



AN ANALYSIS OF CLASS IMPLICATIONS OF THE IMPACT OF CORRUPTION ON CASHLESS POLICY IMPLEMENTATION IN NIGERIA

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Abstract

The paper studies the effect of corruption on the implementation of cashless policy in Nigeria using the Marxist Class Theory as framework of analysis. On the basis of that analysis, the paper identified five dominant groups in the realm of cashless policy controversy. These groups are: the politicians who contest for election and seek to control the machinery government, the government itself, represented by the CBN. The peasant farmers consisting local farmers and the vulnerable poor, the middle class consisting of academicians', professional groups, civil servant and managers of industries and other private organizations and finally the petty traders consisting of shop owners, market women, and self-employed like taxi drivers etc. The paper has two major objectives. Firstly, to examine the extent at which group differences and interests among Nigerians affect the successful implementation of cashless policy. Secondly, to examine the effect of corruption on cashless policy in Nigeria. Data was also obtained through documentation method. Here, library materials, journal publications, internet material, and official documents obtain from online publications were used to substantiate our argument.

Keywords: Corruption, Cashless, Money, CBN

Introduction

There is widespread view that corruption manifest in Nigeria (Joseph, 2012, Yusuf, 2001, Rotimi, 2015, Obasanjo, 2003 and El-rufai, 2014) It is an endemic feature of Nigerian Society (Beesak, K. 2013) which affected both the social, economic and political system (Salahu, 2015) Since the return of Nigeria to democratic government in May, 1999, economic development policies and programmes were adopted to transform the country in to self-reliant, and dependent economy. Among these policies are plethora of monetary regulations aimed at regulating and restructuring the financial sector particularly the flow of currency, at both vertical and horizontal levels. For instance the on-line banking which eventually transformed in to Cashless Policy was meant to strengthen the county's economy by controlling peoples' expenditure which will further reduce corruption and other financial irregularities especially in the public service. From 2015 to date, Nigeria's economy has become even worst compared to early years of democratic transition. Today, the level of inflation has increased to 100 percent, unemployment, hunger, starvation, insecurity, and persistent upsurge in our currency devaluation. The rich among the population becomes richer and the poor get poorer. This has resulted to an unprecedented level of corruption in the country. The most affected are the civil service and the electoral system which produces the political leadership. The cashless policy therefore was adopted as control mechanism that will reduce corruption and redress the myriad of problems affecting economic development of the country. Despite its well-articulated policy content, the question remain how well is the policy prepared to confront the menace of corruption on one hand and the growing conflicts and disagreement between social classes and groups that characterizes the Nigerian society today- i.e. the Bourgeoisie, the proletariat, the middle class, and the lumpen prolitatriat etc . In view of the above, the paper has two main objectives. Firstly, it seek to examine the

extent at which the cashless policy will reduce corruption in Nigeria and secondly, to examine the effect of class formation and antagonism on effective implementation of cashless policy's drive towards reducing corruption in Nigeria. The paper also adopts the Marxist- class theory as its framework of analysis.

On the basis of the introduction above, the paper is divided in to six parts which include the conceptual definitions, review of literature, theoretical analysis, significance of the theory to the study and finally summary and conclusion.

Conceptual Definitions

The paper here will examine both the conceptual and operational definitions of key terms used. These include corruption, policy and cashless policy etc.

Corruption

The word "corruption" comes from the latin word "corruptus""", which means „to break“. Conceptually, corruption is view as a form of behavior that departs from ethics, morality, tradition, law, and civic virtue (United Nation, Drugs and Crime, 2005). It includes both monetary and non-monetary benefits. It is seen as a cancer that eats the social, political and economic fabrics of development and requires the involvement of every citizen to combat it. Afolabi, (2017) in his broad view of corruption defined it as the unlawful use of official power or influence by an official of the government either to enrich himself or further his course and/or any other person at the expense of the public

El-Rufa'i (2003) made corruption to cover "a wide range of social misconducts, including fraud, extortion, embezzlement, bribery, nepotism, influence peddling, bestowing of favours to friends, rigging of elections, abuse of public property, the leaking of official government secret, safes of expired and defective goods like drugs, food, electronics and spare parts to the public, etc. " Obasanjo (2004) as reported by Afolabi (2007) enumerated the various forms of corruption to include fee fraud (known as 419), money laundering, unconventional and fraudulent trade practices, misappropriation or diversion of funds, kickbacks, under and over invoicing, bribery, false declarations, abuse of office, and collection of illegal tolls. Other contextual meanings include the impairment of integrity, virtue or moral principles, and an unauthorized use of resources for private gain

Operational Definition

Corruption is operationalize to mean, taking bribe, disobedient to government, rigging of election, use of public office for personal gains or stealing.

