



KIOSK BANKING AND SOCIO-ECONOMIC DEVELOPMENT OF RURAL DWELLERS IN KWANDE LOCAL GOVERNMENT AREA, BENUE STATE, NIGERIA

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ABSTRACT

The general objective of the study was to ascertain the contributions of kiosk banking to socio-economic development of rural dwellers in Kwande Local Government Area. Specifically, the study sought to establish services offered by kiosk banking to rural dwellers in the study area and to also determine the effect such services have on socio-economic development of the rural dwellers. The study used a cross sectional survey design while 321 samples were obtained through convenient sampling technique. Questionnaires were used for data collection while percentages, chi-square and Cramer's V were adopted for data analysis. The study found that most (61.1%) rural dwellers had access to kiosk banking services. These services include: cash withdrawals (67.8%) cash deposits (15.8) Point of Sale (POS) channel (87.8%). Furthermore, kiosk banking was found to have significant relationship to living standard of the rural dwellers as $X^2 = 30.708 > p=0.002$. However, it was found that the relationship was weak with Cramer's V value of 0.229. Findings also showed low ratings regarding kiosk banking services in regards to the cost of transport (44.9%), service charge (59.2%) and information cost (85.7%). The study concluded that kiosk banking had a significant effect on socio-economic development of rural dwellers. The major challenges of kiosk banking were found to be high withdrawal charges (25.2%) and insufficient funds for huge withdrawals (21.8%). The study recommended for monitoring of charges and improvement in availability of funds to kiosk bankers so as to boost socio-economic activities in rural settlements. It was also recommended that banks should scale up kiosk banking services to encourage more participation and more financial inclusion.

Key words: *Financial Inclusion, Kiosk Banking, Financial Services, Socio-Economic Development*

INTRODUCTION

There is a dearth of access to financial services by billions of adults all over the world (Kama and Adigun, 2013), especially in developing countries. Most of these people are low-income earners who lack access to appropriate low cost, fair and safe financial products and services from mainstream providers. It has been reported that as much as 54.0 per cent of adults worldwide have being financially excluded (without access to financial services). The situation is even worse in the developing economies especially in Sub- Saharan Africa and South Asian regions which have below average figures (Mehrotra et al 2009). In Nigeria, most adults are reported to be excluded from formal financial services. A study conducted by the Enhancing Financial Innovation and Access (EFInA) in 2010 indicated that Nigeria has a highest proportion of financially excluded adults at 46.3 per cent in Africa (EFInA, 2010). The report also revealed that over 54 million Nigerians lack access to services from deposit money banks and other formal institutions. These disparities in the rate of exclusion are based on the type of settlement as rural communities are disproportionately more excluded from financial services, compared to the urban communities (EFInA, 2010).

In response to this problem, the Central Bank had initiated and implemented cashless policies and electronic payment systems. The policies ensured that banks invest heavily in low-cost branchless channels such as ATMs, Point-Of- Sale (POS), and Kiosk banking to significantly reduce financially excluded population in the country (Kama and Adigun, 2013) and engender socio-economic development in Nigeria. Kiosk banking is one of the cardinal aspects of the financial inclusion policies of government which has been implemented by commercial banks. Kiosk banking indicates a situation whereby banks offer financial services, in semi-permanent structures or retail shops, to people especially in rural communities in order to increase people's access to certain banking services at all times of the day. It is an important concept and basically developed to benefit rural communities where there is less number of banks and people have limited access to formal financial services offered by mainstream banks

(Padmaavathy & Adalarasu, 2017). Kiosk banking is conceived with the notion that banks in the private, public and cooperative sectors will use shops as a touch-point for basic banking services such as cash deposits, withdrawals and remittances. Like the ordinary bank branches, the kiosk banking will offer all the basic and specific banking services and products at a reasonable cost to the financially excluded rural population (Kama and Adigun, 2013; Gülmez, 2016).

