Agency Banking and Poverty Reduction in Plateau State

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Abstract

This study delves into the potential of agency banking to alleviate poverty in Plateau State, a region primarily reliant on agriculture and grappling with a high poverty rate, along with a sizable unbanked population. The research aims to investigate the correlation between agency banking and poverty reduction in Plateau State. Employing a descriptive survey design, the Taro Yamane formula was used to select a sample of 360 participants who were First Bank Plc agents. Quantitative analysis techniques, including descriptive statistics (percentages, mean, and standard deviation) and multiple linear regressions with SPSS 25.0, were employed to test the study's hypotheses. The results of the statistical analysis revealed that the income of agents has a significant impact on poverty reduction. Furthermore, the study found that the transaction volume of agents also significantly contributes to poverty reduction in Plateau State. However, it is important to note that the educational level of agents did not show a significant effect on poverty reduction in the state. As a result, the study recommends that banks operating in Plateau State should seize the opportunity presented by agency banking to reach the rural population, aligning with the Central Bank of Nigeria's (CBN) National Financial Inclusion Strategy (NFIS). This strategy emphasizes targeting women, rural areas, youth, Northern Nigeria, and micro, small, and medium-sized enterprises (MSMEs) to achieve a high level of financial inclusion, ideally reaching a 99% financial inclusion rate by 2030. In addition to promoting agency banking, the study suggests creating awareness of financial literacy in rural areas. This awareness campaign aims to educate the long-standing unbanked population on the benefits of banking services facilitated through agent banking, thereby fostering a more inclusive financial landscape.

Keywords: *Agency banking, Poverty reduction, Agents' education, Agents' income, Agents' transaction volume*

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Background to the Study

Global poverty remains a pressing issue, particularly in developing nations, with an alarming 648 million people surviving on less than $2.15 a day (United Nation Educational, Scientific and Cultural Organization, 2022). The economic challenges are starkly evident in the GDP of the 41 Heavily Indebted Poor Countries, totalling 567 million people, which falls short of the combined wealth of the world's seven richest individuals. Additionally, the start of the 21st century saw nearly a billion people unable to read or write, emphasizing the urgent need for comprehensive development (United Nation Development Programme, 2022). Sub-Saharan African countries face a particularly precarious situation, characterized by a significant percentage of the population living below the $1-a-day threshold. This reality is further illuminated when examining socio-economic indicators such as per capita income, life expectancy at birth, access to healthcare, safe water, education, and sanitation facilities, as highlighted by Adeyemi, Ijaiya, and Raheem (2009). The multifaceted nature of poverty in this region demands a comprehensive and coordinated global effort to address the root causes and implement sustainable.

In Nigeria, though there has been a steady growth in Gross Domestic Product (GDP) since the country came out of recession in 2017, people are becoming poorer, and inequality continues to increase (Federal Government of Nigeria, 2020). Besides, most of the workforce is in the informal sector where there is little income and job security. Hence, the likelihood of transiting out of poverty is low (FGN, 2020). Recent reports further indicate that 40% of Nigerians (i.e., 83 million people) live below the poverty line while another 25% (53 million) are vulnerable (World Bank, 2022). Inequality in income and job opportunities remains high and has undermined poverty reduction. Similarly, lack of job opportunities can be linked to widespread social and political unrest which has been exacerbated by the devastating impact of the COVID-19 pandemic. According to the World Bank (2020), the global recession occasioned by the pandemic has pushed about 2 million Nigerians into poverty.

In Plateau State, the social development programmes were implemented with sole aim of poverty reduction in the state. The State Government was among the first set of States that fulfilled all the World Bank requirements for participation, and in April 2009 the State Government established the Plateau State Community and Social Development Agency to implement the World Bank assisted 'Community and Social Development Project (CSDP). The Bill Establishing the Plateau State Community and Social Development Agency was passed into Law by the Plateau State House of Assembly in March 2009 and in the same month, the State Governor Da Jonah David Jang accented to the Bill giving it the status of an Agency. The Agency used the bottom-to-top approach, where Communities apply for intervention in the provision of social amenities in form of Micro Projects. Presently the Agency has intervened in 123 Communities. A total of 202 Completed Micro Projects and 21 On-going Projects spread across the State. One of the key highlights of the Community and Social Development Project (CSDP) is that clear-cut supportive roles and responsibilities are provided for the key actors in the project cycle. They include: the Federal level -the Federal Project Steering Committee (FPSC) and the Federal Project Support Unit (FPSU); the State level, State Agency Board, the State Agency (SA); and the Local Government level -the Local

Government Review Committee (LGRC) and the LGA Desk Office (LGDO). With all the effort put in by the state government to reduce poverty, 84% of the people are living in poverty (National Bureau of Statistics, 2022). Despite the effort put in by the government over the years to reduce poverty among its citizen at the state and local government levels, poverty still prevails in the country.