Cashless Policy

Cashless Policy is defined as a monetary policy founded and put down by government of a given society through a strict control and coordination of the Central Bank in order to manage supply and circulation of monies for the attainment of macroeconomics objectives such as inflation, consumption and liquidity (Elechi, A.C.2016).

Class

The word class modifies a range of concepts: class relations, class structure, class locations,

class formation, class interests, class conflict, and class consciousness (Erik, 1991). The term class is essentially about ownership or non-ownership of the means of production. Ownership here includes both the control and appropriation of surplus value generated by the society. Lenin defined class as

'Large groups of people differing from Each other by the place they occupy in the historically determined system of social production, by their relation (in some cases fixed and formulated in law) to the means of production by their role in the social organization of labour, and consequently by the dimensions and mode of acquiring the share of social wealth of which they dispose'.(Nnoli, 1981:167)

It is also defined as 'a group of people who shares common social values way of life, common thinking and behavioral pattern and who feels a sense of togetherness and similarities on life reality, and who identifies others with none of their characterization as aliens and sometimes not trustworthy. Example of this group is group of the rich business men and women in the society on one hand and the group of poor people in the society on the other hand.

Operational definition

Class here means people with similar views to life, antagonistic and conflicting group, conflicting and irreconcilable group or group differences.

Review of Literature

Corruption

Corruption manifests itself in many forms which include fraud, embezzlement, bribery, favoritism, extortion, abuse of discretion, and conflict of interest (United Nations office of Drug Control and Crime Prevention, 2005). It is considered as a dynamic and complex social phenomenon given its changing meanings, manifestations, proliferations, and perceived impacts. Klitgaard (1988) provided a classical analysis of corruption by pointing out that acts of corruption involve three parties namely the principal, agent, and the client. The principal creates rules directed at assigning task to the agent and these rules were intended to regulate exchange with the client. However, a conflict of interest may arise between the principal and agent when each of the two actors is maximizing utility. A client may also provide opportunity for the agent to cheat. Consequently, corruption will take place when the agent colludes with the client to sideline the rules set up by the principal for personal aggrandizement. Studies show that the set of behaviours designated as corrupt are not homogenous, since, there are many forms of corruption with different types of participants, cultural and socio-economic contexts and techniques. This makes corruption difficult to define; however, many researchers have attempted to give corruption a definition with each lacking in some aspect. The most popular and simplest definition is the one given by the World Bank that "it is the abuse of public power for private benefit (World Bank, 2004). Other definitions are; it is the intentional non-compliance with arm's length relationship aimed at deriving some advantage from this behaviour for oneself or for related individuals (Tanzi, 1995). It is seen as a function of dishonesty, a lack of integrity and the abuse of private and/or public office for personal gain.

There is contention about whether corruption is perceived similarly in different societies and at different times in the same society and in this regard, there are various schools of thought on

how corruption should be conceptualized. The Relativist school of thought contend that what is corrupt in one society may not be so in another, hence, the definition of corruption will depend on the country and culture in question. The Universalist view seeks to define corruption by identifying common properties that make particular actions corrupt in all societies, it is. Corruption has been variously categorized, the major categories being petty corruption, grand corruption, and systemic corruption. Petty corruption, also known as administrative or bureaucratic corruption relate to tips, commissions or kickbacks that are usually demanded by junior officers in the public sector from the public in exchange for official services to be rendered. Grand or political corruption refers to the behavior of elected officials, including politicians + paying bribes to award contracts and influence elections, and using their position to provide patronage. Systemic corruption refers to a wholly corrupt system. It pervades the entire society and in the process become routine and accepted as a means of conducting everyday transactions. It is entrenched corruption which affects institutions and influences individual behaviour at all levels of a political and socio-economic system, and tends to be monopolistic, organized and difficult to avoid.