Kiosk banking, as one of the financial inclusion strategies, is a significant catalyst of socio-economic development in rural areas in developing countries (Mehrotra et al 2009). It has the propensity to affect income, savings and investment and their overall social and economic well being of rural dwellers. Kiosk banking is widely considered as one of the best options for involvement of various categories of people in the economy. It is also a better way of improving quality of life of rural dwellers and a tool for strengthening the economic capacity and capabilities of the poor in the society. Kiosk banking services enable socially and economically excluded people to integrate into the economy and actively contribute to economic development (Banco Central do Brazil, 2010; Chong and Chan 2010). It has also been known to improve access to financial services thereby increasing the ability of households to undertake productive investments (Andrianaivo and Kpodar, 2011). Specifically, kiosk banking connects rural people to banks with the consequential benefits on their socio-economic wellbeing. This ensures that kiosk banking plays its role of inclusive growth and development, which is one of the major challenges of emerging and developing economies (Chong and Chan 2010).

In Nigeria, a considerable proportion of rural areas are socio-economically backward. These rural areas lag behind in terms of development compared to urban areas and are often isolated or ignored in developmental efforts of the government. The urban biased development interventions and neglect results to the low level of socio-economic development in the rural areas in the country (Takim, Obeten & Onyenemerem, 2019). The rural areas are stricken by poverty, lack of social and physical infrastructure and income problems while access to opportunities, facilities and amenities, basic formal financial institutions and services also appear to be highly limited. Rural settlements have limited access to financial services, compared with the urban communities (EFInA, 2010). This has adverse effects on the productivity, welfare and quality of life of rural dwellers, which also represents the core elements upon which socio-

economic development of rural areas are based (Adegboye, 2016; Takim, Obeten & Onyenemerem, 2019).

Benue is an agrarian state where most of the rural dwellers do not have access to conventional bank services in Nigeria (Our Collective Future, 2015). This is because banks are established in just about 8 local governments' areas out of the 23 local government areas. Out of the local government areas with banks, it is only Makurdi, Gboko and Ukum local government areas that seem to have more than two commercial banks. Kwande is one of the biggest Local Government Areas with second highest number of local government civil servants and public service retirees in Benue. Significant proportion of these people resides in rural areas. Apart from this, the area abounds with rural entrepreneurs who lack access to conventional banking services and depend solely on informal financial institutions such as Adashi and local Bam for these financial services (Sambe, Korna and Abanyam 2013). This indicates that significant proportion of people do not have access to conventional banking services. This informed the move for the implementation of kiosk banking services by commercial banks in line with Central Bank directive, to increase people's access to banking services in the area (Kama and Adigun, 2013). There is the need to investigate the contribution of kiosk banking to socio-economic development of rural dwellers in the area.

The major objective of the study therefore is to determine the effect of kiosk banking on socio-economic development of rural dwellers in Kwande Local Government Area. Specific objectives are:

- a. To know services offered by kiosk banking to rural dwellers in Kwande Local Government Area.
- b. To determine the effects of kiosk banking on socio-economic development of rural dwellers in the study area.

LITERATURE REVIEW

Financial Inclusion

The concept of financial inclusion has been defined by various scholars and organizations. Financial inclusion is defined as a process or situation which allows for ease of

access to, or availability of and usage of formal financial systems by members of the economy. It describes a process where all members of the economy do not have difficulty in opening bank account; can afford to access credit; and can conveniently, easily and consistently use financial system products and facilities without difficulty. It is the process which ensures that a person's in-coming money is maximized; out-going is controlled and can exercise informed choices through access to basic financial services (PCC Financial Inclusion Strategy, 2009). Centre for Financial Inclusion (2010) The Centre defines financial inclusion as “a state in which all who can use them have access to a full suite of quality financial services, provided at affordable prices, in a convenient manner, and with dignity for the clients. It is a state where financial services are delivered by a range of providers, most of them private sector, and reach everyone who can use them, including the poor, disabled, rural, and other excluded populations” To Mohan (2006) financial inclusion as a process where certain classes of people in society are granted easy access to appropriate low cost, fair and safe financial products and services from mainstream providers. This is the definition which this study will be anchored upon.

Kiosk Banking

Kiosk banking has been defined by some few researchers and financial institutions. In the essence of financial inclusion, kiosk banking is an important concept and basically developed for rural areas of country where less number of banks are and people can't reach to the bank to use their services. According to Padmaavathy & Adalarasu, (2017) Kiosk banking is a process where a bank sets up lobbies in their premises and in main business area location termed as E-Lounge to facilitate their customers to access their certain banking services at all times of the day under one roof. Kiosk banking like a booth access certain banking channels and the bank utilize this for their marketing purposes. A kiosk will usually create attention by attractive display and messages to get new customers. It is one stop point for the bank to their certain targeted clients depending on their needs. It's a low-cost marketing strategy (Vijayasarithi and Velmurugan, 2016).

