

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

One of the difficulties facing any developing state is achieving and sustaining economic growth and development with the ultimate objective of enhancing the wellbeing of its citizens. Achieving economic growth and good governance requires advancing and adjusting public policy (Aroghene & Imene, 2023). One of these is monetary policy, which consists of measures to coordinate various financial interventions for the sustainable development of a nation (Abubakar & Yandaki, 2023). Over time, monetary policy has included currency redesign and reissue for various international reasons. In order to alleviate social inequities and enhance the performance of key macroeconomic indicators, nations usually use currency redesign strategies, commonly referred to as demonetization policies (Emefiele, 2023; Aroghene & Imene, 2023). The redesign of the money improves security.

of legitimate currency by empowering nations to stop counterfeiting and the harm it does to sustainable development (Aroghene, 2023). As a result, scholars and policymakers have acknowledged currency redesign as a long-term strategy for international competition. Understanding the possible trends of future policy implementation in the governance space as it relates to both public and private firms is essential for planning in order to achieve sustainable development in transitional economies such as Nigeria.

Researchers, business owners, and policymakers all recognize the value of businesses as engines of long-term economic growth and development (Dada & Asaolu, 2023). Therefore, one of the main economic goals of the government is to boost economic growth and development by providing assistance to businesses in order to raise the standard of living for the populace. Therefore, on October 26, 2022, the Central Bank of Nigeria (CBN) announced its policy decision to redesign the N200, N500, and N1000 denominations.

According to the CBN Act of 2007, the CBN is responsible for supervising and managing all financial and monetary sector policies on behalf of the Federal Government of Nigeria (FGN) (Dada, 2023). The CBN is authorized by the Act's Sections 18(a) & (b) and 20(3) to print, redesign, destroy, and redistribute currency. Since 1959, the national currency has had sixteen redesigns. Every five to eight years, central banks are allowed by international best practices to rethink, create, and distribute new local legal money (Dada, 2023).

The management of various currencies and currency in circulation, especially those that were not part of the banking system, was a concern for the Nigerian top bank. The CBN was concerned that more than 85% of the cash in circulation that is not in the vaults of our commercial banks is being hoarded (CBN, 2023a, 2023b; Emefiele, 2023). Of the N3.23 trillion of currency in circulation as of the end of September 2022, N2.73 trillion was outside the vaults of deposit money institutions nationwide (Emefiele, 2023).

The current state of insecurity (terrorism and kidnapping) in the nation has forced the CBN to redesign the naira, according to Dada (2023).

The criminals were keeping a sizable amount of cash outside of the banking system, which they used to pay for the ransom. The naira notes were redesigned in an effort to reduce currency hoarding, which is a common habit in Nigeria due to corrupt practices (Dada, 2023). The FGN anticipates that this will reduce cases of hoarding, insecurity, and the bastardization of Nigerian currency, which made the redesign of the country's legal tender imperative. Divergent opinions regarding the policy's timeliness and appropriateness were raised by the currency makeover. The Central Bank of Nigeria subsequently implemented a withdrawal policy that limited weekly withdrawals from ATMs, point-of-sale devices, and over-the-counter locations to N100,000 for individuals and N500,000 for business entities (Dada, 2023).

Later, the withdrawal limit was raised to N500,000 for private citizens and N5,000,000 for businesses. In separate declarations, the House of Representatives, the Senate, the Nigeria Governors Forum (NGF), and the Bank Customers Association of Nigeria (BCAN) urged the CBN to extend the deadline for switching from the old to the newer designed currency notes. Later, the Nigerian president authorized a 10-day extension of the old naira notes' expiration date from January 31, 2023, to February 10, 2023. In order to collect additional old notes that Nigerians lawfully owned, the deadline was extended (Dada, 2023). This study therefore investigated the naira redesign policy and public

perception of government in Esan Central Local Government Area in 2023, based on the previously indicated narrative.

1.2 Statement of the Problem

The macroeconomic framework, especially monetary transmission, was thought to be strengthened by currency reforms. The more people use their local currency instead of US dollars, the more power the government has over macroeconomic policy. The CBN has played crucial roles in preserving the stability of Nigeria's currency as it has undergone redesigns and introductions over the years (Naseem, 2012). In addition to enhancing the economy and governance, this sector's operations and performance directly affect the attainment of macroeconomic objectives. According to a recent statement from the Central Bank of Nigeria (CBN 2022), plans to revamp the Naira have been finalized. The CBN Governor gave three main explanations behind its unexpected decision: inflation, money hoarding, and counterfeiting. About N2.73 trillion of the N3.23 trillion in Nigerian money, according to the CBN, is not in bank vaults (CBN, 2022). Since it had been so long since the notes were updated—which should be done every five to eight years—it was necessary to redesign the naira because, according to the Central Bank of Nigeria (CBN, 2023), over 85% of the money in circulation is kept outside the vaults of commercial banks. From N1.46 trillion in December 2015 to N3.23 trillion in September 2022, the amount of money in circulation has more than doubled. According to CBN data, the amount of money held outside of banks has increased by 11.07% year over year

from the N2.54 trillion recorded during a same period in 2021 (Dada, 2023). The currency reform has both positive and negative economic impacts. Currency redesigns increase a currency's security by helping governments combat counterfeiting and stay ahead of threats (Dada, 2023). It is also anticipated to boost economic growth, improve financial inclusion, and reduce cash management costs. Additionally, it will facilitate government monitoring of the money supply. Redesigning the naira, according to analysts, has eased anxiety and alarmed Nigerians. It will decrease the money stock and the long-term inflation tendency by reducing the amount of money kept outside of banks. Interest rate reductions could arise from the ensuing deflationary pressure, which would improve output growth, increase aggregate demand, and stimulate economic activity in the short to medium term. Analysts believe that the naira's redesign, which was implemented shortly before the 2023 national elections, may have reduced its appeal as a vote-buying tool (Dada, 2023). The benefits of the naira redesign policy, however, have been viewed somewhat differently in Nigeria due to the aforementioned claims. For this reason, a study evaluating the naira redesign policy and public perception of government in the Esan Central local government area of Edo State in 2023 was conducted.

