

A comparative study of the gains and pains of the Naira redesign policy in Nigeria: Implications for future policy

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Abstract

The recent Naira redesign policy of the Federal Government of Nigeria in the wake of the 2023 general elections brought untold hardship to Nigerians despite its good intentions. This study explores the gains and pains of the Naira redesign policy and the implications of the scarcity of the new Naira notes on Nigerians. Twenty-four participants were selected for the study using multistage sampling techniques. Data were collected using in-depth interviews and analysed thematically using NVivo 12. Findings revealed that the policy, amongst other things, enthroned a cashless and digital banking system, enriched some individuals, and reduced kidnapping and terrorism within the period of Naira scarcity. The study equally found that the policy exposed Nigerians to starvation and untimely death, negatively affected some businesses, and led to the destruction of some bank properties. The study recommended, amongst others, that the Central Bank of Nigeria should print more new Naira notes, increase the daily withdrawal limit, and provide palliatives to help cushion the effects of the policy on average Nigerians.

Keywords: Naira notes, policy, social work, intervention, Nigeria.

INTRODUCTION

Currency redesign refers to changing the design, security features, and other characteristics of a country's currency (Akinleye, 2023). It is an activity of a sovereign nation to either change or modify the existing currency in a country. The process of currency redesign encompasses alterations in the physical attributes of banknotes and coins, encompassing changes in features, colours, and security elements (Yifru & Zerihun, 2018).

Although the global best practice is for central banks to redesign, produce, and circulate new local legal tender every five to eight years (Otitoju et al., 2023),

its impacts on the well-being of the people, especially the poor, must be considered. In Nigeria, currency redesign has been a significant policy issue due to the country's historical experience of currency counterfeiting, which has led to significant economic losses (Akinleye, 2023). Over the years, Nigeria has experienced the introduction and redesigning of its currencies in circulation, with the Central Bank of Nigeria (CBN) playing a pivotal role in protecting its stability (Naseem, 2012). The main goal of currency redesign is to achieve certain goals, such as enhancing banknote security, preventing counterfeiting, protecting the nation's common legacy, managing the amount of money in circulation, decreasing the total cost of currency management, and minimising the influence of money on the country's electoral process, thereby discouraging vote-buying and inducement of electoral officers (International Monetary Fund [IMF], 2022; Pillah, 2023).

On October 26, 2022, the CBN unveiled its new programme to redesign Nigeria's three highest denomination banknotes of N200, N500, and N1000 (Abubakar & Yankadi, 2023). The aim was to help curb corruption and currency fraud, tackle the growing menace of kidnapping for ransom, lower inflation, and address the problem of having too much money in circulation (Awi, 2023; CBN, 2022). The CBN further stated that the redesigned Nigeria's currency would reduce counterfeiting, encourage a cashless economy, stave off cash hoarding, bring more people into the financial sector, and even more ambitiously, reduce the incidences of kidnapping and terrorism because there would be no notes in circulation for ransom payments (Ochei, 2022; Olujobi & Chuba, 2022).

The CBN had informed Nigerians that of the N3.2tn in circulation, 80 percent of the money is in private hands, and that led to a high rise in inflation and made economic policies ineffective as the unbanked monies always overwhelmed the economic policies (Komolafe, 2022). For the CBN to recover the majority of its cash in circulation and achieve a 100 percent cashless policy, the best move, therefore, was to redesign higher denominations (CBN, 2022; Emefiele, 2023). The Naira redesign policy was in line with the CBN Act of 2007, which stipulates that the CBN shall oversee and administer all monetary and financial sector policies on behalf of the Federal Government of Nigeria (Dada, 2023). The redesigned N200, N500, and N1000 Naira notes came into circulation on Thursday, December 15th, while the old ones would cease to be legal tenders from January 31st, 2023 (Komolafe, 2022). To reduce money in circulation, the CBN printed only N500bn of the new notes and retrieved over N2tn of the old notes, hence the scarcity (Bulusson, 2023). Further, to avoid the new notes being accessible to only the rich and powerful, the CBN directed banks to distribute new notes through Automated Teller Machines (ATMs) and Point of Sale (PoS) agents at N20,000 per day for individuals subject to N100,000 per week, and over-the-counter weekly cash withdrawals by individuals and

corporate organisations were equally pegged at N100,000 and N500,000, respectively (Bulusson, 2023; Onwuka, 2023). The withdrawal policy was later increased to N500,000 for individuals and N5,000,000 for corporate organizations per week (Dada, 2023).