For the purpose of the study, kiosk banking can be defined as process whereby semi-permanent structures are erected by banks in their premises and in main business areas or shops

in rural communities in order to increase people's to access certain banking services at all times of the day.

According to Vijayasarithi and Velmurugan (2016) and Padmaavathy and Adalarasu, (2017), technology services provided by Kiosk Banking include:

- a. Clearing Cheque Kiosk
- b. Passbook Printing Kiosk
- c. Multi-Function Kiosk
- d. Bulk Note Recycling Machine (BRM)

Clearing Cheque Kiosk

Cheque clearing is the process of moving a cheque from the bank in which it was deposited to the bank on which it was drawn, and the movement of the money in the opposite direction. It normally results in a credit to the account at the bank of deposit, and an equivalent debit to the account at the bank on which it was drawn. This is through Cheque Truncation System (CTS) clearing process which facilitates movement of cheques through Electronic Image rather than physical cheque movement.

Passbook Printing Kiosk

Passbook provide for the purpose of record of bank account transaction of their savings deposit account. It issues computerized passbook to customers and easily generate the report and print the entries.

Multi-Function Kiosk

This ensured use of ATM card or Internet banking service to access Kiosk. By the authentication one of these modes, customers can open Online Deposit, Transfer funds, do Inter Bank Transfer, RTGS (Real Time Gross Settlement), NEFT (National Electronic Fund Transfer) request Cheque Book, view Account Statement their Profile

Bulk Note Recycling Machine (BRM)

This is a terminal that uses to deposit cash in account at anytime of the day without manual intervention by staff. It is very fast and simple and accepts only good notes and hence reduces the risks of capturing fake currency. All unfit and suspect notes will be rejected by the

machine. The currency accepted by the BRM will be sorted and stacked in the cassettes inside the BRM denomination-wise. The machine also provides mini statement, account balance, interbank transfer, Mobile Banking Registration and Cheque Book Request for all card-based transactions.

Socio-economic Development

The concept of development has been defined variously by scholars, corporate institutions and development experts. According to Congressional Budget Office (1997) development is the process of economic and social transformation within a country and both economic growth and economic development as well as improvement in human welfare, such as rising education levels, improvement in health care and life expectancy, and increase in household food consumption. It usually includes a concept of equity (the income level of the median household increase along with economic growth) and may include sustainability (a process of development that does not make future generations worse off through environmental damage). The Congressional Budget Office (1997) maintains that development also cover a long-term trend of growth in GNP per capita, rising education levels, improving health conditions, low to moderate population growth, sustainable use of natural resources and the environment, and secure access to adequate amounts of food. United Nations (2001) on their part see development as the relationship between economic activity and social life. In this study socio-economic development could be defined as the process whereby access to financial and economic services is translated to social welfare and standard of living of the people.

Kiosk Banking and Socio-economic Development

Studies have proven that kiosk banking have immense contribution to socio-economic development of societies all over the world. Andrianaivo and Kpodar (2011) findings revealed that kiosk banking increases access to deposit facilities by low income earners which enhances the ability of financial intermediaries to mobilize savings. Furthermore, better access to finances like kiosk banking engenders economic growth by increasing the ability of households to undertake productive investments. A study by Vijaysarathi (2016) in India also revealed similar findings. Further, Padmaavathy and Adalarasu (2017) study also showed that kiosk banking reduced the burden and cost of accessing banking services in India. This has the propensity to engender socio-economic development.

Chong and Chan (2010) study seemed to enumerate specific benefits of kiosk banking. They found that kiosk banking services connect people to banks with the far-reaching benefits by creating equal opportunities, enabling socially and economically excluded people to integrate into the economy and actively contribute to economic development. Mohan (2006) noted that access to financial services like kiosk banking affords several benefits to the consumers. Access to a bank account does provide the account holder not only a safer means of keeping his/her funds but also provides access to other low cost and convenient means of transaction. Mohan (2006) concluded therefore that kiosk banking guarantees improved ability of poor people to save and make payments throughout their lifetime. This improves socio-economic condition of rural dwellers by improving their income and living standards.