The emergence of agency banking has the potential to enhance poverty reduction in Nigeria. Since the mid-2000s, agency banking has emerged as a strategy to improve financial inclusion thereby reducing poverty significantly. One major enabler of agency banking in Nigeria is the relative ease of becoming an agent. While agents are typically depicted as dedicated financial service outlets within communities, today, anybody with a shop can serve as an agent for a bank or a mobile payments company. Globally, it is believed that sound agency banking structure contribute a foremost part in the expansion of bank financial service, economic activities of stakeholder and poverty reduction in the rural areas of any economy. Through this agency banking model, commercial banks have inclusively extended their conventional financial services in enhancing rural areas' economic activities without a financial capacity for a formal branch, though increasing economic activities performance (Muthoka, Oluoch, & Muiruri, 2018).

Therefore, the introduction of the agency banking has the potential to improve the standard of living of bank agents thereby contributing to poverty reduction. It is pertinent to note that educational background, income and transaction volume of a bank agents have been argued to play significant roles in determining his/her standard of living. Muthoka et.al (2018) also contended that as agent's education, agent's income and transaction volume of an agent are key determinants to the performance and efficiency of the agency banking system.

The ongoing discourse underscores the pivotal role that agency banking plays in the financial sector, particularly in addressing poverty among individuals without access to conventional banking systems. This study aims to delve into the nexus between agency banking and poverty reduction in Plateau State, Nigeria. The focus will be specifically on First Bank Plc within the state, given its extensive branch network, making it a comprehensive and representative case study. First Bank Plc's prominence with the largest number of branches in Plateau State positions its agents as key players in the local banking landscape. By examining the impact of agency banking on poverty reduction, the study aims to shed light on the potential socio-economic benefits that can be derived from this financial inclusion initiative. The selected proxies for agency banking in this investigation encompass agents' education, income, and transaction volume, providing a nuanced understanding of the dynamics at play. This research endeavours to contribute valuable insights to the broader discourse on leveraging financial services to alleviate poverty, with a specific focus on the Plateau State context. The strategic selection of proxies and the in-depth exploration of agency banking dynamics in Plateau State position this research as a trailblazing contribution to the ongoing conversation on utilizing financial services to alleviate poverty. The nuanced insights derived from the agents' education, income, and transaction volume pave the way for informed policy recommendations and strategic interventions that can catalyse positive transformations in the financial inclusion.

Research Problem

The persistence of poverty in Nigeria has made it imperative for poverty reduction to ensure improved standard of living for the poor masses. The situation in plateau state indicates a precarious scenario. Plateau state is one of the poorest states in Nigeria due to a number of factors which include overreliance on civil service jobs, low economic production and output, low internally generated revenue, among others. According to National Bureau of Statistics (2022), Plateau State is one of the poorest states in Nigeria with about 84 % of people leaving in poverty. Consequentially, the poverty situation in Plateau state has placed a good number of its population below the poverty line. This has affected the internally generated revenue of the state which can be seen in the minimal economic activities and poor financial systems in the state. The poverty has also contributed crisis situation in the state. These consequential effects of poverty on the Plateau State's economy and financial system constitute the problem of this study. Agency banking as an intervention agency has provided employment opportunities to quite a number of number people who were unemployed. The emergence of agency banking has enhanced poverty reduction in Plateau State. Agency banking has improved the income and standard of living of the agents who are productive by meeting up the transaction targets. Since the mid-2000s, agency banking has emerged as a strategy and has improved financial inclusion thereby reducing poverty significantly in Plateau State. It is against this backdrop that this study is designed to examine agency banking and poverty reduction in Plateau State, Nigeria

Research Hypotheses

The following hypotheses are formulated for the study and will be tested at 0.05 level of significance.

HO_1: Agent's education has no significant effect on poverty reduction in Plateau State.

HO_2: Agents' income has no significant effect on poverty reduction in Plateau State.

HO_3: Agents' transaction volume has no significant effect on poverty reduction in Plateau State.

Literature Review

The review of literature encapsulates the variables of the study, the underpinning theories as well as previous studies carried out in this area.

Agency Banking

The Central Bank of Nigeria (2013) defines Agent Banking as the provision of financial services to customers by a third party (agent) on behalf of a licensed deposit taking financial institution and mobile banking operator. Chude and Chude, (2014) observes that agency banking is also meant to promote financial inclusion and poverty reduction. Agent banking also helps banks to divert existing customers from crowded branches thus providing a complementary and often more convenient channel of delivering banking products and services to under-banked and unbanked parts of the population. Other financial institutions especially in developing economies use agency banking to reach the geographical areas that are underserviced by financial or banking coverage. (Afande & Mbugua, 2015).

