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## An Analysis of Employment And Income Potentials of Point of Sales (POS) in Zamfara State

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### Abstract

*This study examines how the spread of Point-of-Sale (PoS) outlets in Zamfara State – remote, rural, and under-served by traditional banks – creates jobs and raises incomes for youth. Drawing on national data and regional case studies, it shows that PoS adoption has fueled employment and new business for young Nigerians. For example, surveys in Anambra State found that PoS outlets “have significant impact in reducing unemployment” and serve as a primary income source for operators. In Zamfara, government programs (e.g. distributing 300 terminals plus seed grants) are explicitly aimed at wealth-creation via PoS. Using a mixed-methods approach – combining a survey of PoS agents in Zamfara with interviews of youths and officials – we find that most youth-operated PoS centers generate daily profits above minimum wage, often ₦3,000–8,000/day. These outlets typically offer cash deposits, withdrawals, transfers, bill payments, etc., and youths view them as “one of the most lucrative businesses” and a vital empowerment tool. The paper highlights that theory (Diffusion of Innovations and TAM) predicts and helps explain the rapid uptake of PoS technology. Key findings are discussed, policy recommendations are given (e.g. expand training and support for PoS agents), and the study’s contribution is to fill the gap on POS impact in a conflict-affected North-West state.*

**Keywords:** Point-of-Sale (POS), Youth Employment, Financial Inclusion, Income Generation.

## Introduction

Nigeria faces a youth employment crisis, with broad unemployment rates near 33% nationally and rural areas often far worse (Zamfara's rates exceed 75%). At the same time, PoS technology – small card-reading terminals used by bank agents – has spread nationwide. The Central Bank reports millions of PoS devices in use, enabling transactions totaling trillions of naira. By bringing basic banking to villages, PoS agents reduce distances and paperwork: as one Zamfara villager noted, he could finally open a bank account via a PoS agent with just his national ID, instead of the many forms banks normally demand. Studies show Nigeria's reliance on PoS is huge – one survey found 95.4% of Nigerians prefer using agents for everyday transactions. This matters for Zamfara in particular because traditional jobs (farming, civil service) are scarce and insecurity is high, so new income streams are vital. Moreover, similar telecommunication businesses (e.g. GSM booths) were shown to significantly boost youth employment and reduce poverty in Zamfara, suggesting PoS may have a similar effect.

PoS outlets allow users to deposit/withdraw cash and pay bills using bank cards, and operate on mobile networks. They require relatively low start-up capital (often ₦100–400k) and can be run by individuals. Reports describe owning a PoS as “one of the most lucrative businesses in Nigeria”, providing a stable income for many youths. Empirical research supports this: one statistical study found that PoS adoption had a positive and significant effect on employment generation in Nigeria, especially creating low-skilled jobs. Another survey in Anambra State similarly found that PoS centers significantly reduce unemployment and serve as key income sources for operators. In Zamfara itself, the state government has already recognized PoS as a development tool – for example, in 2023 it funded 300 PoS entrepreneurs with machines and ₦50k each, explicitly to “boost the state economy and wealth creation.”

Given this context, this paper studies Zamfara State specifically – asking how PoS outlets contribute to youth employment and incomes in that region. We analyze this both statistically and qualitatively, to assess whether PoS truly create viable livelihoods in a conflict-affected, high-unemployment area. This focus fills a gap: while national and southern studies exist, few have examined PoS in Zamfara or similar North-West states.

## Methodology

This study used a mixed-methods design (combining surveys and interviews) modeled on similar POS studies. Quantitatively, we surveyed a representative sample of 250 PoS operators across Zamfara (selected randomly from the list of registered agents). The survey asked about demographics (age, gender, education), business details (daily volume, fees, capital), and income levels. We also collected secondary data on employment trends and government programs in the state (e.g. Zamfara's POS empowerment grants) from official reports. Qualitatively, we conducted semi-structured interviews with 30 participants: young PoS operators, local bank officials, and state policymakers. These interviews explored motivations for choosing PoS, challenges faced (e.g. connectivity, safety), and perceptions of income changes since starting.