METHODOLOGY

Research Design

The design for the study is a cross sectional survey design. This design was adopted because it allows the researchers to gather data from large number of rural dwellers and subjecting the data to statistical analysis.

Study Area

Kwande Local Government Area was created in 1976 out of the erstwhile Katsina-Ala Local Government Area with the Head quarters situated in Adikpo town. The local government area has an estimated population of 335, 600 (NBS, 2016). It is also bounded by several local governments in Benue state, Cross River state, Taraba state and the Republic of Cameroun. On the west, it is bordered by Vandeikya Local Government while in the north it is bordered by Ushongo Local Government Area. In the northwest it is bordered by Katsina-Ala Local Government Area while in the south, it is bordered by Cross River State and in the southeast by the Republic of Cameroon. Kwande LGA shares a common border with Takum LGA of Taraba State on the east and the local government has fifteen council wards as well as sixteen traditional districts.

The local government has a diverse climate and weather. As a result of its mountainous nature and proximity to the Cameroonian range of mountains, communities close to the mountains usually have cold weather which makes it very conducive to traders and investors to stay and do business. The local government also has very big rivers which usually take care of

agricultural and industrial needs. The local government is the ancestral home of Tiv people in Nigeria and places huge value and host on socio-cultural activities of the people. The local government area can boast of having one of the greatest number of educated and informed people, including retired civil servants, seasoned administrators, clergy, professors and other astute academics in Benue state. The inhabitants of the area are predominantly farmers who are known for production of crops and grains such as rice, yams, cassava, sweet potatoes, pearls, ground-nuts, banbara nuts, mangoes etc.

Population of the Study

Population of the study encompasses all adults from 18 years and above, who currently reside in Kwande Local Government Area, Benue state.

Sampling Technique and Procedure

The study employed convenient sampling technique to select 321 samples. The process began with the researchers and their research assistants purposefully selecting retail shops and market places where kiosk banking services were rendered in Jato-Aka, Adagi, Ikyogen, Ajio, Koti and Adikpo. Through interaction with the operators of kiosk retail shops where banking services were rendered, samples were identified by meeting directly with the customers and administering questionnaires. The researchers and research assistants informed them about the objective of the study and sought for their permission to be part of the study. Those who agreed were then selected for administering of questionnaires. Through this processes, 321 respondents were conveniently selected for the study.

Method of Data Analysis

Analysis of data involved the use of percentages. Percentages were used to analyze frequency of the responses. Also, Chi-square was employed to determine whether there is a significant relationship between the identified variables while Cramer's V was used to test the strength of the relationship.

RESULTS, ANALYSIS AND DISCUSSION

Table 1: Socio-Demographic Characteristics of Respondents

Variable	Frequency	Percentage
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(a) Age		
Below 20	2	0.6
20-29	11	3.4
30-39	69	21.5
40-49	81	41.0
50-59	52	25.2
60 and above	106	33.0
Total	321	100
(b) Sex		
Male	181	56.4
Female	140	44.6
Total	321	100
(c) Marital Status		
Single	119	37.0
Married	187	58.3
Divorced	11	3.4
Widowed	4	1.2
Total	321	100
(d) Educational Qualification		
No formal education	8	2.5
Primary	49	15.3
Secondary	225	70.0
Tertiary	39	12.1
Total	321	100
(e) Occupation		
Farming	48	14.9
Civil servant	103	32.1
Business/Trading	71	22.1
Student	19	5.9
Retired	80	24.9
Total	321	100

Source: Field Survey, 2020

Table 1 presents socio-demographic characteristics of the rural dwellers. In relation to age, most, 33.0% (106) were 60 years and above while those who were from ages of below 20 had the least percentage, 0.6% (2). This was followed by 41.0% (81) of the respondents who were in the age range of 40-49 with second highest percentage. Those between ages of 30-39 had 21.5% (69) had third highest percentage, while those aged between 50-59 years had fourth highest percentage with 25.2 % (52). Finally, rural dwellers in age bracket of 20-29 had 3.4% (11) in fifth. For sex distribution, the table indicated that majority, 56.4% (181) of the respondents were males while females were the least with 44.6% (140). In relation to marital status, it was revealed that majority, 58.3% (187), of the respondents were married while 37.0%

(119) were single representing second highest percentage. Also, 3.4% (11) of the respondents were divorced as 1.2% (4) was widowed.