The CBN (2017), defines agent bank as the provision of financial services to customers by a third party (Agent) on behalf of a licensed deposit Financial Institution (FI) and/or Mobile Money Operators (MMO). The issue of agent banking and customer accessibility and profitability is a function of effectiveness of the combination of some instruments such as Point-of-Sale (POS), Card Reader, Mobile Phone, Payment Transactions and sometimes Personal Computers (PC) (CBN, 2012). However, on the other hand, the term customer accessibility and profitability mean the ability and possibilities of a bank customer to benefit from all kinds of bank services and enjoy all the necessary benefits therein and derive maximum satisfaction (Reed, 2008).

Agency banking is a financial inclusion service which has been adopted by the banks to extend financial services to the unbanked and under-banked. In Nigeria, Agency banking started in 2013 with the release of guideline on the operations and management of agency banking. Since then, many of the commercial banks have signed on agents to help drive their retail banking services. Agency banking has gained importance, as a vital business model by which financial institutions bring their services closer to the people at the grass root and in remote rural areas (Chude & Chude, 2014). Agent's education, agent's income and transaction volume of an agent are key determinants to the performance and efficiency of the agency banking system.

Agent's Education
Education has a wide range of indirect benefits which instigate powerful changes in bank agents' attitude to work and society (Bartel, 2012). education makes it easier for the bank agent to learn new skills throughout their lives and hence facilitate their participations in modern economies and societies (Okorie, 2014). By implication, an educated bank agent has the advantage of exploring modern economic activities such as financial technologies that would improve his/her transaction volume and income.

Agent's Income
The income level of an agent determines his/her standard of living. Ncube, Anyanwu and Hausken (2013) found a significant relationship between income inequality and the financial status of an individual. This implies that agents with high income literally have an improved standard of living, and which may place them above the poverty line. Income of bank agents depend on the commission they get on their transaction volumes. Ismail and Bukan (2013), found a significant relationship between agents' income level and agents' job satisfaction. The authors further explained that bank agents always reported higher levels of satisfaction perhaps because they are motivated by receiving high commission as income for their job effort.

Agent's Transaction volume
The transaction volume of agents is a major determinant of their daily income. Agency banking operates on the principle that bank agents must meet their set transaction target in order to boost their agency job income (CBN, 2017). This clearly shows that the transaction volume of a bank agent has some roles to play in improving his/her daily income and hence reduce poverty.

Poverty Reduction

According to Ahmed (2013), poverty reduction refers to efforts aimed at reducing the magnitude of poverty defined in terms of the proportion of population living below poverty line. To Abdullahi (2019), poverty reduction is a situation where specific manifestations of poverty are systematically reduced resulting to a short-term condition. However, Ajakaiye (2000), notes that poverty reduction does not only refers to a short-term relief and satisfaction of basic needs, but also development of strategies for increasing the long run goals. Ogwumike (2002) posits that the strategies should be in form of policies of government that intend to broaden the opportunities available to the poor and ensure that every citizen has access to the basic needs of life such as food, shelter, water, health, education and minimum income. Thus, poverty reduction involves improving the living standard or condition of the poor using policies and programmes, aimed at broadening the opportunities available to the poor and ensuring that every citizen has access to the needs of life such as food, services, nutrition, basic education, and medical care services.

Conceptual Model for the Study

Independent Variables   Dependent Variable
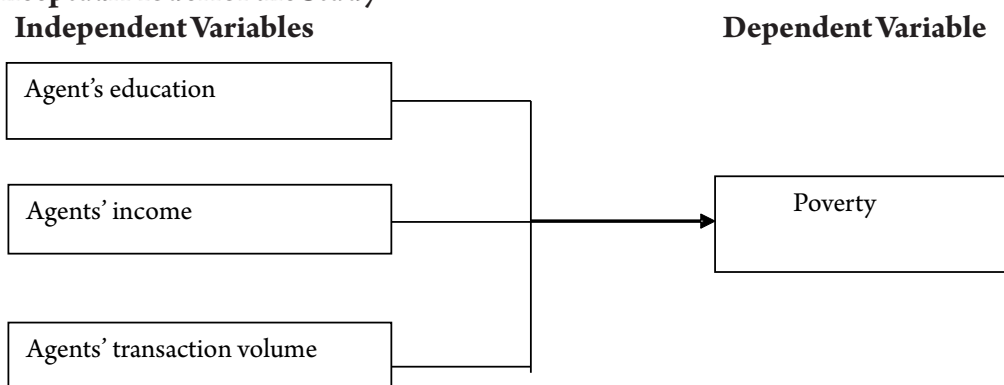
Theoretical Model

The theory of human capital is apt in explaining the relationships in the study. The theory of human capital was propounded by classical economists in 1776. The human capital theory suggests that individuals and society derive economic benefits from investments in people. The origin of human capital goes back to the emergence of classical economics in 1776. Human capital theory rests on the assumption that formal education is highly instrumental and necessary to improve the productive capacity of a population. In short, human capital theorists argue that an educated population is a productive population. Human capital theory underscores the relevance of education in increasing the productivity and efficiency of workers because the level of capability is enhanced by education investment. The advantage or strength of the theory is that it emphasizes the development of human resources. The disadvantage or the weakness of the theory is that it does not consider other factors that contribute to productivity and efficiency of workers apart from education (Joel Spring, 2015). Therefore, the study assumes that when adequate investment has been made in developing human capital such as bank agents through education, there would be corresponding performance.

