said that unless many challenges including infrastructure, right policies, more Point of Services (PoS) terminals deployed, more awareness and education created around the policy, among others were surmounted, the policy said to be tickling Nigerians may be derailed...” In view of all the above plethora of challenges emanating from the CBN cashless policy, which in this author’s opinion are practically a representation of its sociological implication on the entire Nigeria human population and or society. And hence on the women folk vis-à-vis women entrepreneurs who are at a more disadvantaged position due largely to their vulnerability to all of the already highlighted socio-cultural, political cum economic predicament and more in human society (i.e. gender disparity). This calls for a more holistic, germane commitment and proactive approach on the part of government and all and sundry towards addressing the lacuna in the cashless policy, and other gender related obstacles to women empowerment.

#### **2.4. Highlights of Some Challenges of Women Entrepreneurs in Nigeria**

From the foregoing analysis also, and in more specific terms, you will agree with me that women entrepreneurs in Nigeria are fundamentally disadvantaged as a result of certain limitations imposed on them by nature and culture (i.e. gender-related obstacles). Below are highlights of some problems of women entrepreneurs in Nigeria, as outlined by [Nwoye in Okafor \(2011\)](#).

- Cultural inhibition
- Discrimination in the money market place
- Lack of collateral
- Family responsibilities
- Lack of freedom and independence
- Limited mobility
- Stiff competition from men
- Lack of dynamism in sourcing raw materials
- Lack of technology and innovation
- Lack of confidence in taking risk, and
- Limited capacity for expansion

(Agabi, 2012b) pointed out that a critical assessment of the programme carried out by the Daily Trust team revealed a number of challenges. In his/her words, “our correspondent went assessing the take-off of the policy and discovered that the pace of the policy growth is troubling... Many Lagosians spoken to by our correspondent claimed ignorance on how to use PoS even though some said they had heard about the cash-lite policy. The question some Lagosians are asking is where are the cash-lite PoS machines? To Lagosians, it is bad enough that awareness is not sufficient and the machines are few... It further credited to the CBN spokesman, Mohammed M. Abdullahi acknowledging that more campaigns need be done... And thus agreed to the fact that the test-run is fraught with challenges but they being tackled by all stakeholders. Stating also that our biggest challenge has been (poor) infrastructure but we (they) are working hard to address...”

Consequently, it is this author’s opinion that the sociological implication of the cash-less policy of the CBN on women entrepreneurs in Nigeria entails all of the above. But more specifically, I think it is another platform to further widen the socio, cultural, political, cum economic gender disparity, and hence the inequality gap between men and women vis-à-vis men and women entrepreneurs in Nigeria. Thus, it should be emphasized that the author’s position above is borne out of his conviction that “whatever the status and roles (responsibilities) the women folk and hence women entrepreneurs in human societies have assumed today has its foundation on gender socialization”. And until this fundamental imbalance is consciously addressed by society, women in all their endeavours, including their entrepreneurial capacity would continually be limited; and as well disadvantaged of most socio-cultural, political, and economic changes across societies. This brings us to the need for imbibing the tenet and or central idea of the concept of “gender mainstreaming”.

According to Nwoye in Okafor (2011), “The United Nations’ Economic and Social Council (ECOSOC, 1997/2), defined the concept of gender mainstreaming as the process of assign the implications for women and men of any planned action, including legislation, policies or programmes in any area and at all levels. It is a strategy for making the concerns and experience of both women and men an integral part of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres, so that women and men can benefit equally, and inequality is not perpetuated. The ultimate goal of mainstreaming is to achieve gender equality” and I’m sure the CBN, and by extension the Nigerian policy did not give this concept of gender mainstreaming its deserved pride of place in her formulation and implementation of the cashless policy. As such, sociologically, it is no gainsaying that the cash-less policy would expose women generally vis-à-vis women entrepreneurs to further socio-economic exclusion, exploitation, defraudment, deprivation, stiff competition, among other unfavourable entrepreneurial externalities. Hence in a nutshell, as it stands now, by implication, the disadvantage of the cashless policy on women entrepreneurs in Nigeria, outweigh its advantage (emphasis mine).

## 2.5. Theoretical Explanation

It should be noted that the authors stance on the implication of the cash-less policy of the CBN on women entrepreneurs in Nigeria sociologically above is anchored on the gender theoretical lens of the ‘social conflict theory’. Although the author is also aware of other gender theories, like the “structural-functional analysis (theory)” which also offers explanation or could be employed in

explaining the subject matter of this paper. I'm inclined to believe that the CBN's assumption of the cash-less policy tilted towards this school of thought. According to Giddens (2009), "functionalist and functionalist-inspired perspectives on gender seeking to show that gender differences contribute to social stability and integration... And that this complementary division of labour, springing from a biological distinction between the sexes would ensure the solidarity of the family..." Thus by extension the state, as the CBN would have us believe of the cash-less policy. However, the socio-conflict paradigm is our adopted analytical framework in this paper; which we shall dwell much on in the following paragraphs (emphasis mine).

**Social Conflict Analysis:** Macionis (2007) noted that "from a social-conflict point of view, gender involved difference not just in behaviour but in power as well... And those conventional ideas about gender do not make society operate smoothly; they create division and tension, with men seeking to protect their privilege as women challenge the status quo." Similarly, Schaefer (2002) corroborated the above position thus "consequently, according to feminists and conflict theorists, any division of labour by gender into instrumental and expressive tasks is far from neutral in its impact on women. Conflict theorists therefore see gender difference as a reflection of the subjugation of one group (women) by another group (men). If we use an analogy to Marx's analysis of class conflict, we can say that males are like the bourgeoisie, or capitalists; they control most of society's wealth, prestige and power. Females are like the proletarians, or workers; they can acquire valuable resources only by following the dictates of their "bosses".

Sociologically, it is in the light of the above analysis that this paper takes the position that the cash-less policy of the CBN on the overall will adversely affect women entrepreneurs in Nigeria than their men counterpart. Even if the CBN meant well for the entire Nigeria human population, the women inclusive as it claims; the unequal societal traditional structural foundation that is largely left unaddressed means that women entrepreneurs are yet more subordinated to men (men entrepreneurs). The fact also that no woman has ever occupied the governorship position of the Nigerian apex bank (the CBN) nor any top executive position; is a precursor to further assessing the level of the Nigerian society's preparedness in considering the interest of the women folk in issues of this nature (emphasis mine).

### 3. CONCLUSION

The paper therefore concludes with a call and advocacy for gender mainstreaming to be given the needed attention by the Nigerian polity, and by extension African and other developing societies in its all-encompassing sense; in policies like the cash-less policy among others. As this has proven to be the surest way of ensuring that the socio-cultural, political and economic benefits of growth and development are equitably and evenly distributed in a society. Affirming the above position, Nwoye in Okafor (2011) cited (Annan, 2003) thus "... Study after study has shown that there is no effective development strategy in which women do not play a central role. When women are fully involved, the benefits can be seen immediately: families are healthier and better fed; their income, savings and reinvestments go up. And what is true of families is also true of communities and, in the long run of whole countries. It is on this note that this essay is concluded.

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