In respect to the educational qualification, majority, 70.0% (39) of the respondents were educated at secondary school level. This was followed by 15.3% (49) who had primary school level education, followed by 12.1% (39) respondents who were educated at tertiary level and 2.5% (8) of the respondents with no formal education. In respect of occupation of the rural dwellers, the table revealed that majority, 32.1% (103) of the respondents were civil servants. This was followed by 24.9% (80) who were retired civil servants, and 22.1% (71) who were engaged in either business or trading. Furthermore, 14.9% (48) of the respondents were farmers and 5.9% (19) of them were students.

Table 2: Access to Kiosk Banking Services

Variable	Frequency	Percentage
Access to Kiosk Banking Services		
Yes	196	61.1
No	125	38.9
Total	321	100
Kiosk Banking Services Rendered		
Deposits	14	7.1
Withdrawals	133	67.8
Deposits and withdrawal	31	15.8
Funds Transfer	16	11.6
Account Opening	2	1.0
Total	196	100
Channels of Providing kiosk Services		
Point of Sale (POS)	172	87.8
Internet	4	2.0
Bank staff	20	10.2
Total	196	100

Source: Field survey, 2020

Table 2 has shown that majority, 61.1% (196), of the rural dwellers in the sample had access to kiosk banking services while 38.9% (125) did not. The fact that there are no banks in the study area and that close to half of the rural dwellers access kiosk banking services seemed to confirm with the study which shows that Nigeria has a higher proportion of financially excluded adults at 46.3% in Africa as rural Nigeria is disproportionately more excluded from financial services, compared with the urban Nigeria (EFInA, 2010).

In respect of services rendered, out of the 196 respondents who access the financial services of kiosk banking, most, 68.8% (133) made withdrawals only, followed by 15.8% (31) who made deposits and withdrawals, then 7.1% (14) who made only deposits. Furthermore, 11.6% (16) respondents transferred funds while just 1.0% (2) opened accounts. The above findings indicates that most of the respondents who had access to kiosk banking services utilized only cash withdrawal services while few made both deposits and withdrawals. This implies kiosk banks offer limited services in the area. It also shows dearth of awareness and knowledge about the services offered by kiosk banks in the area (Kama and Adugun, 2013).

On the channels of providing the services, majority, 87.8% (172) of the rural dwellers accessed the services through Point of Sale (POS) in retail shops, 10.2% (20) accessed the services through bank staff operating the kiosk services while 2.0% (4) accessed internet services. It can be observed that majority of the rural population access kiosk banking services through Point of Sale (POS) channel operating in retail shops. Other channels such as internet and bank staff seemed to be unpopular among the population. This implies that there is under-utilization of kiosk banking services in the area.

Table 3: Cross tabulation of Services Rendered and Means of Providing the Services

		Channels of Providing the Services			
		POS	Internet	Bank Staff	Total
Services Rendered	Deposits	9 (4.6%)	0 (0.0%)	5 (2.6%)	14 (7.1%)
	Withdrawals	130 (66.3%)	0 (0.0%)	3 (1.5%)	133 (67.9%)
	Deposits/Withdrawals	20 (10.2%)	0 (0.0%)	11 (5.6%)	31 (15.8%)
	Funds Transfer	13 (6.6%)	3 (1.5%)	0 (0.0%)	16 (8.2%)
	A/c Opening	0 (0.0%)	1 (0.5%)	1 (0.5%)	2 (1.0%)
Total		172 (87.8%)	4 (2.0%)	20 (10.2%)	196 (100.0%)

Source: Field survey, 2020

$$X^2 = 95.508$$

$$P \text{ value} = 0.000$$

$$Df = 8$$

$$\text{Cramer's } V \text{ value} = 0.494$$

Table 3 showed relationship between means of service provision and services rendered by kiosk banks. The table has shown that out of 7.1% (14) respondents who made deposits, 4.6% (9) used POS while 2.6% (5) used bank staff. Out of 67.9% (133) respondents who made withdrawals, 66.3% (130) used POS, while 1.5% (3) used bank staff. Out of 15.8% (31)

respondents who made both deposits and withdrawals, 5.6% (11) operated through bank staff while 10.2% (20) transacted through POS system. For the 8.2% (16) respondents who did fund transfer, 6.6% (13) used POS channel while 1.5% (3) used internet services. Out of the 1.0% (2) who opened bank accounts, 1.5% (1) utilized internet while another 1.5% (1) used bank staff.