The Human capital theory best explain the relationship between the proxies of the research variables in the current study (education, income and transaction volume) since the theory advocated the fact that an educated employee stands the better chance of performing well (transaction volume) in an organization and as well earned a good income.

Empirical Review

Several studies have been carried out related to the effects of agency banking on poverty reduction in Nigeria. Chude and Chude (2014) studied the implication of agent banking on the profitability of Nigerian commercial banks. The study employed descriptive survey in carrying out the research and content analysis in analysing the work. Findings revealed that agent banking has proved to have essential roles to play in improving customer's satisfaction and bank profitability. Ulokoaga (2020) examined the challenges and prospects of agency banking and financial inclusion in Nigeria. The study objective show that making financial services relevant to the unbanked on a daily basis requires agency banking that would allow Nigerians to easily convert cash into electronic value (e-value). Although, gradual progress is being made to improve on financial inclusion through agency banking, critical challenges of low financial literacy, inadequate infrastructural facilities as well as inadequate and inefficient technology-based facilities by financial institutions, have limited the achievement of significant expansion in financial inclusion level in Nigeria. The study recommends that banks should register more agents as well as adopt new products by leveraging on available technology, that is all mobile and digital channels that facilitate the provision of financial services; while government should create incentives for telecommunication companies to enable them deploy quality data services in the rural areas in order to deepen financial inclusion.

Olatokun and Igbindion (2009), used Diffusion of Innovation (DOI) theory to investigate the adoption of Automatic Teller Machines in Nigeria. They found out that the constructs relative Advantage, Complexity, Observability, Compatibility, and Trialability were positively related to attitude to the use of ATM cards in Nigeria. Morufu and Taibat (2012), used qualitative survey to ascertain bankers' perceptions of financial inclusion in Nigeria. The results suggest that bankers in Nigeria perceive electronic banking as tool for minimizing inconvenience, reducing transaction costs, altering customers queuing pattern and saving customers banking time.

Nwachukwu et. al. (2019) conducted a study on titled "Agency Banking, Mobile Money Operations and Financial Inclusion in Jos Town, Nigeria". For the purpose of the study, a descriptive research design was used. The study population were operators of agency banking and mobile money services located in Jos town and environs. Primary data was gathered through structured questionnaires. Test-retest technique was employed to determine the internal consistency of the instruments by computing Cronbach's alpha. A Cronbach's alpha of 0.619 and above was taken as acceptable reliability. Linear regression was used to analyse the data to determine, if agency banking, mobile money operations had a significant relationship with financial inclusion and to indicate the relative strength of the independent variables on the dependent variables. Findings revealed that, that cybercrime and reduction of

cost of banking services had a statistically insignificant and negative relationship with financial inclusion, while geographical coverage and illiquidity had a positive, but insignificant relationship with financial inclusion. This study concludes that agent banking and mobile money is gaining wide acceptance, however this has not engendered, more financial inclusion. This study recommends, that the government should create an appropriate regulatory.

Kessnya, Afande and Mbugua (2015), studied the extent to which banks have been able to partner with agents, commercial entities whose primary objective and business is any service other than the provision of financial services. The study focused on selected commercial banks in Nyeri County, Kenya and was completed in a period of three months. Data was collected by use of questionnaires, which were administered to bank branch managers and appointed agents. Findings revealed that greater geographical coverage brought about by agent banking is the strongest predictor of financial inclusion. Lack of liquidity and security concerns were found to be low.

Literature Gap
The examination of empirical studies reveals a wealth of research on agency banking and poverty reduction individually. However, there is a noticeable scarcity in studies that directly correlate these two constructs. Moreover, the existing research is often conducted in diverse settings, with limited exploration in the specific context of Plateau State. Notably, prior studies predominantly emphasize agency banking, financial inclusion, and the profitability of commercial banks, with only a handful integrating poverty reduction as a research variable. This study aims to bridge this gap by delving into the nuanced relationship between agency banking and poverty reduction in Plateau State. By addressing this specific and underexplored aspect, the research endeavours to contribute valuable insights that go beyond the existing body of literature. Through a focused investigation on Plateau State, this study aspires to offer a more localized and context-specific understanding of the dynamics between agency banking and poverty alleviation.

Methodology
The study employed a descriptive survey design, chosen for its appropriateness in capturing existing conditions. The vastness of the entire population necessitated a strategic approach to data collection, making an in-depth study impractical. This design is particularly suited for studying independent and non-manipulative variables, allowing for an exploration of the research questions without altering the variables under investigation. The geographical focus of the study is Plateau State, a North central state in Nigeria, boasting a population of approximately 3,206,531 as per the 2006 census. Recognizing the impracticality of studying the entire population comprehensively, the study will concentrate on a targeted population of 3,562 agents affiliated with First Bank Plc in Plateau State, as well as the users engaging with these agents' platforms for banking services within the state.