Upon the announcement, many Nigerians felt the CBN was too quick to implement the policy and criticised redesigning the new notes as unappealing. The Guardian had warned that the bold plan by the CBN to redesign and issue new Naira notes from mid-December was wrongheaded and ill-timed (The Guardian, April 5, 2023), considering the February 2023 general elections (Edeh, 2022; Nwachukwu & Nwogu, 2022). Critics argued that, against the backdrop of a severe economic crisis, allocating resources toward currency redesign may divert attention and funds from more urgent matters such as inflation control, reduction of unemployment rates, and sustainable economic growth (Aladejebi et al., 2023). Politicians who felt the policy targeted them complained loudly and wanted the deadline extended, while those who believed it helped their political agendas hailed the tight and impractical deadline and did not want it moved (Edeh, 2022; Itsibor, 2022; Nwachukwu & Nwogu, 2022). Those who complained did so because they hoped to win elections through vote buying and cash politics (Itsibor, 2022; Onimisi, 2023). They alleged that the government used the CBN as an attack dog to render politicians bankrupt ahead of the 2023 general elections (Edeh, 2022; Itsibor, 2022; Nwachukwu & Nwogu, 2022).

The transition to new currency notes no doubt ushered in new entrants into the cashless policy and digital economy and entrenched prudent spending among Nigerians. According to Udemezue (2023), the policy reduced armed robbery, bank robbing, kidnapping, and terrorism, and entrenched online and mobile banking systems, wise spending, cashless policy, open and operated accounts, reduced corruption, and left permanent records, which could be recalled in the future. However, Nigerians have suffered and are still suffering from the adverse effects of the policy. The cash crunch and the attendant economic and social dislocations created by the currency redesign policy of the CBN have surfaced many design and implementation flaws that typically undermine the effectiveness of public policies (Adio, 2023). It is disturbing that despite the billions of new Naira notes purportedly printed by the CBN and the diverse channels the apex bank listed for the distribution of the new notes, the transition to their usage is causing untold suffering to Nigerians (Onwuka, 2023). The agent bankers or PoS merchants, who are one of the major channels for distributing the new notes to the public, charged exorbitantly, dissuaded the public from using the channel, thus compelled them to flood the ATMs, which was the only available avenue to get the new notes at a cheaper charge (Bulusson, 2023; Onwuka, 2023).

Although scholars have faulted the Naira redesign policy by the Nigerian government and the CBN (Muhammed & Abdulmajeed, 2022; Iwedil & Wachku, 2023), the present study also explores the lack of involvement of relevant professionals in the policy design and implementation. For instance, social workers who are experts in policy advocacy (Saxena & Chandrapal, 2022) did not contribute their expertise to the Naira redesign policy because they were not consulted. The profession should have been involved from the inception, formulation, implementation, and monitoring of the policy to achieve a comprehensive and socially sensitive approach to the policy. As educationists and social crusaders, social workers would be involved in educating the masses on the importance of the redesign policy, which the masses now see as an anti-people policy. Also, social workers would advise the government and the CBN against the quick implementation of the policy without proper consultations with financial experts and recourse to the effects of the policy on the masses. They should also work with the concerned authorities on how to change harsh policies that affect the people (Okah et al., 2023). This is because social workers understand social problems emanating from social policies like the Naira redesign policy and handle challenges faced by vulnerable individuals, groups, and communities (Nwafor et al., 2024). Hence, their professional insights could have aided the FGN and the CBN in anticipating and mitigating the potential negative implications of the policy on Nigerians.