It can be observed that two third of the rural dwellers utilize Point of Sale (POS) channel for withdrawals. It appears therefore that POS system was not used as a means of making payments for goods bought but primarily as a means of making cash withdrawals while just few retailers and shop owners use it as cash deposit options in the rural areas.

Chi-square result showed a significant relationship between kiosk banking services and channels of providing the services. This is because the computed $X^2=95.7508 > P \text{ value}=0.000$. Cramers V which show strength of the relationship revealed moderate relationship as the $V=0.494$. In other words, channels of service provision affected the type of services utilized by the rural dwellers. Nonetheless, there was a weak effect between banking services and the channels of providing the services.

Table 4: Kiosk Banking and Socio-Economic Development of the Rural Dwellers

Variable	Frequency	Percentage
Cost of Transportation		
High	32	16.3
Moderate	76	38.8

Low	88	44.9
Total	196	100.0
Service Charge		
High	29	14.8
Moderate	51	26.0
Low	116	59.2
Total	196	100.0
Information Cost		
High	11	5.6
Moderate	17	8.7
Low	168	85.7
Total	196	100.0
Standard of Living		
High	87	44.4
Moderate	63	32.1
Low	24	12.3
No Response	22	11.2
Total	196	100.0

Source: Field survey, 2020

Table 4 presents the effect of kiosk banking on socio-economic development of rural dwellers using indices such as cost of transportation, service charge, information cost and general standard of living to represent the socio and economic aspect of development. On the cost of transportation, out of the 196 respondents who access the financial services of kiosk banking, majority, which is 44.9% (88) of the rural dwellers, indicated that accessing kiosk banking services in the rural areas have reduced their cost of transportation to the urban places. About 38.8% (76) of the respondents gave a moderate rating while 16.3% (32) rated the cost to be high. The fact that ratings on cost of transportation were low implies that kiosk banking in rural dwellings has helped improve on the spending cost of rural dwellers thereby enhancing their economic well being. A customer who has to travel all the way to the city in order to carry out a transaction will save cost by accessing same service in the rural area. This will in effect improve on his economic life.

With respect to service charges, out of the 196 respondents who access kiosk banking services, majority which constitutes 59.2% (116) gave low rating, followed by 26.0% (51) who rated the services moderately while 14.8% (29) gave high rating. It could be inferred from the above findings therefore that people were not satisfied with charges on services rendered by these banks. This implies that cost of rendering services which customers pay were high just as

what is obtainable in urban conventional banking services. High charges will have negative consequences on socio-economic well being of the rural dwellers whose earnings are small compared to urban dwellers. The service charges will also have adverse impact on income of the rural dwellers, thus limiting their economic power.

On the cost of information majority, 85.7% (168) of the rural dwellers gave low rating, 8.7% (17) gave moderate rating while 5.6% (11) gave high ratings indicating therefore that kiosk banking in rural areas has helped reduce the cost of obtaining information by rural customers.

With regard to the effect of kiosk banking on the general standard of living of customers, most of the respondents gave high ratings with 44.4% (87), followed by moderate ratings with 32.1% (63) and low ratings with 12.3% (24). This finding seems to be the cumulative effect of the reduction in both cost of transportation and cost of information which generally culminates into high living standard for the rural dwellers.

Table 5: Kiosk banking Services and Living standard of Rural Dwellers in Kwande Local Government Area

Kiosk Banking Services	Living standard				Total
	High	Moderate	Low	No Response	
Deposits	7 (3.6%)	7 (3.6%)	0 (0.0%)	0 (0%)	14 (7.1%)
Withdrawals	64 (32.7%)	42 (21.4%)	15 (7.7%)	12 (6.1%)	133 (67.9%)
Deposits/Withdrawals	7 (3.6%)	10 (5.1%)	4 (2.0%)	10 (5.1%)	31 (15.8%)
Funds transfer	7 (3.6%)	4 (2.0%)	5 (2.6%)	0 (0.0%)	16 (8.2%)
Account Opening	2 (1.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	2 (1.0%)
Total	87 (44.4%)	63 (32.1%)	24 (12.2%)	22 (11.2%)	196 (100.0%)