By adopting a descriptive survey design within the context of Plateau State, this research seeks to derive meaningful insights from a representative sample, offering valuable conclusions applicable to the broader population. The sample size of the study consisted of 360 agents of

First Bank Plc selected from the population of the First Bank agents operating in various local government areas of the state. Taro Yamane's formula was used to derive the sample size of the respondents for the study. As a result of the large population size, this formula was used in other to select the sample size from the population of the study.

$$n = \frac{N}{1 + N(e)^2}$$

N = Population size
n = Sample size
1 = constant
e = Level of significance of error assumed to be 0.05.

Therefore,
N = 3562,
e = 0.05 level of significance

$$n = \frac{3562}{1 + 3562(0.05)^2}$$

$$n = \frac{3562}{1 + 3562(0.0025)}$$

$$n = \frac{3562}{1 + 8.905}$$

= 359.616
= 360 approximately.

A Structured questionnaire was used to obtain primary data for the study. It contains items that elicit the respondents' opinion and decisions related to the research variables. The validity of the instrument will be established through the scrutiny of the supervisor. Reliability refers to the consistency of the instrument used. The questionnaire was designed accurately so as not to avoid bias. In other words, the researcher will be consistent in the administration of questionnaires, thereby making the instrument reliable. multiple linear regression will be used to examine the impact of sales promotion on the consumer buying behaviour. The data will first be extracted from the returned questionnaires and a frequency corresponding to the response was converted into percentage. The function equation is given thus;

Pov = F (Edu, Inab, Vot)-   -   -   -   -   (i)

Model of Specification
The formula for the test statistic (Multiple linear regressions) is given as:
Pov= $\beta_0 + \beta_1$Edu+ β_2Inab + β_3Vot+ μ -   -   -(ii)

Where:

Pov= poverty status (dependent variable) calculated using the World Bank poverty line of 1.9 dollars (i.e. at N874.63 per $) per day. Thus, if an agent earns less than N874.63 per day, he/she is classified poor and any agent that earns above N874.63 per day is classified non-poor.

If poor = 1 and non-poor = 2
Edu = level of education of an agent,
Inab = income earned from agency banking activities,
Vot = volume of transactions in a day

$\beta_1, \beta_2,$ and β_3 are coefficients of level of Education of an agent, experience of agent in agency banking, income earned from agency banking activities and volume of transactions in a day respectively.

βo = Constant
μ = Random variable, it is brought into the model to take into account the influence of less important factors and errors that occur in this study. It is also called error term or stochastic term of the function.

Analysis and Results
The socio-demographic characteristics of the study participants are presented below.

Table 1: Distribution of the Bank Agents based on Education Level

Education level	Frequency	Percentage (%)
Secondary Education	210	58.3
Tertiary Education	150	41.7
Total	**360**	**100.0**

Source: Field Survey 2023

Table 1 shows the percentages and frequency counts of the bank agents based on level of education. The frequency count shows that 210 respondents representing 58.3% had secondary school education while 150 respondents representing 41.7% had tertiary education. This implies that most of the banking agents that participated in the study were holders of secondary education.

Table 2: Distribution of the Bank Agents based Monthly Income

Income Range	Frequency	Percentage (%)
N10,000-N40,000	216	60.0
N41,000-N100,000	72	20.0
Above N100,000	72	20.0
Total	**360**	**100.0**

Source: Field Survey 2023

Table 2 shows the percentages and frequency counts of the bank agents based on monthly income. The frequency count shows that 216 respondents representing 60.0% had their monthly income within the range of N10, 000 - N40, 000. 72 respondents representing 20.0% had their monthly income within the range of N41, 000 – N100, 000, and also 72 respondents representing 20.0 % had their monthly income above N100, 000. This implies that majority of the bank agents that participated in the study fall within the monthly income of N10, 000-N40, 000.

Table 3: Distribution of the Bank Agents based Daily Transaction Volume

Daily Transaction Volume	Frequency	Percentage (%)
N100,000-N200,000	235	65.3
N201,000-N500,000	79	21.9
Above N500, 000	46	12.8
Total	**360**	**100.0**

Source: Field Survey 2023

Table 3 shows the percentages and frequency counts of the bank agents based on a daily transaction volume. The frequency count shows that 216 respondents representing 60.0% had their monthly income within the range of N10, 000 - N40, 000. 72 respondents representing 20.0% had their monthly income within the range of N41, 000 – N100, 000, and also 72 respondents representing 20.0 % had their monthly income above N100, 000. This implies that majority of the bank agents that participated in the study fall within the monthly income of N10, 000- N40, 000.