There is a widespread consensus in the literature about the causes of corruption, however, because of its complex nature; the list of causes is never exhaustive. Some of the causes of corruption as listed in literature include: (i) cash-based economy: Nigeria payment system has been predominantly cash-based for both positive and negative reasons, negative because of its anonymity and intractability in corrupt transaction; (ii) Extra budgetary accounts: which go into illegitimate uses, (iv) public sector wages: the World Bank development report demonstrated that countries with poorly paid civil servants tended towards higher rates of corruption, (iv) penalty system: penalty imposed upon corrupt acts plays an important role in determining the probability that illegal acts would take place, (v) Tone at the top: this has to do with examples set by top political leaders, (vi) weak institutions: institutional in-efficiencies such of weak legislative and judicial systems, corrupt polices, bureau critic red tape are promoters of corruption; (vii) culture of the society that stress economic success as an important goal irrespective of the means promote corruption; (viii) monopoly power: this refers to the circumstances when public officials have absolute authority to enforce regulations and policies; (ix) discretion: which refers to the ability of public officials to enforce regulations and policies in a discretionary manner; (x) lack of accountability and transparency: which refers to the lack of public officials accountability and transparency over their actions that enable them to exploit their power (Asaolu, 2013; Kaufman, Kraay, & Mastruzzi, 2003).

According to Stephen (2011) corruption is equated with *bribery*, where an illegal payment is made to a government official in return for some type of official, state-sanctioned, authoritative act that has a selective and tangible impact and that in the absence of the secret payment would not otherwise have been made (But beyond bribery, corruption also includes *kickbacks* which operate much like a bribe, but where the illegal payment is made after the service is rendered, usually from a portion of the governmental award itself, and *extortion* where the public official threatens to use (or abuse) state power to induce the payment of a bribe. While such acts involve transactions between citizen and government official, corruption also includes *graft* and *embezzlement*, where public officials act alone to appropriate public funds or divert their use. Closely related to graft, *fraud* refers to the various, often complex and imaginative schemes orchestrated by

officials to appropriate public funds, often with civilian accomplices. These may include establishing fake companies, listing ghost workers to pad payrolls, overbilling the government on contracts, or otherwise fixing the books to hide the disappearance of public funds. Beyond these acts commonly associated with corruption, corruption also encompasses such diverse activities as *nepotism*, *favoritism* and *conflict of interest*, where public-sector jobs or benefits are illegally channeled to family, friends or to the benefit of the decision-makers own interests (Johnston 2005). Even within the partisan and electoral realms, corruption encompasses a range of activities such as *illegal campaign contributions*, *illegal expenditures*, *electoral fraud* and *vote buying*. (Heywood, 1997).

Despite a largely methodologically-driven tendency in the literature to create and utilize one standard measure of something called corruption, numerous scholars have peered inside the broad concept to differentiate and identify distinct types and forms of corruption.

Forms of corruption

Obasanjo (2004) as reported by Afolabi (2007) enumerated the various forms of corruption to include fee fraud (known as 419), money laundering, unconventional and fraudulent trade practices, misappropriation or diversion of funds, kickbacks, under and over invoicing, bribery, false declarations, abuse of office, and collection of illegal tolls. In her study on the forms of corruption Nigeria, Adamma (2015), has enumerated 15 forms of corruption which were found within the country's social, political and economic fabrics. These forms are:

1. Bribery, receipt of illegal proceeds (extortion, kickbacks).
2. Theft and privatization of public resources and funds.
3. Illegal appropriation (forgery, falsification, embezzlement, misappropriation of money, property).
4. Abuse of state funds, waste.
5. Nepotism, favoritism (appointment to the posts of relatives and friends).
6. Promotion of personal interests.
7. Collusion (granting preferences to individuals, conflict of interests).
8. Taking gifts to speed up problem-solving.
9. Protection and covering up events.
10. Abuse of power (intimidation or torture).
11. Manipulation of regulation (falsification of elections, decision-making in favor of one group or person).
12. Electoral violations (buying votes, rigging election results).
13. Extortion (civil servants illegally set a fee for services or artificially create a deficit).
14. Clientelism and patronage (politicians provide material services in exchange for citizen support).
15. Illegal contributions to election campaigns (transfer of gifts to influence the content of the policy).

Another form of corruption is political corruption which involves “public officials” – thereby differentiating the concept from fraud taking place within society (Stephen, 2011). He further stated that:

“the sheer vastness of the public sector means that corruption can occur at virtually any place within the government. An easy means of

differentiating forms of corruption centers on the institutional location of the public official involved (i.e., corruption within the executive branch, the legislature or the judiciary, the local government, the police, customs agents, building inspectors, etc.)