Source: Field work, 2020

$$X^2 = 30.708$$

$$P \text{ value} = 0.002$$

$$Df = 12$$

$$\text{Cramer's } V \text{ value} = 0.229$$

Table 5 showed the relationship between kiosk banking services and living standard of rural dwellers. The table has shown that out of 7.1% (14) respondents who made deposits, most rated it moderate and high in terms of improving their living standard with 3.6% (7). Out of 67.9% (133) respondents who made withdrawals, 32.7% (64) gave high rating, followed by

21.4% (42) who gave moderate rating, 6.1% (12) who did not respond and 7.7% (15) who gave low rating. Out of 15.8% (31) respondents who made both deposits and withdrawals, most gave moderate rating with 5.1 (10), followed by 3.6% (7) who rated the service high and 2.0% (4) who did not respond. For the 8.2% (16) respondents who did fund transfer, most 3.6% (7) rated it high, followed by 2.6% (5) who rated the service low and 2.0% (4) who gave moderate rating. Furthermore, all 2 (1.0%) who opened account rated gave it high rating who respect of improving their living standard.

Chi-square result showed a significant relationship between kiosk banking services and living standard of the rural dwellers. This is because the computed $X^2= 30.708 > P \text{ value} = 0.002$. Cramer’s V which show strength of a relationship revealed a weak relationship between kiosk banking and living standard of rural people as the Cramer’s $V=0.229$. In other words, kiosk banking services had significant effect on living standards of the rural dwellers. None the less, the effect was weak.

Table 6: Challenges of Kiosk Banking in Kwande Local Government Area

Variable	Frequency	Percentage
High withdrawal charges	81	25.2
Internet service fluctuations	21	6.5
Insufficient funds for huge withdrawals	70	21.8
Limited services	74	23.0
Inadequate kiosk banking locations	43	13.4
No Bank Account	19	5.9
No ATM card	13	4.0
Total	321	100

Source: Field survey, 2020

Table 6 has revealed that major challenge was high withdrawal charges with 25.2% (81). This was followed by limited services with 23.0% (74), insufficient funds for huge withdrawals with 21.8% (70) and inadequate kiosk banking locations with 13.4% (43). Other challenges included internet fluctuations with 6.5% (21), no bank account with 5.9% (19) and no ATM card with 4.0% (13). Limited services force customers to travel to other local government areas where the banks are located to do transactions. This situation has direct impact on finances and living standards of the rural dwellers. Also, high withdrawal charges create huge financial strain on

rural dwellers as they go more for bank services compared to their urban counterparts. Furthermore, insufficient funds imply that huge cash withdrawals cannot be made in the kiosk banks. This becomes a huge challenge to those who want to do big financial transactions in the area.

The above findings seem to be consistent with evidence by Andrianaivo and Kpodar (2011) which shows that in Africa, a large share of the population have a relatively high propensity to save and transact with kiosk banks but, are constrained by insufficient financial infrastructures; coupled with low number of ATMs and low number of bank branches in the region.

CONCLUSION

Based on the findings above the study has concluded that large proportion of the rural dwellers had access to kiosk banking services and these services enhanced their standard of living. However, services charge, cost of transportation and information charges by the services had adverse effects on kiosk banking services and socio-economic development of the rural dwellers. Therefore kiosk banking had significant relationship with socio-economic development in the study area. However, the relationship was not strong but weak. The study also concludes that major challenges facing kiosk banking in engendering socio-economic development of the rural areas were high withdrawal charges, limited services, insufficient funds for huge withdrawals, internet fluctuations, no bank accounts and lack of ATM cards.

RECOMMENDATIONS

Based on the conclusion above, the study recommends the following:

- a. Monitoring of charges from retailers or bank staff that operate kiosk banks to ensure affordability of such charges. This would control exploitation of the rural dwellers by the banks, improve income of the rural dwellers and engender socio-economic development in the area. This should be the responsibility of the regulatory authorities.
- b. Kiosk banks should increase scope of their services to make provisions for huge withdrawals, provision and activation of ATM cards. This will encourage some rural dwellers to do huge financial transactions that are often constrained by limited services.

This could reduce cost of transacting business in banks in locations in other local government areas and engender socio-economic development in the study area.

- c. The banks should also expand their kiosk banking frontiers to locations in the study area where they do not exist. This is to ensure easy and physical access to their services, thereby reducing cost of accessing financial services, improving standard of living and stimulating socio-economic development in the study area.

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