Table 4: Responses on the Effects of Agent's Education and Poverty Reduction

S/N	Statement	SA (%)	A (%)	D (%)	SD (%)	Mean
1	My ability to read as an agent enhances my job performance and standard of living.	35.6	42.8	18.1	3.6	3.10
2	My writing ability as an agent has improved my agency work and, has improved my standard of living.	22.2	45.6	23.6	8.6	2.81
3	My educational background has influence on my standard of living as an agent.	25.0	63.6	8.9	2.5	3.11
4	My educational qualification has influence on my income and standard of living.	25.0	67.2	5.8	1.9	4.49

From table 4, it was observed that majority of the respondent (42.8%) agreed to the opinion that their ability to read as an agent enhances their job performance and standard of living, 35.6% of the respondents strongly agreed to the opinion, 18.1% of the respondents disagreed and 3.6% of the respondents strongly disagree. Also, using mean value analysis, the mean value (3.10) is above the criterion mean (2.50) which implies that the opinion is accepted.

Also, from table 4, it was observed that majority of the respondent (45.6%) strongly agreed to the opinion that their writing ability as an agent has improved their agency work and has improved my standard of living, 22.2% of the respondents agreed to the opinion, 23.6% of the respondents disagreed and 8.6% of the respondents strongly disagreed. Also, using mean value analysis, the mean value (2.81) is above the acceptance criterion (2.50) which implies that the opinion is accepted.

Similarly, from table 4, it was observed that majority of the respondent (63.6%) agreed to the opinion that their educational background has influence on their standard of living as an agent, 25.0% of the respondents strongly agreed to the opinion, 8.9% of the respondents disagreed and 2.5% of the respondents strongly disagreed. Also, using mean value analysis, the mean value (3.11) is above the criterion mean (2.50) which implies that the opinion is accepted. In the same vein, from table 4, it was observed that majority of the respondent (67.2%) agreed to the opinion that their educational qualification has influence on my income and standard of living, 25.0% of the respondents strongly agreed to the opinion, 5.8% of the respondents disagreed and 1.9% of the respondents strongly disagreed. Also, using mean value analysis, the mean value (3.15) is above the acceptance criterion (2.50) which implies that the opinion is accepted.

Table 5: Responses on the Effects of Agent's Income and Poverty Reduction

S/N	Statement	SA (%)	A (%)	D (%)	SD (%)	Mean
1	My daily income as an agent has improved my standard of living	66.4	28.1	4.2	1.4	3.59
2	My monthly income as an agent has influence on my standard of living	58.6	30.3	8.3	2.8	3.45
3	Agency work has reflected change in my standard of living	50.3	40.8	6.1	2.8	3.39
4	My income as an agent has changed my standard of living compared to when I was not an agent.	55.8	30.3	8.3	5.6	3.36

From table 5, it was observed that majority of the respondent (66.8%) strongly agreed to the opinion that their daily income as agents has improved their standard of living, 28.1% of the respondents strongly agreed to the opinion, 4.2% of the respondents disagreed and 1.4% of the respondents strongly disagree. Also, using mean value analysis, the mean value (3.59) is above the criterion mean (2.50) which implies that the opinion is accepted. Also, from table 5, it was observed that majority of the respondent (58.6%) strongly agreed to the opinion that their monthly income as agents has influence on their standard of living, 30.3% of the respondents agreed to the opinion, 8.3% of the respondents disagreed and 2.8% of the respondents strongly disagreed. Also, using mean value analysis, the mean value (3.45) is above the acceptance criterion (2.50) which implies that the opinion is accepted.

Similarly, from table 5, it was observed that majority of the respondent (50.3%) strongly agreed to the opinion that agency work has reflected change in my standard of living, 40.8% of the respondents strongly agreed to the opinion, 6.1% of the respondents disagreed and 2.8% of the respondents strongly disagreed. Also, using mean value analysis, the mean value (3.39) is above the criterion mean (2.50) which implies that the opinion is accepted. In the same vein, from table 5, it was observed that majority of the respondent (55.8%) strongly agreed to the opinion that their income as agents has changed their standard of living compared to when they were not an agent, 30.3% of the respondents agreed to the opinion, 8.3% of the respondents disagreed and 1.9% of the respondents strongly disagreed. Also, using mean value analysis, the mean value (3.15) is above the acceptance criterion (2.50) which implies that the opinion is accepted.

Table 6: Responses on the Effects of Transaction Volume and Poverty Reduction

S/N	Statement	SA (%)	A (%)	D (%)	SD (%)	Mean
1	The commission on my daily transaction has improved my daily earning	55.6	30.6	11.1	2.8	3.39
2	My earnings increase whenever I meet up my transaction target	55.8	24.7	11.1	8.3	3.28
3	An increase in transaction reflects in my income and standard of living as an agent	64.2	23.6	9.4	2.8	3.49
4	Long transactions as agents have direct effect on my income standard of life.	40.6	27.5	27.8	4.2	3.04

From table 6, it was observed that majority of the respondent (55.6%) strongly agreed to the opinion that the commission on their daily transaction has improved their daily earning, 30.6% of the respondents strongly agreed to the opinion, 11.1% of the respondents disagreed and 2.8% of the respondents strongly disagree. Also, using mean value analysis, the mean value (3.39) is above the criterion mean (2.50) which implies that the opinion is accepted.