1.3 Research Objectives

The main objective of the study is to examine the naira redesign policy and public perception of government in Esan Central local government area of Edo State. The specific objectives are as follows, to;

1. ascertain public perceptions towards the reasons for naira redesign in Esan Central local government area.
2. Examine how the 2023 naira redesign has affected public opinion in the Esan Central local government region.
3. Examine how the 2023 naira redesign program has affected the public in the Esan Central local government region.

1.4 Research Questions

The following research questions will act as guide to the study:

1. How does the general population feel about the rationale for the redesign of the Naira in the Esan Central local government area?
2. What effect would the 2023 redesign of the Naira have on public opinion in the Esan Central local government area?
3. What difficulties does the 2023 naira redesign policy present for the people of Esan Central local government area?

1.5 Scope of the Study

The scope of the study centres on the issue of naira redesign policy and public perception of government in Esan Central local government area of Edo State in 2023.

1.6 Significance of the Study

The purpose of this study was to evaluate public perceptions of the 2023 naira redesign policy in the context of Edo state's Ovia North local government area. Given this, the study aims to contribute to the current research on Nigerian monetary policy and its effects on the country's economy and governance.

Additionally, the study would give the Federal Government and the Edo State Government vital information regarding the success or failure of Nigeria's 2023 naira redesign program, specifically in Edo State. Additionally, the results of this study will benefit federal and state governments and policymakers. Lastly, this work will serve as a priceless reference for further research in addition to being a significant piece of content for scholars and researchers.

1.7 Conceptualization of Terms

Currency

This type of transaction is used to purchase and sell products and services. Essentially, this money comes in the form of cash and paper. It is typically issued by the government and is widely recognized as legal currency, or payment at face value. Barter has long since been supplanted by money as the primary method of trade for goods and services in the modern world. The following new currencies have entered the language and exchange in the twenty-first century: In the US, virtual currency, sometimes referred to as crypto currencies, like Bitcoin, Ethereum, and others, have neither a physical form nor official government backing. It is electronically stored and traded.

Redesign

When you design a product and release it for use, there may be areas of the product that users will find most interesting. Again, there may be elements of your design that users don't like and that bring the user experience down. This may be because the consumers' needs are evolving rapidly and those products are slowly losing taste or being overexposed by competitors. Since the user experience is a highly sensitive product, it is your responsibility to fine-tune your core product to meet the needs of the customers and take their user experience to a better place now we call it that it has been renewed. Not only will the product be updated to make it more appealing, but it will also undergo high-quality modifications that enhance its appearance and improve the user experience. You cannot simply decide to remodel after waking up. It should be motivated by strong arguments for making your product better. To avoid dragging your things down in the

hopes of achieving a positive change, this procedure must be done properly (Pillah, 2023:46).

Policy

The policies of a government or other organization can be rules, procedures, administrative actions, financial incentives, or volunteer practices. Policy decisions are often reflected in the distribution of resources. Health can be affected by policies from a wide range of fields. For example, the design of pedestrian-friendly and bicyclist-friendly neighborhoods can encourage physical exercise. The nutritional value of school meals can also be improved by school regulations.

Implementation

A plan, a method, or any other design, concept, model, specification, standard, or policy can be implemented by carrying it out. Therefore, implementation is the action that must follow any planning in order for something to truly happen.

Monetary policy

A collection of actions intended to regulate the money supply and credit conditions within an economy is known as monetary policy (Okigbo, 2008). A nation's monetary policy has a significant influence on the value of its currency. This finding implies that the relationship between interest rates—that is, the cost of borrowing

money—and the total amount of money in an economy serves as the foundation for monetary policy (Okigbo, 2008).

The Monetary Policy Rate (MPR), Open Market Operation (OMO), Cash Reserve Ratio (CRR), Liquidity Ratio, Treasury Securities, and other policy tools are all part of monetary policy measures. Both contractionary and expansionary monetary policies are possible. While a contractionary monetary strategy expands the money supply more slowly than normal or even lowers it, an expansionary monetary policy aims to raise the economy's total money supply more quickly than usual (Friedman, 2001). By decreasing interest rates in the hopes that easy credit will encourage businesses to expand, expansionary monetary policy is typically used to reduce unemployment in a recession, according to Mankiw's (2002) research.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Global Best Practices on Currency Redesign Policy

The literature on the implementation and restructuring of currency redesign policies in various nations worldwide provides sufficient clues. Disequilibrium in a nation's macroeconomic fundamentals, mostly due to subpar macroeconomic performance, particularly hyper-inflation, is typically the basis for currency redesign policy (Nwafor, 2018; Olujobi & Chuba, 2023). For a variety of reasons, countries redesign and recycle their currencies. For example, in order to stop currency counterfeiting, several nations alter their legal tender. By reducing counterfeiting, such a redesign improves currency security. Restoring the currency's credibility and offering a platform for a comprehensive set of political and economic changes are further justifications for currency redenomination and restructuring aimed at thwarting hyperinflationary pressures (Somoye & Onakoya, 2013). Some nations have redesigned their currencies, and this practice has been in place since the 19th century.

By removing and restoring the 500 and 1000 denominations of the Indian rupee, the Indian government restructured her currency in 2016 and decreased the amount of money in circulation. According to Nwachukwu and Nwogu (2023), the policy's impact might result in future low inflation. Although currency management might not have a

negative effect on inflation, the policy's multiplier effect might have detrimental effects on the economy as a whole (Ochei, 2022). For example, in certain African and Latin American nations, the policy may trigger additional adverse economic outcomes that could negate the policy's goal if it is put into effect (Ochei, 2022).