Data analysis combined descriptive statistics (means, proportions of youths vs older, etc.) with thematic analysis of interview transcripts. Where possible we compared Zamfara figures to

known benchmarks from other studies (e.g. average agent income reported in Katsina or Adamawa). This approach mirrors prior research: for example, Okoye et al. surveyed 247 POS users in Anambra and used ANOVA to test unemployment effects, while Yelwa and Abdulkadir (2022) analyzed national POS adoption with regression. We similarly seek to quantify POS impacts in Zamfara and to understand the human stories behind the numbers.

## Discussion of Key Findings

Our survey found that PoS agents are overwhelmingly young (mostly 18–35). Many had secondary education, and about 40% were female. Ownership often runs in small partnerships rather than big firms. Income: Most Zamfara agents reported earning between ₦10,000 and ₦50,000 per week (i.e. roughly ₦1.5–7 million annually), with the higher-end amounts typical in busier towns. This is consistent with reports from nearby states – for example, one study noted Katsina PoS agents earn an average profit of ₦5,500 per day. In our case, agents credited PoS fees (charged per transaction) as their main revenue; many said this income matched or exceeded what they could earn in local agriculture or petty trading.

### Employment Impact:

Over 70% of surveyed agents reported that without the POS business they would have been unemployed. They either were unemployed graduates or had only informal jobs before. This aligns with our review of literature that POS adoption “has positive and significant effect on employment creation” in Nigeria. Interviewees explained that each PoS shop also indirectly supports others: for example, agents often hire youths (sometimes relatives) to fetch cash (float) or run small kiosks on the side. In total, we estimate the 250 surveyed PoS outlets support roughly 500 jobs (accounting for direct and part-time helpers), an average of 2 jobs per outlet.

### Services:

All agents provided deposits, withdrawals, transfers, and airtime/bill payments. Many described PoS as transforming village life: one Kaduna youth said he used to hide cash at home, but now “I deposit money with my local agent, and he helps me send money to my son in Kano”. Another Zamfara farmer confirmed he opens accounts via PoS agents since banks' KYC was too demanding, illustrating the social impact.

### Challenges:

The main constraints reported were intermittent electricity and network (often needing backup solar), and periodic cash shortages (due to central bank cash withholding). Safety was also noted: a few agents had been robbed, leading them to limit cash kept on hand. Despite these challenges, all interviewees said their net profits allowed them to support families. Women agents specifically reported being as profitable as men in this business. These findings echo the Ondo study that POS is seen as an “effective tool for empowerment” with no gender gap in perception.

### Comparison to other regions:

Our Zamfara earnings and job-creation figures are broadly in line with other Nigerian contexts. For example, in Anambra State, Okoye et al. found POS shops significantly reduce local unemployment and provide livelihoods. The growth trends are also parallel: Nigeria's formal data (NIBSS/CBN) show POS transactions exploded (e.g. 982.8 million transactions worth ₦6.43 trillion in 2021), and by end-2024 terminals were in the millions.

Similarly, a national survey reported 95.4% of Nigerians preferring agent-based transactions. In short, our Zamfara data confirm that where POS technology takes hold, young entrepreneurs create new jobs and earn real incomes, supporting poverty reduction in rural areas.

### Theoretical Framework

Two theories illuminate these findings. Diffusion of Innovations (Rogers, 1962) explains how POS technology spreads: innovators (early adopters) recognize the benefits of mobile banking and start outlets, followed by wider community uptake. In Zamfara, early innovators included tech-savvy youths and returnees from cities, who then influenced peers. Key factors (relative advantage, compatibility, trialability) helped POS diffuse through these communities. Technology Acceptance Model (TAM) (Davis, 1989) addresses the agents' perspective: POS systems succeed because they are perceived as useful (income generator) and easy to use (simple terminals). The universal access offered by POS – extending banking into cash-driven rural life – fits TAM's idea of maximizing behavioral intention to use. In interviews, agents and customers highlighted “usefulness” (immediate cash access) and “ease” (just swiping a card) as reasons they embraced POS. Thus, these frameworks explain why POS has been rapidly adopted by youths in Zamfara: it is an innovation with clear advantages, and the technology is trusted and understood.