Also, from table 6, it was observed that majority of the respondent (55.8%) strongly agreed to the opinion that their earnings increase whenever they meet up meet transaction targets, 24.7% of the respondents agreed to the opinion, 11.1% of the respondents disagreed and 8.3% of the respondents strongly disagreed. Also, using mean value analysis, the mean value (3.28) is above the acceptance criterion (2.50) which implies that the opinion is accepted. Similarly, from table 6, it was observed that majority of the respondent (64.2%) strongly agreed to the opinion that an increase in transaction reflects in their income and standard of living as an agent, 23.6% of the respondents strongly agreed to the opinion, 9.4% of the respondents disagreed and 2.8% of the respondents strongly disagreed. Also, using mean value analysis, the mean value (3.49) is above the criterion mean (2.50) which implies that the opinion is accepted.

In the same vein, from table 6, it was observed that majority of the respondent (40.6%) strongly agreed to the opinion that long transactions as agents have direct effect on their income and standard of life, 27.5% of the respondents agreed to the opinion, 27.8% of the respondents disagreed and 4.2% of the respondents strongly disagreed. Also, using mean value analysis, the mean value (3.04) is above the acceptance criterion (2.50) which implies that the opinion is accepted.

Regression Results

This section presents the multiple linear regression analysis of the significant effect of the independent variables on the dependent variable.

Table 7: Model Summary of the Effect of Education level of Agents, Income of bank Agents and Transaction Volume of Agents on Poverty Reduction

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.656[a]	.430	.425	.372	2.140

a. Predictors: (Constant), Volume of transaction of bank Agent (Vot), Education level of bank agents (Edu), Income of bank agent (Inab)

b. Dependent Variable: Poverty reduction (Pov)

Source: SPSS 25.0

Table 7 above shows the model summary for the multiple regression analysis. From the table, it can be seen that the R square is 0.430, meaning that the explanatory variables (Volume of transaction of bank agent, education level of bank agents and income of bank agent) used explain about 43.0% of the variations in the dependent variable (Poverty). Taking into consideration the number of predictors entered into the model, table 7 reveals an adjusted R square of 0.425, meaning that the explanatory variables (Volume of transaction of bank agent, education level of bank agents, and income of bank agent) explain about 42.5% of the variations in the dependent variable (Poverty reduction). The 57.5% is explained by factors or independent variables outside the model. The Durbin-Watson (DW) test for serial correlation (auto-correlation) stands at 2.140. This falls within the range of 1.50 and 2.50, implying no presence of serial correlation among the residuals within the study period.

Table 8: F-ratio Test of the Significant Effect of Education level of Agents, Income of Bank Agents and Transaction Volume of Agents on Poverty

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	37.129	3	12.376	89.424	.000[b]
	Residual	49.271	356	.138		
	Total	86.400	359			

a. Dependent Variable: Poverty (Pov)

b. Predictors: (Constant), Volume of transaction of bank Agent (Vot), Education level of bank agents (Edu), Income of bank agent (Inab)

Source: SPSS 25.0

Findings in Table 8 showed the F statistic of the result. The F value indicates whether the set of independent variables (Volume of transaction of bank agent, education level of bank agents, and income of bank agent) contribute to the variation in the dependent variable (Poverty reduction). An F value of 89.424 was found. Findings in Table 6 further revealed that the F value was significant (P= 0.000) at 95% confidence level. This means that independent variables as a whole are significant in predicting poverty reduction. This means that Volume of transaction of bank agent, education level of bank agents, and income of bank agent explain the dependent variable with a significant effect. By implication, despite other variables' role in the determination of poverty, the explanatory variables in the model play a significant role. Since F-value has a probability value less than the level of significance (P = 0.000 < 0.05), this means that the overall model was significant, and hence, it is good for prediction.