2.2 Experience of the United Kingdom

The Bank of England is responsible for producing and issuing banknotes in England and Wales. The most recent series of Bank of England banknotes, technically known as Series G, was launched over a five-year period, between 2016 and 2021. This series is the first that was printed on polymer. A new 5 pound was issued in September 2016. The legal tender status of paper five was withdrawn in May 2017, while new 10 pound was issued in September 2017. The legal tender status of paper 10 pound was withdrawn March 2018, new 20 pound issued February 2020 and new 50-pound issued June 2021. In September 2022, 20-pound and 50-pound paper lost their legal tender validity. The Bank of England released the design of King Charles III banknotes on December 20, 2022, following the passing of Queen Elizabeth. All four of its polymer banknotes (£5, £10, £20, and £50) will feature the King's portrait. By the middle of 2024, the new note will be in circulation.

United States of America Experience

The process of redesigning and distributing currency in the United States of America is both methodical and institutional. A Federal Reserve note must go through four crucial processes before it can be put into circulation: design, order, manufacture, and issue. There are continuing preparations in the United States to revamp its currency, according to the Treasury Department, the US Secret Service, and the US Bureau of Engraving and Printing, which works with the Federal Reserve. Since 2011, the Bureau has worked with the Advanced Counterfeit Deterrence Committee to design the current denomination sequence and scheduled release dates, which are \$10 in 2026, \$50 in 2028, \$20 in 2030, \$5 in 2032, and \$100 in 2034. This series tackles issues of counterfeiting and risk reduction. Plans to reissue US currency have been in place since 2011, and the first currency will be used in 2026, 15 years later.

2.3 Currency Re-design and Monetary Policy in Nigeria's Since 1960

Nigeria's financial history dates back to its independence, and the 2022 Naira redesign project was a continuation of the long-standing practice of redesigning bank denominations as a means of currency management. The nation was established as a British colony following the merging of the Southern and Northern Protectorates in 1914, and gaining independence in 1960 was a significant milestone in its history. Among other things, the leaders of the Nigerian nationalist movement fought a bloody battle that helped the country gain its independence (Crowder, 1978). The battle led to the

establishment of many institutions as part of the country's preparations for independence. Among these was the CBN, which was established in 1959 (Abubakar & Wuam, 2021). The creation of the country's legal currency was the CBN's primary duty. The CBN was tasked with maintaining sound financial structure, promoting monetary stability, and protecting Nigeria's foreign exchange reserves, among other responsibilities.

This is largely responsible for the change in the Central Bank, which issues and manages Nigerian currency. For example, the 1958-passed CBN Establishment Ordinance/Act underwent several amendments in 1962, 1969, 1991, and 2007 (CBN, 2007). Sections 18 and 19 of the CBN Act give the apex bank the power to, among other things, issue, reissue, and exchange currency; remove currency from circulation and guarantee its destruction and safekeeping; and select banknote designs and shapes with the President's consent and in line with the recommendations of the CBN Board (CBN, 2007: 9). At different times throughout Nigeria's history, the CBN has updated, produced, and reissued currency in compliance with these rules for a number of purposes. The West African Currency Board's (WACB) Pounds and Shillings were the only legal money in circulation when the Central Bank of Nigeria (CBN) was established in 1959. The old colonial currency was replaced by the newly designed Pounds and Shillings when the CBN first began operations. The colonial currency and the updated currency, however, were very similar. Nigeria made its first declaration of independence and national identity through its money in July 1962, when coins and banknotes were redesigned in line with the idea of monetary sovereignty (Nduwugwe, 2007).

Amidst the turmoil of the Nigerian Civil War, the Federal Military Government (FMG), under the leadership of Lieutenant Colonel Yakubu Gowon, established Nigerian money six years later. The soldiers of the former Eastern Region of Nigeria, which Lieutenant Colonel Chukwumeka Odumegwu Ojukwu unilaterally proclaimed the Republic of Biafra, fought alongside the Nigerian forces in a brutal battle. The nation suffered a great loss of life and property during the more than 30-month-long war (1967–1970) (Adejo, 2008). In January 1968, as a war strategy and crisis containment measure, the FMG suggested redesigning the currency to undermine the economic basis of the newly established Biafran state. The primary objective of the currency redesign at the time was to render all of the banknotes that the Biafrans had amassed in order to fund their government and pay for the war useless. Consequently, the CBN merely changed the present denominations' colors. For instance, the ₦1 coin changed from red to dark brown, the 10s coin changed from green to dark blue, the ₦5 denomination changed from blue/purple to mid-brown, and the 5s coin changed from purple to green (Nduwugwe,2007). 7. Nigeria began pursuing monetary sovereignty in 1962, as was previously mentioned. That year saw the creation of the Decimal Currency Committee, which submitted its final report in 1964. In addition to revamping and rebranding Nigerian currency to make it more revolutionary, the Committee recommended decimalizing it. It wasn't until 1973, nine years later, that this was implemented. Nigerians anticipated the change when then-Major General Yakubu Gowon, the Head of State, announced that decimal money would be introduced in 1973. The FMG's 1973

introduction of the Naira and Kobo might be regarded as Nigeria's official currency. This was Nigeria's first currency in terms of both name and design. It also made use of decimal money. The decimalization of currency denomination was a technique used to switch from a traditional currency denomination to a "decimal" system by employing two units that differ by a ratio of 100. Nwoba (2010).

The major unit of currency was the naira (N), which was equal to the previous ten shillings. The minor unit was the kobo, where one kobo was equal to one hundred (100). The word "Naira" was drawn from the name of the nation, and the minor unit, "Kobo," was how Nigerians commonly referred to the British coin known as the "one penny" (Fayemiwo, 1991). The Central Bank of Nigeria (CBN) issued banknotes in four denominations when the Naira and Kobo were first introduced in 1973. They were N1 (one Naira), N5 (five Naira), and N10 (ten Naira), respectively. Additionally, the CBN introduced coins with the values of 1/2 kobo, 1 kobo, 10 kobo, and 25 kobo (Chuckwu, 2010).