There are studies on Naira redesign policies in Nigeria (Aroghene, 2023; Abubakar & Yankadi, 2023; Dada, 2023; Otutoji et al., 2023a; Otutoji et al., 2023b; Yifru & Zerihun, 2018). However, these studies focused on currency redesign policy and its implications on the local economy and financial history. Others concentrated on fraud and its effects on the stability of financial institutions in Nigeria. Therefore, there is a paucity of literature on the implications of the Naira redesign policy and the scarcity of the new Naira notes on Nigerians. This study is therefore aimed at exploring the implications of the Naira redesign policy of the apex bank on Nigerians amidst the 2023 general elections. This study is timely and important, considering the hurdles people went through to get the new Naira notes to enable them to solve their financial problems. Specific objectives include: (1) To find out the gains of the Naira redesign policy on Nigerians (2) To find out the pains of the policy and scarcity of the new Naira notes on Nigerians.

METHODOLOGY

Study area

This study was carried out in Ebonyi State, Nigeria. The state is located in the Southeast geopolitical zone of the country, with an estimated population of 3,046,287 (National Population Commission [NPC], 2022). The study was carried out in the Abakaliki Metropolis of Ebonyi State. The rationale behind the choice of Abakaliki Metropolis as the study area is that 90% of the banks in

the state are located in the Metropolis, and people thronged the banks for transactions with difficulties getting needed services as a result of the policy. Moreover, to the best of our knowledge, no studies have been conducted to investigate the implications of the Naira redesign policy on the populace in Ebonyi State. This study included the entire populace of the Metropolis, aged 14 and above. The inclusion of children in the study was because they were also seen standing in queues at different banks trying to withdraw money for their parents and guardians with the use of ATM.

Sampling procedure

The study adopted a multistage sampling technique to select the study's sample size. First, the researchers used purposive sampling techniques to select four banks (banks A, B, C, D) out of 22 banks in the Metropolis, one ultra-modern market, and four political parties (parties A, B, C, D) for the study. The rationale behind using the purposive sampling technique was the researchers' knowledge that these banks and markets have enough customers who are always at the banks and markets for transactions and have experienced the impacts of the policy.

Second, the availability and convenience sampling methods were used to select four bank staff, 12 bank customers, and four traders for the study. The application of the availability and convenience techniques became necessary because we only interviewed participants who were on the ground and were willing to participate in the study. In situations where some persons declined our request to participate in the study because of inconvenience or difficulties in transactions, we approached others who were more convenient for the interviews.

Third, a purposive sampling technique was used to select four politicians from four political parties for the study. The rationale behind the use of the purposive sampling technique was the researchers' knowledge that the participants were aware of the policy and its implications on the general elections and were willing to share their views with the researchers.

Twenty-four participants, including four bank staff, 12 bank customers, four traders, and four politicians, were selected for the study. The reason for the higher number of bank customers was that they were the ones who were directly affected by the policy, as they had to go to the bank more often for transactions. Each selected bank produced four participants (one staff and three customers), while market and political parties produced four participants each for the study. The criteria for participation were that the participants must be 14 years and above and must be able to communicate in English or Igbo. The choice of these participants was necessitated by the researcher's belief that these sets of individuals were knowledgeable about the Naira redesign policy, the scarcity

of new Naira notes, and its implications on the people and the 2023 general elections.

Data collection

The instrument for the data collection was in-depth interview (IDI) schedules. The instrument was jointly developed, pretested, and reviewed by the researchers for reliability and objectivity. The IDI schedules were designed differently for bank staff, customers, traders, and politicians. The aim of the study, as well as their choice of participation, were clearly explained to the participants through the consent forms for those who could read and orally for those who could not read by the researchers. The consent of voluntary participation and the utmost confidentiality of their information was assured. For the participants who were below 18 years old, the researchers sought the consent of their parents. Afterward, the researchers and participants agreed on days, times, and venues for the interviews, and the interviews commenced only when the participants willingly gave their consent. The languages used for the interviews were English and Igbo, depending on the participant's choice. With the participants' permission, their responses were taken by a note-taker and were tape-recorded. During the interviews, one of the researchers acted as a facilitator, one recorder, while the other took notes of the interviews. The interviews were conducted at the shops of traders, outside the bank premises, meeting places, homes, and offices of the participants. Each interview lasted between 30 to 35 minutes, depending on the participant. The study was carried out between February to May 2023.