Table 9: Coefficient Summary of the Significant Effect of Education level of Agents, Income of Bank Agents and Transaction Volume of Agents on Poverty

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.229	.199		6.160	.000
	Edu	-.094	.067	-.095	-1.400	.162
	Inab	1.165	.000	.744	10.728	.000
	Vot	-3.353	.000	-.088	-2.126	.034

a. Dependent Variable: Poverty (Pov)

Source: SPSS 25.0

Table 9 reveals that when all the explanatory variables are absent, poverty will be positive as indicated by a positive constant of 1.229 and significant given the probability value of 0.000. This means that poverty is positive without the interplay of the explanatory variables in the

model. The coefficient of education is negative at -0.094. This implies that for every 1unit increase in education, poverty decreases by 0.094. The variable remains insignificant at 5% level of significance with a probability value of 0.162 which is greater than 0.05 (p = 0.162 < 0.05). It can also be seen from the table that the coefficient of income is positive at 1.165 with a significant probability value of 0.000 which is less than 0.05 level of significance (p = 0.000 < 0.05). By implication, a unit increase in income results in an increase in poverty by 1.165. While transaction volume is negative at -3.353 and statistically significant given the probability of 0.034 which is less than 0.05 level of significance. By implication, a unit increase in transaction volume results in a decrease in poverty by 0.188. The "Beta" values provide a standardized version of the slope coefficient. The same explanation can be given as with standardized coefficients. A unit standard deviation increases in education results in a -0.095-unit decrease in poverty. Likewise, a unit standard deviation increases in income cause a 0.744 increase in poverty and a unit standard deviation increase in transaction volume caused 0.229 decreases in poverty.

Discussion of Findings
The study examined the agency banking and poverty reduction in Plateau State, Nigeria. The findings of the study in table 4 revealed that agent's education level has effect on poverty reduction in Plateau State. The result of the regression analysis in table 9 also indicated that agent's education level has effect on poverty, but with an insignificant effect. This implies that education could help in poverty reduction, but the level of education does not necessarily have effect on poverty. The findings of the study concurred with the submission by Oni, Akinsanya and Aninkan (2014) established that education has positive impacts on the economy and so, investment in education and training is imperative if the aim is to propel the economy to higher level of productivity and income and thereby accelerate the rate of economic growth. Education increases the number of knowledgeable agents by improving their skills and enabling them to new challenges. Simon-Oke (2012) also mentioned that education enhances their occupational mobility, reduces the level of unemployment in the economy, increases the earning capacity and productivity of the country's agent banking system, improves access to health information which will increase life expectancy and, at the same time lower the fertility rate (Simon-Oke, 2012).

The findings of the study in table 5 showed that agent's income has effect on poverty reduction. The result of the regression analysis in table 9 also revealed that agents' income has a significant effect on poverty reduction in Plateau State. This implies that an increase in agent's income could result to reduction in poverty. This finding agrees with the study by Ismail and Bukan (2013) who found a significant relationship between agents' income level and agents' job satisfaction and standard of living. The authors further that bank agents always reported higher levels of satisfaction perhaps because they are motivated by receiving high commission as income for their job effort. On the other hand, it is quite possible for bank agent to get high income by spending more effort in the job, because they are attracted by a high level of satisfaction with compensation, social satisfaction, work satisfaction, satisfaction with supervisor, and satisfaction with promotion.

The findings of the study in table 6 revealed that transaction volume of an agent has effect on poverty. The result of the regression analysis in 9 also showed that agents' transaction volume has a significant effect on poverty reduction in Plateau State. This implies that an increase in agent's transaction volume reflects an increase in the agent's income which could lead to poverty reduction. The findings of the study corroborated with the submission by the Central Bank of Nigeria (2012) which mentioned that bank agents receive a commission only if transactions are realized. The apex bank further elaborated that the higher the transaction volume of an agent, the higher his/her daily commissions. Agent transaction platforms may also benefit from additional revenue associated with transactions acquired by the agent, such as person-to-person transactions and bill payments. Although customers can conduct these transactions in a branch, proximity may increase their willingness to pay for these services and increase the number of transactions conducted through the channel. According to CBN (2012), bank agents are given daily target of transactions to meet up which is driven by the principle of high transaction volume reflected high agents' commission and low transaction volume reflects low agent's commission. Increase in the volume of transactions by the agents presupposes increase in income.

Conclusion and Recommendations
From the foregoing analysis, it is concluded that engaging in agent banking has the probability of reducing poverty in Plateau State which is typically an agrarian state with high poverty incidence as well as highly unbanked population. Agent banking in Plateau State where only 14 local government areas out of 17 local government areas have the presence of formal banks has the potential of increasing financial inclusion and enhancing financial literacy. With the presence of agent banking in the state, it will enhance business sustainability and facilitate financial transactions. These will increase economic activities and increase employments and reduce poverty. Given the potentials of agent banking for socio-economic development in the state.

In view of the findings made in the course of this research, it is pertinent to make the following recommendations:
  i.   Banks operating in the state should leverage on the opportunity of agent banking to penetrate the rural population with a view to achieving financial inclusion in line with the CBN's revived National Financial Inclusion Strategy (NFIS) which places implementation focus on women, rural areas, youth, Northern Nigeria and MSMEs to achieve if possible 99% financial inclusion rate by 2030.
  ii.   Financial literacy awareness should be created so that rural population who has long lived unbanked to accept banking services via the agent banking.
  iii. Bank agents should be encouraged to put in their best by meeting transaction targets as it reflects increase in their income and improvement in standard of living.

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