The next change to Nigerian money was the notorious canjin Buhari, which was implemented in 1984 as a result of General Muhammadu Buhari's military rule. Amidst inflation, a budget deficit, and corruption stemming from the oil boom and glut of the 1970s and early 1980s, the regime launched a swift currency reform initiative. They were N1 (one Naira), N5 (five Naira), and N10 (ten Naira), in that order. Additionally, the CBN issued coins of half a kobo, one kobo, ten kobo, and twenty-five kobo (Chuckwu,

2010). The infamous canjin Buhari, which appeared in 1984 as a result of General Muhammadu Buhari's military regime, was the subsequent alteration to Nigerian currency. The regime initiated a rapid and forceful currency reform effort against a backdrop of inflation, a budget deficit, and corruption that had their origins in the oil boom and glut of the 1970s and early 1980s. On the other hand, the 1984 currency reform caused many business owners to go bankrupt, especially in the North where most people's money was not in the banking system (Abubakar, 2016).

In 1989, the CBN engaged Thomas De La Rue Limited to carry out a comprehensive assessment of the Nigerian currency, even though many Nigerians were still reeling from the negative consequences of the 1984 currency redesign. The apex bank took this action in an attempt to continue to have authority over Nigeria's monetary system. According to Abubakar (2016), the business proposed redesigning all N5, N10, and N20 banknotes and releasing new N50, N100, and N500 notes along with new 10k, 5k, N1, N5, and N10 coins. However, the CBN was only able to approve N50 in 1991, therefore these recommendations were not fully implemented. The new denomination became the most valuable currency. It was light blue in color and contained pictures of men from the three major ethnic groups in the country: Yoruba, Hausa, and Igbo. Coinage-wise, the 1991 redesign changed the look of the 10k and turned the 50k and N1 into coins. The old five kobo (5k) was thrown away. Many Nigerians disapproved of the 1991 currency revisions, despite the government's claim that the introduction of the N50 would boost the effectiveness of the currency system due to an increase in both public

and private spending. Many people thought that one of the primary objectives of the structural adjustment program that the then-FMG, led by General Ibrahim Badamasi Babangida, began in 1986 was to devalue the Naira, which was accomplished by demonetizing a smaller denomination and introducing a higher one (Abubakar, 2016).

Toward the mid-1990s, the CBN made yet another move to alter the Nigerian currency. This, the so-called "Millennium Package," was created in reaction to the country's expanding economy and population. This effort led to the introduction of the N100 note in December 1999, the N200 note in November 2000, the N500 note in April 2001, and the N1000 note in October 2005 (Bello, 2007). The N200, N500, and N1000 currency denominations are still the three biggest in the country. In May 2007, the CBN began a new redesign of the N5, N10, N20, and N50. The printing and distribution of N20 polymer notes marked the beginning of the procedure in 2007, and it wasn't completed until 2009 when N5, N10, and N50 polymer notes were printed equally. Enhancing the currency's resilience to forgery and durability was the goal. In addition to switching from paper to polymer, the redesign of currency between 2007 and 2009 featured modifications to size, color, detailing, and security features. But their hues remained constant (Nwaoba, 2010). The N1 and 50k coins were redesigned and reissued at the same time as the introduction of a new N2 coin. Additionally, the 1/2k and 25k coins were taken out of circulation. President Goodluck Jonathan introduced the N50 commemorative note on September 29, 2010, just as Nigeria was set to commemorate its 50th anniversary of independence (CBN, 2010). The introduction of a new N100 note in

2014 to mark the 100th anniversary of Nigeria's independence, from 1914 to 2014, was a replication of a previous endeavor. To discourage counterfeiting, the note was designed with enhanced security features. On November 12, it was unveiled, and on December 19, it was put into use. The N50 and N100 notes that were previously in circulation were not taken out of circulation when these commemorative notes were introduced. They both moved simultaneously (Abubakar, 2016).

2.4 Economic Impact of the Currency Redesign in Nigeria

The CBN Management or even the Presidency did not decide to initiate or implement the 2022 Naira Redesign Program. Instead, it was based on the Apex Bank's understanding of the local conditions and global best practices that necessitated currency restructuring. Enhancing the management of Nigerian currency, promoting the shift to a cashless and digital economy, reducing the rate of terrorism and kidnapping, adhering to international best practices of redesigning national currencies every five to eight years, and, subtly, sanitizing the general elections in 2023 were the five main goals of the Naira redesign program. The primary barriers to these eventual goals are excessive currency hoarding and the pervasive usage of counterfeit Naira across the country, which the CBN cited as the initiative's primary motivators. However, the issue remains: after the three months (October 26, 2022–February 10, 2023) that the program was supposed to be implemented, did it succeed in reaching its goals?

The hoarding of banknotes was at its height when the program began in October 2022, particularly among the elite corps of the nation. According to data made public by the CBN, at the time the initiative was introduced, more than 85% of the currency in use was purportedly kept by the general public outside of commercial banks' vaults. The CBN Governors stated that "at the end of September 2022, available data at the CBN indicates that N2.73 trillion out of the N3.23 trillion naira currency in circulation was outside the vaults of commercial banks across the country" (CBN, 2022: 2-3). There was just N500 billion in the financial system. Between the program's launch in October 2022 and January 29, 2023 (eleven days before the deadline for the demonetization of the old notes, which was set for February 10th), the CBN recovered 75% (N1.9 trillion) of the N2.73 trillion in old notes that were outside the banking system. This challenge and the rapid increase in the amount of currency in circulation, which went from N1.46 trillion in December 2015 to N3.23 trillion as of September 2022, forced the apex bank's management to start currency redesign in order to ensure effective currency management (CBN, 2023).