Electoral corruption could therefore be viewed as form of political corruption which infer as all actions or in action of individuals, groups or institutions in aiding, abating and subversion of electoral process either by use of words, media (print or not), thugs, violence, money and state apparatus to confer undue advantage on oneself, acquaintance or political party. As corruption has the influencing power of diminishing state capacity to meet its material and welfare obligations to the citizenry, electoral corruption succinctly installed, sustained and consolidates bad governance through electoral fraud. An online corruption analyst, the Corruption Control Consultants also described corruption as derivative of four interrelated but mutually exclusive variables. These variables are: Money, Assets, People and Power. Any descriptions of forms of corruption are traceable from the variables afore mentioned. Below is the description of these variables

Nigeria's Move to a Cashless Regime

The Central Bank of Nigeria (CBN) in 2012 commenced the implementation of the policy of the cashless Nigeria project, which aims at reducing (not eliminating) the amount of physical cash in circulation in the economy, and encouraging more electronic-based transactions. The policy kicked off in January, 2012 with a pilot scheme implemented in Lagos. The scheme was initially set to run till June 2012 but was later revised to the end of 2012, after which the nationwide implementation will kick off in January, 2013. The policy is expected to achieve the following objectives: drive development and modernization of our payment system in line with Nigeria's Vision 2020 goal of being among the top 20 economies by the year 2020; reduce the cost of banking services (including cost of credit) and drive financial inclusion by providing more efficient transaction options and greater reach; limit high cash usage outside the formal sector and thereby improve the effectiveness of monetary policy in managing inflation and encouraging economic growth; stem high cost of cash handling along the value chain from CBN and the banks, to corporations and traders; reduce high risk of cash handling which encourages robberies, thefts and other cash related crimes; and curb inefficiencies and corruption which thrives through multiple systemic leakages. The ultimate object of the cashless policy is the attainment of the cashless or cash less economy. A cashless economy is simply at its prime when all means of payments are carried out without the use of physical cash. It does not refer to an outright absence of cash transactions in the economy setting but one in which the amount of cash-based transactions are kept to the barest minimum while other forms of payment, especially electronic based payments are utilized. In a cashless economy, the amount of cash with an individual is irrelevant as payments can be made by any of a plethora of credit cards or he cashless society envisioned and discussed herewith refers to the widespread application of computer technology in the financial system. Some aspects of the functioning of the cashless economy are enhanced by e-finance, e-money, e-brokering and e-exchanges. These all refer to how transactions and payments are effected in a cashless economy. Two factors make the shift to a cashless society possible: the first is the availability of proven technology:

telecommunication networks, which are crucial for authorizing the cashless payments as well as clearing and settlement, are becoming much more effective. Both fixed-line telephone and wireless networks can convey not only voice, but data or even images that allow people to make and authorize their payments online in real time. With the advent of wireless technology, people can now make their payments any place at any time. The second factor is customers' need for more efficient payment instruments. Customers are now more demanding and sophisticated. They need better services at lower prices. These two trends are significantly altering the payments market. The World Payments Report 2012 stated that the global volume of non-cash payments has continued to grow by 7.1% annually; card usage has continued to grow while cheque usage has declined from 22% to 16% of all non-cash global transactions.

The key instruments of the cashless policy include:

- (i) Daily cumulative cash limit: N500, 000 and N3 million on free cash withdrawals and lodgments by individual and corporate customers respectively. These are upward reviews from the daily cumulative limits of N150, 000 and N1 million set in January, 2012.
- (ii) Processing fees for withdrawals above limit: 3% for individual and 5% for corporate. These are downward reviews from the respective 10% and 20% fees set in January, 2012.
- (iii) Processing fees for lodgments above limit: 2% for individual and 3% for corporate. These are downward reviews from the respective 10% and 20% fees set in January, 2012.
- (iv) Exemptions from processing fees: this applies to accounts operated by ministries, departments and agencies (MDAs) of the federal and state governments, solely for the purpose of revenue collections. Exemptions also extended to embassies, diplomatic missions and multi-lateral and aid-donor agencies, as well as micro finance banks.