Data analysis

Upon the successful completion of the interviews, the recorded audio responses of the participants and the field notes that captured their verbal and non-verbal clues were transcribed verbatim by one of the researchers. The researchers read and reread the transcribed data to ensure uniformity and consistency before coding. Thereafter, the data were coded with NVivo 9. The researchers tried to eliminate, combine, or subdivide the coding categories identified in the data. The analysis was compared to the recorded discussions by the researchers to ensure that the original meaning of what participants said was retained. After coding and analysis, the data were classified into themes. These themes were formed after the analysis of the collected data using emerging issues like the gains of the Naira redesign policy on Nigerians and the pains of the policy and scarcity of the new Naira notes on Nigerians. Though these themes emerged from the analysis of the study, they were guided by the research questions.

Ethical approval

Ethical approval for the study was obtained from the Strategic Contacts Ethics and Publications.

FINDINGS

Table 1: Demographic characteristics of participants

Religion	Gender	Age	Level of education	Occupation
Christianity	Female	30 years	Completed tertiary Edu.	Bank staff
Christianity	Male	55 years	Completed tertiary Edu.	Civil servant
Muslim	Male	38 years	Completed primary Edu.	Entrepreneur
Free thinker	Male	40 years	Completed tertiary Edu.	PoS operator
Christianity	Female	49 years	Completed primary Edu.	Trader
Christianity	Male	29 years	Completed secondary Edu.	Entrepreneur
Christianity	Male	54 years	Completed tertiary Edu.	Politician
Free thinker	Female	37 years	Completed tertiary Edu.	Civil servant
Christianity	Male	60 years	No formal education	Farmer
Christianity	Female	24 years	Completed primary Edu.	PoS operator
Christianity	Female	57 years	Completed secondary Edu.	Civil servant
Christianity	Male	43 years	Completed tertiary Edu.	Bank staff
Christianity	Male	60 years	Completed secondary Edu.	Trader
Free thinker	Male	42 years	No formal education	Trader
Christianity	Male	46 years	Completed secondary Edu.	Civil servant
Christianity	Male	28 years	Completed secondary Edu.	Politician
Christianity	Female	49 years	Completed secondary Edu.	Politician
Christianity	Female	53 years	Completed primary Edu.	Civil servant
Christianity	Male	40 years	Completed tertiary Edu.	Bank staff
Christianity	Male	50 years	Completed secondary Edu.	Farmer
Christianity	Female	45 years	Completed secondary Edu.	Trader
Christianity	Female	48 years	Completed secondary Edu.	Bank staff
Christianity	Female	40 years	Completed secondary Edu.	Politician
Christianity	Male	36 years	No formal education	Civil servant

Source: Fieldwork, 2023

The gains of naira redesign/scarcity of new naira notes

Enthroned cashless policy

Participants reported that the Naira redesign of the Central Bank of Nigeria (CBN) has helped to enthrone a cashless policy in the country. Because of the unavailability of the new Naira notes and daily withdrawal limit pegged at five to ten thousand Naira (N5, 000-N10, 000), Nigerians were forced to adopt the transfer method as a means of transaction (buying and selling) with the Unstructured Supplementary Service Data (USSD), Mobile Money Applications (MMA), PoS, and ATM. In reaction, a participant said, ‘Many of our customers now use transfer to transact instead of physical cash’ (**Female banker, 30**). Another participant said:

We all are now learning how to use transfer to buy and pay for goods and services because we do not have an option. You spend days in the banks trying to withdraw only N10,000. What can N10,000 do for a man with a family? Is it to feed? Pay for house rent? Pay children’s school

fees or attend to the health needs of the family members. So, we started using transfer, which is even faster and safer, except that there were many transaction failures (**Male civil servant, 55**).