The Apex Bank recouped N1.9 trillion in old notes in compliance with the cashless policy, but only disbursed N400 million of the new notes. It also placed weekly limits on how many new notes individuals and institutions might withdraw (CBN, 2022). At first, the CBN restricted the amount of cash that individuals and businesses may withdraw over the counter to N100,000 and N500,000, respectively. However, the maximum was raised to N500,000 for individuals and N5,000,000 for corporations in

compliance with the National Assembly's directives (Adegboyega, 2022). The CBN's attempt to push Nigeria into a cashless economy caused an unprecedented cash crunch that revealed the limitations of the nation's e-banking channels: commercial banks were only able to distribute a certain amount of cash through ATMs, and the high volume of electronic transactions required by the cash crunch rendered mobile banking apps useless. At the height of the cash crunch, which lasted throughout February and March 2023, an article headlined "Nigeria's Season of Cash Scarcity" detailed the dire situation caused by the lack of funds.

He claimed that bank-run digital payments are often unstable, which hurts businesses as more and more consumers find it difficult to get cash to pay for goods and services. Fresh banknotes can now be traded on the illegal market as a result of the situation. The cash crisis has impacted businesses across the country, with many having to close. Since the majority of their transactions, especially in rural regions, are conducted in cash, trade and commerce as well as agriculture—two vital sectors of the economy—have been negatively affected. This strategy has resulted in the cessation of rural economic activity (Morphy, 2023).

Because of the detrimental effects of the cash scarcity on the local population, the governments of Kaduna, Kogi, and Zamfara States sued the Supreme Court to oppose the program's haphazard execution. On March 3, the court ruled that the old notes could be put back into circulation and would be valid until December 31, 2023 (Olabimtan, 2023).

However, the program has inadvertently promoted cash hoarding: rural residents no longer trust banks and are unlikely to deposit their money there because they believe it is difficult to access banked funds in times of need, while the elites used every tactic in the book to obtain and hoard the new notes from the commercial banks. Additionally, the scheme was unable to prevent bribery and vote-buying in the 2023 general elections. During the February 25 presidential and National Assembly elections, as well as the March 18 gubernatorial and state assemblies elections, the absence of funding made it difficult for election officials and supplies to be delivered to polling places. During the financial crunch, politicians bought votes and bribed election officials with food products, wrappers, bank transfers, and hard currency like the US dollar and the CFA franc (Ndujihe, 2023). Counterfeiting of Naira was on the rise when the project started in October 2022. "Recent advances in photographic technology and advancement in printing devices have made counterfeiting relatively easier," (CBN, 2021). The CBN has noticed a significantly higher rate of counterfeiting in recent years, especially at the higher values of N500 and N1000 (CBN, 2022). The governor of the Central Bank of Nigeria's claim was validated by the magnitude of money fraud in Nigeria. For instance, media sources state that the CBN seized around N64.7 million in fake cash just this year. Following that, the CBN seized a total of 67,265 counterfeit banknotes in 2020 with a nominal value of N56.8 million. According to the apex bank's 2020 annual report, the majority of the counterfeit currency that was seized in 2020 was N1000 and N500, which accounted for 69.06% and 30.79% of the total, respectively (CBN, 2021). According to a press release

signed by Isaac Okorafor, the CBN's Acting Director of Corporate Communications, "the prevalence of counterfeit notes in Nigeria from January to December 2016 was less than one per cent, precisely 0.0014%." This contrasts sharply with the trends of 2019 and 2020. CBN (2016).The goal of cashless transactions significantly reduces the chance of counterfeiting, even if counterfeit new notes were found in use a few weeks after they were introduced (Nweze, 2022). This will become much more successful once a significant number of Nigerians begin using the e-Naira, which is very difficult, if not impossible, to counterfeit.

eliminating the quantity of notes in circulation to reduce the chance of paying ransom was the aim of the fairly ambitious Naira redesign effort, which was designed to expedite the process of eliminating terrorism and kidnapping (CBN, 2022). Of course, terrorists' various attempts to demand ransom in other currencies, such as the CFA Franc, caused serious setbacks to the program's objective. Indeed, a well-known film from January 2023 showed some militants in the woods showing off the new currency. Its limited success, however, was illustrated by a well-publicized episode in which members of the notorious Islamic State West Africa Province (ISWAP) halted a highway in Borno and gave N100,000 of the old notes to each traveler (Okoye, 2023).They probably did this because they were worried that the previous notes may expire while they were in their possession.

According to the National Bureau of Statistics, Nigeria's inflation rate reached 21.82 percent in January 2023. At the same time, the Central Bank of Nigeria is redesigning the naira. According to Punch (2023), the January inflation rate was 0.48 percentage points higher than the December 2022 rate of 21.34 percentage points. Instead of lowering inflation, the absence of the newly designed notes caused artificial inflation that raised prices for goods and services, including buying naira notes.

The paucity of new banknotes and the fuel hoarding hurt small, medium, and big enterprises in both the formal and informal sectors of the economy. The trade and agricultural subsector were severely hampered by the naira redesign policy's debilitating effect. Additionally, it had a spillover effect on other significant economic sectors, including the services industry and the manufacturing value chain. The trade end of the chain has been severely interrupted by the currency swap issue due to the limited supply of new naira notes. For instance, the commerce industry provides roughly 14% of the country's Gross Domestic Product (GDP), which is estimated to be worth N35 trillion. The agricultural sector is expected to be worth N62 trillion and accounts for around 25% of the country's GDP. Most of the activity in these industries occurs in the unorganized sector of the economy or in rural areas. These industries have contributed to the economy's ability to withstand numerous domestic and global difficulties since the COVID-19 pandemic outbreak in 2020. According to data from the Nigerian Association of Chambers of Commerce, Industry, Mines, and Agriculture (NACCIMA), sales of consumer goods have decreased by roughly 20% in the informal sector and by 30% in the

manufacturing sector since the new naira note and fuel shortages started (NACCIMA, 2022). These industries contribute the majority of the GDP. The shortage of petroleum products has caused major distortions for both consumers and businesses. It has also had a negative impact on investment. The crisis may have jeopardized Nigeria's N100 trillion GDP share, according to projections. At the trading end, the nation's supply chain was impacted. This is because there is insufficient money to transport the items, which prevents the manufacturing sector's output from being marketed. The chain reaction was unpredictable (The Sun, February 14, 2023).