The system is targeted at encouraging electronic means of making payments, and not aimed at discouraging cash holdings. What is anticipated by the policy is that instead of making large withdrawals to effect payment for goods and services, such money will be kept in the banking system so that payments are made through electronic means. Some of the ways transactions will be consummated under the new dispensation include the following: (i) Automated Teller Machine (ATM): ATMs can be used for balance enquiry, cash withdrawal, cash deposit, funds transfer and bill payment; (ii) Mobile Banking/Payments: banking can be conducted from the convenience of mobile phones. It can be used for balance enquiry, funds transfer, and bills payment; (iii) Internet Banking: Instant balance enquiry, funds transfer, and other transactions can be made. Most banks require their customers to have a token device for internet banking services. This is to give maximum security for internet banking applications; (iv) Point-of-Sale (POS) Terminals: POS terminals allow customers to receive card payments for sale of products and services. It also allows customers to make commission from sales of third party products and services (e.g., recharge cards, bill payments, etc); (v) Electronic Funds Transfer:

The literature above clearly shows that there is strong relationship between cashless policy and corruption. The policy could be used not only in containing the menace of corruption, but also other social problems such as insecurity, kidnapping, armed robbery, electoral malpractice and kickbacks collected for a contract agreement by the upper class. The Universalist division of corruption into political, bureaucratic, grand, administrative etc is found very relevant to the objectives behind the introduction of cashless policy in Nigeria. This was reiterated by both President Muhammadu Buhari and the Governor of the Central Bank Godwin Emefele who stated that the 'the aim of the policy is good security wise seen from the lessening of

kidnapping and associated corrupt practice”...Nigerian people must go cashless, it is a global policy checkmating insecurity and fighting corruption” (Leadership newspaper, 15th April 2023)

Theoretical Framework

As stated in our introduction, the paper adopts Marxist class theory to analyse the role at which cashless policy could be used in fighting corruption within the framework of Nigerian political system.

Theoretical Underpinning

Marxian class theory asserts that an individual's position within a class hierarchy is determined by their role in the production process, and argues that political and ideological consciousness is determined by class position. A class is those who share common economic interests, are conscious of those interests, and engage in collective action which advances those interests. Within Marxian class theory, the structure of the production process forms the basis of class construction. To Marx, a class is a group with intrinsic tendencies and interests that differ from those of other groups within society, the basis of a fundamental antagonism between such groups. For example, it is in the laborer's best interest to maximize wages and benefits and in the capitalist's best interest to maximize profit at the expense of such, leading to a contradiction within the capitalist system, even if the laborers and capitalists themselves are unaware of the clash of interests.

Class, for Marx, is defined as a (social) relationship rather than a position or rank in society. In Marx's analysis, the capitalist class could not exist without the proletariat, or vice-versa. The relationship between classes is a contradictory or antagonistic relationship, one that has struggle, conflict, and contradictory interests associated with it. The structure and basis of a social class may be defined in objective terms, as groups with a common position with respect to property or the means of production. However, Marx may not be primarily interested in this definition of class. Rather, these classes have meaning in society and are historical actors only to the extent that they do act in their own interests, and in opposition to other classes. Unlike much other sociology, Marx's classes are defined by class conflict. (Giddens, A. 1971

Marx's concept of class could be summarized as follows:

- In capitalist society there are two dominant classes –the bourgeois class and the Proletariat
- Exploitation of the Proletariat by the bourgeoisie leads to alienation
- Once members became aware that they were being exploited they became “a class for itself” instead of simply a class of itself and rise up in revolution.
- This class consciousness thus leads to class conflict
- .These struggle advances society to become classless and egalitarian where private ownership of production and property was abolished....all would become proletarian.

Relevance of the Theory to the Study

Marxian class analysis is an instrument for understanding the politics and interplay within the major actors or players involved in the realization of cashless policy and its core value of fighting corruption. Three major groups could be identified in the entire paradigm of the cashless policy.

Firstly, there are those who formulated the policy and enforce it. This class of people has interest to pursue behind the implementation of the policy. Secondly, there is those who the policy is targeted at (the politicians, the top administrative bureaucrats, business men and women and the comprador bourgeois who were owners of huge capital as well as managers of big multinational companies). Members of this class are highly corrupt as evidenced in the EFCC reports, many of them were attending court cases, while some were indicted and sent to jail for corruption. The third class is that of the voiceless masses who out of frustration to the cashless policy's rigidity and hardship, have become a class for itself and oppose the policy openly by organizing violent demonstration as witnessed in Lagos, and some states in the Southeast geo political zones. At several points, Marx notes how the class defines itself, or is a class only as it acts in opposition to other classes. Referring to the emergence of the bourgeoisie as a class in early capitalist Europe, Marx notes how *The separate individuals form a class only insofar as they have to carry on a common battle against another class; otherwise they are on hostile terms with each other as competitors.* (Giddens and Held, 1971)

Marx further state that both competition and unity can characterize a class; there can be very cut-throat competition among capitalists. There is a high level of competition between the titer groups enumerated above over the implementation of cashless policy. The politicians who were determined to buy votes during the recently concluded elections attacked and vehemently condemn the policy and accused President Buhari and the CBN Governor Emelele to have conspired with the opposition party to scuttle their electoral victory. In fact a group of five States governors went court and sue both the President and the CBN governors. Leader of the group of five governors, the Kaduna State governors granted an interview to Channel television where he bereted the policy implementation and vowed to resist with all their powers.