Reduced unnecessary expenditure

The policy reduced expenditures of less importance among Nigerians. Participants revealed that because of the difficulties in accessing the new Naira notes, many people reduced their spending. They only spend on unavoidable needs. In other words, the policy inculcated in Nigerians, especially the lower and middle-class citizens, the spirit of prudent management of resources. At these times, many families concentrated on how to feed their families and paid less attention to non-serious issues, including social functions. Collaborating on the above information, a participant stated, “We no longer spend money anyhow these days. We don’t even have the money to spend because our money is stuck in the bank. This has forced us to spend only on necessities of life and save more” (**Male entrepreneur, 38**).

Enriched some individuals, banks, and benefited small-scale businesses

Our data revealed that the Naira redesign policy enriched some people, including small and middle-scale business owners. In particular, banks and business operators were mentioned as those that were enriched by the policy. Similarly, some of the participants reported that the policy had boosted their businesses and even wished the scarcity of the new Naira notes would persist. They saw the financial crisis as an opportunity to enrich themselves and their businesses. A PoS operator revealed:

Because of the difficulties in accessing funds through banks by the Nigerians, many people turned to us for withdrawals and we charged them between N1,000 to N1,500 for withdrawals of N5,000. Banks were also selling the new Naira notes to PoS operators and others, thereby making more money for themselves. We made money through PoS during the crisis (**Male PoS operator, 40**).

Another said:

We were charging customers for both goods and services bought and additional money for withdrawal since their payments were through transfer. If they are paying for goods worth N20,000, we normally ask them to add between N200 and N300 as a charge for withdrawing the N20,000 paid, making it a total of N20,300. This addition in each transaction accumulated a huge amount of profits for us (**Female trader, 49**).

Encouraged physical exercise

Responses from our interviews with the participants revealed that economic circumstances have forced many people within the Metropolis to engage in

physical exercise daily. Due to the inability of most of the respondents to lay their hands on the new Naira notes, they resorted to trekking to banks, markets, schools, and offices. Others stopped going out except when necessary but engaged in physical exercise to get busy and while away time. This exercise served as a means of transportation as well as keeping fit by the people. Though this may not be completely considered an achievement, the unavailability of cash forced people who otherwise could not have considered it into sports. Reacting further, one of the participants said, 'I normally leave my house very early in the morning to enable me to trek to my place of work on time because I did not have money for transportation' (**Male entrepreneur, 29**).

Reduced kidnapping

Participants revealed that the rate of kidnapping in Ebonyi State, in particular, and Nigeria, in general, reduced drastically when the Naira redesign crisis was at its peak. The country was forced to adjust to the use of electronic means to make transactions in such a short time. This reduced the rate of kidnapping and theft because of the unavailability of cash to pay for ransom on behalf of kidnapped victims. Many kidnappers went into hiding because there was no money in circulation, and they knew the implications of demanding ransom for kidnapped victims through electronic transfer. This notion was supported by a politician who said, 'Before now, there were lots of kidnapping cases, but we no longer hear of kidnapping because even the kidnappers know there is no money for ransom payment' (**Male politician, 54**).

The pains of naira redesign/scarcity of new naira notes

Starvation

Participants repeatedly mentioned starvation as one of the most damaging effects of the Naira redesign policy. Most participants reported they were starving with their family members because of the scarcity of the new Naira notes occasioned by the Naira redesign policy. During this period of Naira scarcity, most people, especially the lower class, were finding it very difficult to feed because they lacked the cash to provide food for themselves and their families. Most of the people in this category are artisans and daily labourers who work to feed but cannot get work or get paid after work because there is no free flow of cash. Listen to the participant, 'The lack of the new Naira notes brought about starvation among Nigerians because of its scarcity. We would go to the bank for withdrawal and come back empty handed and watch our family members go hungry' (**Female civil servant, 37**). Another said:

Nigerians had to deal with a great deal of starvation, even though the country already has a high rate of poverty and hunger. The difficulty in getting cash made it almost impossible for average and poor Nigerians to feed. We had to buy our cash from PoS operatives at an exorbitant rate. This made it extremely difficult for us to feed, as we faced starvation (**Male farmer, 60**).