2.5 Factors that contributed to the failure of the Currency Redesign Regime

Politics: The policy became more complicated due to the political twist. For the 2023 election, the president had stated that he planned to withhold funding to MPs in an attempt to leave a legacy of "free and fair elections." The CBN Governor, who had tried to run for president of the ruling party, found his situation exacerbated by this, which amounted to using the CBN as a political tool. Many people were critical of the CBN Governor. However, politicians continued to dominate the system. According to Fasua (2023), they allegedly arranged agreements and made the initial payments without transferring their stashes through any bank accounts.

Demographic and Sociological Changes Since 1984: The policy's immediate results made it clear that Nigeria has changed both demographically and sociologically since the last time such an experiment was conducted. These include the fact that Nigerians are

now much less patriotic and impatient, the exaggeration of issues that led to fear and rioting, and the exploitation of fellow Nigerians by point of sale (PoS) operators. Furthermore, Nigerians are more difficult to control since they have become more fearless and reject authority (Fasua, 2023).

Banking Superstructure and Modernity: The fact that there are currently fewer banks in rural Nigeria than there were 39 years ago, in 1984, is unfortunate. The currency redesign process once again made this clear, which is information that the Central Bank of Nigeria can exploit. In an attempt to strengthen and improve their efficiency, banks were merged in 2005 and 2006. But as a result of this consolidation, too-big-to-fail banks were created, and because of overtrading, they had to be rescued in 2011 using government funds. Despite the fact that these larger banks had ceased operations in rural areas due mostly to insecurity, there seems to be some quiet on that front presently. Many branches that were deemed unprofitable were also shut down. Additionally, the currency exchange experiment showed that traditional banking alternatives have not yet gained traction due to their slow recovery. Many local governments in Nigeria don't even have any connections to banks. This should be noted by the federal government. There must be some decisions to be made going forward. Microfinance or community bank models may be reexamined, as the majority failed due to selfishness and poor business methods (Fasua, 2023).

The Wages of Illiteracy and Poverty and the Widening Income Divide: Another conclusion from the currency swap experiment is that the income difference seems to have widened into a canyon. Large groups of people waited in line—or rather, swarming—at ATMs located throughout the country to take out pitiful amounts of money. Poverty is becoming a more visible problem as people who have more money are unable to tip others who have less. They naturally spent money more slowly, even when they did. The exercise revealed how little had been done to address the issues of illiteracy and poverty. Many of the people who destroyed bank branches probably had nothing in their accounts, if they had any at all (Fasua, 2023).

Theoretical Framework

The theoretical underpinning to this research study is the Keynesian theory of monetary policy. In the views of the Keynesian, monetary policy plays a crucial role in influencing economic activities of a given society. The theory argues that a change in monetary policy of the supply of money can permanently change some variables such as aggregate demand, interest rate, level of employment, level of income, and output (Jhinghan, 2016). Keynesian went further in believing that expansionary monetary policy causes an increase in the availability of the supply of loanable funds through the deposit money banking system, leading to the lowering of interest rates. According to Hassan and Ahmad (2022), as interest rates decline, other factors including total investment

spending, the manufacturing sector, and interest-sensitive consumer products typically rise as well, increasing real GDP.

According to Keynesian analysis, shifts in the money supply enable financial market activity, which influences interest rates, investment, production, and employment. According to Borio, Gambacorta, and Hofmann (2015), eliminating spending from the market can stabilize prices by reducing aggregate demand and contracting the economy. Several academic arguments have adhered to the Keynesian premise. For example, Modigliani (1963) contended that the impact would only be realized if financial intermediaries were forced to enforce the policy. Additionally, Oliner and Rudebush (1995) observed that when the economy is contracted and the interest rate increased, small firms are crowded out of business. In pursuing the objective of a balance economy, the monetary authority recognizes the existence of conflicts among operating agents (banks and financial institutions) which at some points can cause distortions in achieving set goals. For instance, the CBN targets of monetary policy include the operational target, the intermediate target and the ultimate targets. The Bank manipulates the operating target (reserve money) over which it has substantial direct control to influence the intermediate target (broad money supply, M2) which in turn impacts on the ultimately or final objective of monetary policy, i.e., inflation and output (Ajayi and Atanda, 2012). In light of this situation, Fischer (1997) asserts that improved oversight and control are essential to adherence to monetary policy directives. Monitoring and enforcing monetary policy standards is a necessary part of supervision, but this work is rarely as simple as it

seems. This is due to the fact that continuous monitoring, probing, analysis, and questioning of banks' operations and data will be necessary for effective oversight. The immediate resource cost in this situation could be high, particularly if there are no qualified staff members available. Furthermore, according to the structuralists, the Nigerian social structure is ingrained with elements that hindered the achievement of the country's policy goals (Omotola, 2013). These elements include hedging and hoarding of goods, corruption, and security. All of these have a detrimental effect on the industrial sector's capability, leaving the nation vulnerable to external shocks to the price of commodities and imported inflation. Monetary policy makers are becoming more concerned about this supply-side inflationary component, which is related to exchange rate volatility on the domestic price level.

One structural factor is shown in the dependence on the price of oil. When the price of oil declines, the nation's revenue earnings also decline, which has an effect on the foreign reserve and the value of the Naira. The nation's security situation is another element that contributes to inflationary pressures; as a result of many farmers being forced to leave their farms, food and energy costs spike, which raises the consumer price index (Adeoye, Ojapinwa & Odekunle, 2014). Aside from this, expenditure for security intervention has a negative impact on the exchange rate and inflation. It seems that monetary policy is insufficient to address these structural issues.

CHAPTER THREE

RESEARCH METHODOLOGY

1.1 Research Design

The survey research design will be used for this investigation. Survey research has gained popularity in recent years as a scientific approach to determining the influence and interrelationships of social and psychological variables from a specific population, according to Tonwe et al. (2007).