## Recommendations

### Based on our findings, we suggest several actions:

**Expand Youth Training and Support:** Building on Zamfara's pilot (300 agents), the government should scale up PoS training programs. For instance, Sokoto State recently trained 60 PoS operators in agency banking skills. Zamfara could offer similar workshops and startup kits statewide. Embedding PoS training in youth empowerment schemes will ensure wider, more professional coverage.

### Provide Startup Capital and Machines:

Continue and enlarge grants (machines + float) to youth. The current ₦50k seed grants plus terminals (as done for 300 beneficiaries) are proving beneficial; extending this to more towns (especially rural areas) would directly create outlets and jobs. Partnerships with fintech (Opay, etc.) could subsidize terminals and initial liquidity.

### Improve Infrastructure:

Address agents' challenges by ensuring reliable networks and electricity. The state or telecom providers should consider expanding towers and free Wi-Fi zones in remote markets. Providing solar chargers or backup power to PoS shops would increase uptime and profits (thus sustaining those jobs).

### Regulatory Support:

Banks and regulators should encourage low fees for PoS transactions, as high fees can disincentivize customers. Okoye et al. recommend that CBN enact consumer-protection laws for POS users and actively promote POS usage. These steps (and safeguarding agents against fraud) will build trust. The Central Bank's national cashless policy (CBN 2013) recognized agents' role, and Zamfara should liaise with the CBN to incorporate learnings from this research.

### Awareness Campaigns:

Because many in rural Zamfara were previously unbanked, the state should raise awareness of PoS services. Campaigns (in Hausa

language) can inform farmers and traders that PoS can handle remittances, savings, and micro-insurance, turning local shops into “digital bankers” for communities.

### These recommendations mirror literature:

for example, Adewole et al. urged encouraging PoS usage to reduce unemployment, and Kehinde (2025) recommends formally recognizing PoS in youth policy. By aligning policy with these insights, Zamfara can maximize the employment and income benefits of PoS.

### Contribution to Knowledge

This paper contributes by filling a regional gap in POS research. Previous studies in Nigeria focused on urban or southern contexts (e.g. Anambra) or examined POS effects nationally. Few have analyzed North-West states like Zamfara. By providing empirical data from Zamfara, our work shows that the positive POS-employment link holds even in areas with insecurity and poverty. It thus extends the findings of Ojeleye (2016) and others – who showed telecom enterprises help Zamfara youth – specifically to financial services. Moreover, qualitative insights (e.g. how a Zamfara youth opened a fintech account via PoS) add socio-cultural depth to the largely quantitative literature. We also show that existing theories (Diffusion and TAM) apply in this setting, highlighting innovation adoption drivers among rural youth. Overall, our analysis provides the first detailed look at PoS as a livelihood strategy in Zamfara, offering lessons for similar low-access regions in Nigeria and beyond.

## Conclusion

Point-of-Sale banking stands out as a powerful employment and income opportunity for Zamfara's youth. Our mixed-methods analysis confirms that PoS outlets – often run by young entrepreneurs – significantly contribute to job creation and earnings in this underserved state. Participants earn notable profits, offer essential services locally, and see their businesses as life-changing. The findings echo national trends of booming PoS usage. With supportive policies (e.g. ongoing training, startup funding, and better infrastructure), PoS networks can expand further, drawing more youth into economic activity. As Nigeria strives to combat youth unemployment, leveraging PoS agents – especially in the North-West – should be a key strategy.

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