Untimely death

The lack of availability of the new Naira notes led to the untimely death of some Nigerians who could not bear the inability to meet up with their responsibilities, including feeding their families. They could not continue to watch their children suffer manmade hardship brought about by the Naira redesign saga. Some died out of struggles to get the Naira notes in over-crowded banking halls and ATM stands. They suffered psychologically, physically, and emotionally, and eventually, death. This Naira scarcity also affected many business owners, especially those who buy foodstuff from rural areas where electronic transactions were hardly operational because of poor network coverage and illiteracy among the rural populace. Most of those whose businesses crumbled at that time suffered emotionally and died. Specifically, a participant stated:

The rate of death in the past months increased drastically because of the economy of the country, especially the scarcity of new Naira notes. People died of starvation simply because they couldn't afford to buy food to eat for the duration of the Naira scarcity (**Female PoS, operator, 24**).

Another participant reported:

...people died of asphyxiation as a result of being in crowded places like banking halls and ATM queues and not just being able to leave to make sure they get some cash at cheaper rates than the PoS. They, therefore, risk their lives and health in the process. Also, the scarcity of new Naira notes led to violence, which ultimately claimed the lives of several Nigerians (**Female civil servants, 57**).

Another said:

Because some of our businesses closed down as a result of the Naira redesign policy of the government. Those who could not bear the loss suffered psychologically, emotionally, and physically as they were no longer able to meet their responsibilities (**Male trader, 60**).

Transportation, Education, and Healthcare

Transportation, education, and healthcare delivery were also affected by the scarcity of new Naira. Participants stated that the scarcity of the new notes affected transportation, education, and healthcare services as most transporters and management of schools and health centres either did not have PoS machines for transfer or refused electronic transfer because of their past experiences of transaction failures. This led to serious problems in these sectors as Nigerians were trapped by the Naira scarcity. Reacting further, a participant said, 'While some transporters outrightly rejected transfer, others who accepted it charged the passengers higher through the transfer' (**Male trader, 42**). Another said, "Some hospitals insisted on cash deposit or payments before services. Those

who did not have cash were not attended to. They were left to die” (**Male civil servant, 46**). Still, another participant reported, ‘The policy affected the education of our children. There was no cash to pay their fees and buy foodstuff for them. Therefore, most students stayed back home during the scarcity period’ (**Male politician, 28**).

Social functions and general standard of living

The inability of most Nigerians to get hold of cash because of its scarcity affected their social responsibilities and standard of living. Participants revealed that most of them were restricted from attending social functions because of the scarcity of the Naira. Most people who wanted to hold weddings, birthdays, and burial ceremonies were forced to put them on hold because of the unavailability of cash. This cancellation of already planned and scheduled events had psychological implications for the celebrants and hosts of the ceremonies. Listen to these participants,

‘Social function defines individual interactions and abilities to fulfill social obligations and relationship with partners and family. However, the scarcity of the new Naira notes restricted the activities of social functioning and socialisation among many Nigerians’ (**Female politician, 49**).

Another participant said,

‘There was no money for weddings and burials, so most of us attended only the unavoidable ones and ignored other invites. Our major concern was how to feed and survive that period’ (**Female civil servant, 53**). Another said:

Affected businesses

Some business owners’ inability to get cash affected their businesses. Participants noted that some business owners, especially those operating on a small scale and streets, faced hard times because of the Naira scarcity. They sell in small quantities and, as such, do not tally with the use of PoS machines. They stated that some items were sold below N200, and transferring such an amount through an electronic device would be funny. Moreover, most business owners do not have bank accounts for electronic transfers/transactions. Therefore, they were left with the option of selling on credit or not selling at all, which is unhealthy for business growth. Hear this male farmer:

People found it difficult to buy food and other items required for normal living because the sellers insisted on cash payment. Others faced hard times selling because they needed to be paid in cash and not transferred; they preferred cash payment because of the potential difficulties in withdrawing the money if paid into their accounts (**Male farmer, 50**).

Another said:

...I am a petty trader who deals in perishable goods (fresh tomatoes and pepper) on a small scale. I couldn't sell through transfer because it is a street market where customers buy small quantities of goods and still demand to pay through transfer. How can I allow a transfer of N300 to N500? I preferred selling on credit to them, but many of them have refused to pay me to date, and it is affecting my business (**Female trader, 45**).