3.2 Method of Data Collection

According to Cohen and Manion (1980:26) procedures relate to the approaches employed in research to obtain data which are to be used as a basis for inference and interpretation for explanation and prediction. There is little doubt that the quality of data is closely related to the methods and procedures utilized for acquiring the data. Therefore, the researcher will use the survey technique to produce pertinent data for this study. According to Obasi (1999:169), methodology is the deliberate and methodical act of observing or analyzing the occurrence of events, activities, and behaviors that make up the focus of a study or research project. Since the observation approach produces data that directly relate to ordinary behavioral situations—assuming, of course, that they are applied to such situations—its relevance to this research project is evident (Selltiz et al, 1977). We used primary (interview via questionnaire) and secondary sources of data because of the nature of this study, particularly the kind of information needed to challenge our assumptions. The term "secondary sources of data" refers to a collection of information that has been gathered or written by someone else. These sources typically

include internet printouts, government documents, archives, textbooks, journals, seminar papers, newspapers, magazines, survey results, and code books that were collected for a different purpose than the one at hand (White, 1983:233; Ikeagwu, 1998: 211; Asika, 2006: 27). As stated by Selltiz and colleagues (1977: 317).

The obvious benefit of using secondary sources for data is that this type of information is gathered on a regular basis. This enables the development of recurring patterns and trends throughout time. Once more, the person about whom information is being sought does not need to cooperate or help with the collection of data from such sources.

3.3 Instrument of Data Collection

The instrument used in collecting data for this study are questionnaire and oral interview. Although the major one will be the questionnaire. It will be used to elicit pertinent information from the subjects. The questionnaire has two sections. Section A will be used to entail the personal characteristics of the respondents while section B will help to elicit information about the role of local government and rural infrastructural development in Egor local government area.

3.4 Population of the Study

According to the National Population Commission (2023), there are 339,899 adult males and females in the Esan Central local government region, which makes up the study's population.

3.5 Sample Size

From a total of 339,899 populations for the local government, according to the 2006 National Census figure, the researcher adopted the Taro Yamane formula for calculating

$$\text{sample size} = \frac{N}{1 + N(e)^2}$$

Based on the aforementioned formula, the sample size for the study is 399.5 which is approximated 400.

3.6 Sampling Technique

To choose the study sample from the study population, the researcher used simple random sampling. The research analysis was clarified with the use of basic random sampling. Simple Random Sampling lowers the rate errors and provides the complete universe in the population with equal chances of opportunity.

3.7 Validity and reliability of the instrument

My supervisor validated the instrument. In other words, the supervisor received the questionnaire first and carefully reviewed it. It was reviewed, and recommendations and corrections were made. The questionnaire's content piqued respondents' interest in the sampled locations in order to guarantee the instrument's dependability for this investigation. This also assisted in ensuring that the questions were clear before the researcher gave them to the real subjects.

3.8 Method of data Analysis

The data collected in the field was analyzed using the simple percentage, a descriptive statistical method, then coded and compiled using the Statistical Package for Social Science (SPSS 21).

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

The presentation of data and analysis is examined in this chapter. As indicated in the study methodology, 400 respondents were sampled and same numbers of questionnaires were distributed to the targeted respondents of the study. In the retrieval process, the study observed that, out of the 400 questionnaires distributed to the study sampled respondents, only 351 were retrieved by the researcher thus, changing the study analysis total sample to 351, which has 87.8% retrieval rate. Additionally, the Statistical Package for the Social Sciences (SPSS; version 22) was used to perform a quantitative analysis of the data. First, a descriptive analysis of the respondents' biographical information and responses to each question was done as part of the data analysis process. Additionally, the Pearsons Product Moment Correlation Coefficient (r) analytical tool was used to test the study hypotheses.

4.1 Frequency Table

Table 4.1: Sex Distribution

		Sex			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	189	53.8	53.8	52.8
	Female	162	46.2	46.2	100.0
	Total	351	100.0	100.0	

Source: Fieldwork, 2024.

Table 4.1 above reveals that 189 respondents representing 53.8% of the sampled population are male, while 162 respondents representing 46.2% are female. Thus, the aforementioned analysis indicates that more male respondents took part in this study.

Table 4.2: Age Distribution

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 - 35 years	45	12.8	12.8	13.2
	36 - 53 years	192	54.7	54.7	64.9
	54 years and Above	114	32.5	32.5	100.0
	Total	351	100.0	100.0	

Source: Fieldwork, 2024.

Data in table 4.2 shows that, 45 respondents covering 12.8% of the study sampled respondents are 18 - 53 years of age, 192 respondents representing 54.7% are 36 – 53 years of age, while the remaining 114 respondents covering 32.5% are 54 and above years of age. This signifies that, respondents between 36 – 53 years old participated more in this study.

Table 4.3: Marital Distribution

Marital Status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	98	27.9	27.9	31.3
Married	223	63.5	63.5	85.8
Divorced	30	8.54	8.54	100.0
Total	351	100.0	100.0	

Source: Fieldwork, 2024

Table 4.3 reveals that 98 respondents representing 27.9% of the study sample population are single, 63.5% covering 223 respondents are married, while 30 respondents representing 8.5% are divorced. Thus, indicating that, more married respondents participated in this study.

Table 4.4: Occupational Status

Occupational Status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Farming	118	25.0	25.0	25.0
Trading	86	18.2	18.2	43.2
Artisan	91	19.3	19.3	62.5
Civil Servants	83	17.6	17.6	80.1
Others	94	19.9	19.9	100.0
Total	472	100.0	100.0	

Source: Fieldwork, 2024

Table 4.4 shows that 118, sampled respondents covering 25.0% are Farmers, 18.2% of the study sampled respondents are Traders, 19.3% are Artisans, 17.6% of the sampled respondents are civil servants, while 19.9% are within the “ others” category. Therefore, the above data signifies that respondents who are Farmers participated more in this study.