The above actions and unity among the five governors corroborates what Marx has earlier written:

'but when the property relations and existence of the bourgeois class is threatened, the bourgeoisie acts together to protect itself. This becomes apparent when rights of private property or the ability of capital to operate freely comes under attack. The reaction of the bourgeoisie may involve common political action and ideological unity, and it is when these come together that the bourgeoisie as a class exists in its fullest form'.(Giddens,1971)

Cashless policy and Anti-corruption

As mentioned before, curbing or eradicating corruption is the main benefit of cashless policy implementation in Nigeria. The Nigerian government's commitment in the fight against corruption also corresponds with the current global trend of anti-corruption crusade as it is clearly stated in the Open Government Partnership (OGP) official document (OGP). This undoubtedly agreeable as using the ~~electronic~~ payments will create an auditable track of payments which can inspire the transparency and accountability (Garg and Panchal, 2017). It further believed that applying the cashless policy would have a positive impact on improving the economy and society by reducing high per galloping inflation, creating corrupt free society and bring the black money to the lowest level possible (Meena, 2017; Agrawal, 2018). Successive For example, regimes in Nigeria has

adopted many policies to minimize corruption possibilities to the lowest level possible. Former president Obasanjo has earlier established two anti-corruption agencies and by 2012 launched the cashless system to manage the payments. The uncontrolled level of corruption in Nigeria which has been a challenge for all solution been suggested has inspired adopting of cashless policy in all transactions aspects as income generation, income payment, and the other end to end businesses related to the government. This movement became more effective in stopping the leakage and made the government bodies related transactions more transparent and traceable (Uzonwanne and Ezenekwe, 2017; Fabris, 2019).

Same policy been planned by other governments in their movement against corruption, as in Malaysia after the unexpected loss of 61 years of Barisan Nasional (BN) party in 2018 due to the economic concerns of the voters, the new governor party started its leading covenant by focusing on eradication of corruption as its main concern. Launching the unlimited travel pass was part of efforts to start the cashless society where all the transactions are traceable which has been considered by the Malaysian prime minister as a way to fight corruption (Abdul Rashid and Ahmad, 2018).

On the other hand the cashless policy is not the magical stick which can stop the corruption just by applying it, it's only as good as the people using it with trust otherwise will be unable to control corruption. Fighting corruption needs a set of complex actions in different domains of society as the cashless system have to be combined with other policies as effective governance, transparency and accountability, evidence based budgeting and promoting ethical principles. As a study conducted in Nigeria to figure the stockholders opinion about the effectiveness of a cashless society to curb the corruption concluded that cashless can only in reducing the petty corruption as is related to bureaucratic actions while it's not enough by itself and need to be compiled with other type of improvements (Muhibudeen and Haladu, 2018).

CONCLUSION

Since the inception of President Buhari led government in 2015, fighting corruption, improved accountability, transparency and openness in governance have been given priority. His commitment to these objectives was behind his renewed effort in supporting and enforcing the cashless policy and its accompanied policy of new naira redesign in the country. Unfortunately, despite the efficacy of the policy, its successful implementation was affected by the nature of class formation and class conflicts and antagonism between government who enforce the policy, the upper class and politicians who owns the naira as well as the petit bourgeois, peasants, proletariat and the lumpen proletariat whose petty trade and businesses were drastically affected.

Based on the above discussions, the paper conclude that the nature of class formation and social relations within the Nigerian system has constitute a serious threat to the success of cashless policy in reducing corruption in Nigeria. This was evident in the struggle for and against the policy between the governments led by the CBN governor the politicians who felt dissatisfied with it and the masses whose daily business were completely affected. On the other hand the fight against corruption on the platform of the cashless policy will not be beneficial amidst increasing the level antagonism and disunity among members of various classes. Unless the people are cooperative in this matter, and the community awareness and willingness to cooperate and stand against corruption, the cashless policy will remain elusive and unrealizable

for many years to come.

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