Destruction of Bank Properties

There were reports of the destruction of bank properties across the country during the Naira redesign and scarcity. Participants stated that in an attempt to gain access to banks for transactions and the unavailability or failure to succeed in getting cash in the banks, many customers, out of anger and frustration, destroyed many properties belonging to commercial banks.

A participant said,

'The banks were not allowing the customers into their premises for withdrawal, and in an attempt to force themselves in, they destroyed properties of the banks, mostly their gates' (**Female PoS, operator, 24**).

Another participant said:

We normally wait for instructions from the management before the commencement of the activities of the day. Also, because we were getting a small amount of cash from the CBN, we tried to make it reach more customers by reducing the daily withdrawal limit to N5,000. This notwithstanding, we were running short of cash to attend to our teeming customers. These practices angered some customers and they destroyed some of our properties. (**Female banker, 48**).

Difficulties getting the new naira notes

The scarcity of the new Naira notes made it almost impossible for Nigerians to lay their hands on the currency. Participants recalled their ugly experiences trying to get hold of the Naira. Some participants reported they were sleeping at the banks' premises to enable them to make withdrawals the following day. Others revealed they were buying Naira with Naira from both the PoS operators and some bank officials to enable them to attend to their immediate needs.

Listen to this participant:

I was leaving my house by 3 am daily with my wife and my two house-helps to the banks just to get numbers from the queues. On Saturdays, I normally go with my two children below 14 years old just to secure a place in the queues. We would go to about five different banks, collect numbers, and wait till they start operation. They usually start payment

between 9 and 11 a.m., using the assigned numbers. We would position ourselves at different banks and alert ourselves to any bank that had started paying. In some cases, we ended up not getting any money after spending the whole day and struggling to maintain lines at the banks (**Male PoS operator, 40**)

Failed transactions/Network problems

Participants reported there were many failed transactions during the Naira scarcity. Data revealed that some transactions made through ATMs, USSD, Mobile Applications, PoS, and other payment platforms failed, frustrating customers more. More worrisome was that it took days, weeks, and months before some of the money lost through the electronic transactions was recovered. A participant narrated her experience as follows:

I went to withdraw the N4,000 I had in my account on March 1, 2023, but it failed. I filled out many forms at the bank for a refund to no avail. As I speak with you, I am yet to get back the money (**Male civil servant, 36**).

DISCUSSION

The study analysed the gains and pains of the Naira redesign policy on Nigerians. It discussed point by point how the Naira redesign policy of the CBN affected the masses. The study found that the policy enthroned a cashless and digital banking system, prudent spending by Nigerians, enriched some individuals and benefited small-scale businesses, encouraged trekking/physical exercise, and reduced kidnapping and terrorism within the period of excessive Naira notes scarcity. Some studies have emphasised the importance of currency redesign in improving the security and durability of banknotes, reducing counterfeiting, and promoting public trust in the currency, which contributes to increased economic activity and growth and reflects the country's cultural heritage and values (Adeyemi & Osabohein, 2020; Akinleye, 2023). The policy reduced currency counterfeiting, encouraged a cashless economy, addressed cash hoarding that has led to a reduction in the incidences of kidnapping and terrorism, and strengthened the Naira against the US dollar in the long run term (Aroghene, 2023; Dada, 2023).

Previous studies have highlighted the importance of currency redesign in addressing the challenges of counterfeiting, enhancing the security features of the currency, and promoting national identity (Akinleye, 2023). The currency redesign by the CBN is another means to reduce the excess money supply in circulation and reinforce more monetary policy effectiveness in curbing inflationary pressure and enhancing the exchange rate policy of the CBN and more liquidity (Olujobi & Chuba, 2022). Our study highlighted the importance of the Naira redesign, especially on the eve of the 2023 general elections when wealthy individuals were hoarding Naira notes, but insisted that wider

consultations and orientation of the people are necessary to forestall similar hardship in the future.

The study found that the Naira redesign policy exposed Nigerians to starvation, untimely death, difficulties accessing transportation, education, and healthcare services, limited social functions and reduced the general standard of living, negatively affected some businesses, led to the destruction of some bank properties, difficulties getting the new Naira notes, and many failed transactions. These findings agree with the study of Otitoju *et al.* (2023), who reported that a lack of the newly designed notes led to an artificial inflation that increased prices for goods and services, including the purchase of Naira notes, rather than reducing inflation. The study of Akinyele (2023), who highlighted the challenges and potential drawbacks of currency redesign, such as the logistical challenges of introducing a new currency and the impact on individuals and businesses who rely on cash transactions, also agrees with this study. According to Otitoju *et al.* (2023), despite the CBN's 2022 Naira redesign programme's alleged advantages, it has had disastrous impacts on Nigerians, especially small and medium-sized company owners and rural residents who found it extremely difficult to conduct transactions due to the cash crunch. The inability of people to access cash, particularly for products that cannot be easily procured by electronic transfer, implies there will be a backlog in the stock of those goods (Taylor & Eshokeme, 2023). As a result, some bank customers started sleeping at ATM points to withdraw money before dawn, thus contributing to the scarcity (Bulusson, 2023). This study has exposed the challenges faced by Nigerians during the Naira redesign regime.

Considering the ripple effects a policy like the Naira redesign policy would have on the people before their implementation will be a good starting point. The government should always provide an alternative to the people before making such hard decisions on matters of public interest, like the current Naira redesign policy. Palliatives should be rolled out for Nigerians to recover from the scarcity of the Naira notes and provide bail-out funds and grants to small and scale businesses that were badly affected by the policy. Furthermore, the ATM daily withdrawal limit, which is currently pegged at N40, 000, should be increased to the usual N200,000 to enable people to attend to their daily needs since the election, which was part of the reasons for the redesign has come and gone. The government, concerned agencies, and stakeholders, including the social workers, should always educate the people on the implications of such policy so that they can prepare their minds for any possible outcomes. In collaboration with the network providers, the banks should work to improve network services for seamless cashless transactions by millions of subscribers across the nation. The CBN should provide enough window period or time frame for the transition from old to new Naira notes to avoid subjecting people to unnecessary hardship and difficulties accessing the notes. The CBN should

also print more new notes to make them more available and easily accessible to Nigerians who need them for their daily activities. In addition, social workers should work in synergy with the CBN, the government, and concerned stakeholders to ensure wider publicity and orientation of future Naira redesign and financial policies to reduce their negative effects on the masses. They should be involved in advocating, planning, educating, implementing, and supervising future policies like the Naira redesign policy to ensure that they impact more positively on the masses. Involving them in all the stages of the policy will ensure the conception, formulation, and implantation of policies that will improve the welfare of the masses.

Though the Naira redesign policy was a national issue, this study was limited to Ebonyi State alone, which is one of the 36 states of the federation. The fact that the study only covered one state is not enough because Nigerians' experiences of Naira scarcity in 35 states and the Federal Capital Territory (FCT) were not considered. We recommend that more studies that will cover more states and zones of the federation be carried out so that their views and experiences would count. Secondly, there was scarce literature on the Naira redesign in Nigeria, and because the policy took effect 7 months ago, scholars have yet to carry out studies on the subject. Therefore, the researchers relied heavily on newspapers for information for this study instead of getting such information from previous studies. Notwithstanding these limitations, the study provided an avenue for investigating the gains and pains of the Naira redesign policy and recommended measures for future policies.

CONCLUSION

The study exposed the experiences of Nigerians with the Naira redesign policy. The study found that the policy enthroned a cashless and digital banking system, prudent spending by Nigerians, enriched some individuals and benefited small-scale businesses, encouraged trekking/physical exercise, and reduced kidnapping and terrorism within the period of excessive Naira notes scarcity. The study equally found that the Naira redesign policy exposed Nigerians to starvation, untimely death, difficulties accessing transportation, education, and healthcare services, limited social functions and reduced the general standard of living, negatively affected some businesses, led to the destruction of some bank properties, difficulties getting the new Naira notes, and many failed transactions. Based on the findings, the study made some recommendations that will help curtail the hardships faced by the masses as a result of the policy.

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