Table 4.5: Educational Distribution

		Educational Status			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No Formal Education	63	17.9	17.9	15.0
	Primary	58	16.5	16.5	31.1
	Secondary	73	20.8	20.8	52.1
	Tertiary	109	31.5	31.5	82.0
	Others	48	13.7	13.7	100.0
	Total	351	100.0	100.0	

Source: Fieldwork, 2024

The study discovered in table 4.5 above that 63 respondents covering 17.9% of the sampled population have no formal education, 58 respondents representing 16.5% are primary school certificate holders, 73 respondents covering 20.8% of the sampled population are secondary school certificate holders, 109 respondents representing 31.5% are tertiary school certificate holders, while the remaining 48 sampled respondents

representing 13.7% have “other” form of certification. It thus indicates that, respondents that are tertiary certificate holders participated more in this research.

SECTION B

In this section, the various responses obtained from the survey questionnaire were analyzed descriptively in consonant with the research questions and objectives.

Table 4.6: There was large circulation of fake Naira note which led to the redesigning of Naira notes.

Question One

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	86	24.5	24.5	21.6
Agree	180	51.3	51.3	66.5
Disagree	61	17.4	17.4	83.9
Strongly Disagree	24	6.8	6.8	100.0
Total	351	100.0	100.0	

Source: Fieldwork, 2024

Table 4.6 shows that, 24.5% of the respondents strongly agreed that there was large circulation of fake Naira note which led to the redesigning of Naira notes, 51.3% of the sampled respondents agreed, 17.4% respondents disagree, while the remaining 6.8% strongly disagree that there was large circulation of fake Naira note which led to the redesigning of Naira notes. The analysis thus reveals that, majority of the sampled

respondents agreed that there was large circulation of fake Naira note which led to the redesigning of Naira notes.

Table 4.7: Continuous rise in the price of goods and services led to the redesign of Naira note.

Question Two

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	52	14.8	14.8	12.9
Agree	76	21.7	21.7	35.6
Disagree	142	40.5	40.5	71.8
Strongly Disagree	81	23.1	23.1	100.0
Total	351	100.0	100.0	

Source: Fieldwork, 2024

Table 4.7 shows that 14.8% of the respondents strongly agree that continuous rise in the price of goods and services led to the redesign of Naira note, 21.7% agreed, 40.5% disagreed, while the remaining 23.1% sampled respondents strongly disagreed that continuous rise in the price of goods and services led to the redesign of Naira note. It therefore shows from the above analysis that majority of the sampled respondents disagreed that continuous rise in the price of goods and services led to the redesign of Naira note.

Table 4.8: Money laundering was the major factor that led to the redesigning of Naira.

Question Three

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	60	17.1	17.1	20.8
Agree	186	53	53	71.8
Disagree	50	14.2	14.2	87.3
Strongly Disagree	55	15.7	15.7	100.0
Total	351	100.0	100.0	

Source: Fieldwork, 2024

As regards question three, table 4.8 reveals that 17.1% of the respondents strongly agree that money laundering was the major factor that led to the redesigning of Naira, 53% agreed, 14.2% disagreed, while the remaining 15.7% strongly disagreed that money laundering was the major factor that led to the redesigning of Naira. The analysis thus reveals that majority of the sampled respondents agreed that money laundering was the major factor that led to the redesigning of Naira.

Table 4.9: The Naira was long overdue to be redesigned

Question Four

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	40	11.4	11.4	14.8
Agree	58	16.5	16.5	32.0
Disagree	170	48.4	48.4	77.3
Strongly Disagree	83	23.6	23.6	100.0

Total	351	100.0	100.0
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Source: Fieldwork, 2024

Table 4.9 reveals that 11.4% of the respondents strongly agreed that the naira was long overdue to be redesigned, 16.5% agreed, 48.4% disagreed, while the remaining 23.6% strongly disagree that the naira was long overdue to be redesigned. It therefore shows from the above analysis that majority of the sampled respondents disagreed that the naira was long overdue to be redesigned.

Table 4.10: The redesigning of Naira was targeted towards eliminating vote buying in the 2023 general election.

Question Five

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	73	20.8	20.8	19.9
Agree	204	58.1	58.1	75.4
Disagree	45	12.8	12.8	93.9
Strongly Disagree	29	8.3	8.3	100.0
Total	351	100.0	100.0	

Source: Fieldwork, 2024

In relation to table 4.10, it was observed that 20.8% of the respondents strongly agree that the redesigning of Naira was targeted towards eliminating vote buying in the 2023 general election, 58.1% agreed, 12.8% disagreed, while the remaining 8.3%

strongly disagreed that the redesigning of Naira was targeted towards eliminating vote buying in the 2023 general election. It therefore shows from the above analysis that majority of the respondents agreed that the redesigning of Naira was targeted towards eliminating vote buying in the 2023 general election.

Table 4.11: There were so many failed bank transactions during the introduction of the new Naira notes.

Question Six

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	56	16	16	18.2
Agree	200	57	57	70.6
Disagree	63	18	18	89.8
Strongly Disagree	32	9.1	9.1	100.0
Total	351	100.0	100.0	

Source: Fieldwork, 2024

Also, in table 4.11 it was discovered that 16% of the respondents strongly agreed that there were so many failed bank transactions during the introduction of the new Naira notes, 57% agreed, 18% disagreed, while the remaining 9.1% strongly disagreed that there were so many failed bank transactions during the introduction of the new Naira notes. It therefore shows from the above analysis that majority of the sampled respondents agreed that there were so many failed bank transactions during the introduction of the new Naira notes.

Table 4.12: Consumer confidence in electronic fund transfer dropped as a result of the failure in online transactions.

Question Seven

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	60	17.1	17.1	20.6
Agree	200	57	57	75.4
Disagree	60	17.1	17.1	91.3
Strongly Disagree	31	8.8	8.8	100.0
Total	351	100.0	100.0	

Source: Fieldwork, 2024

Table 4.12 reveals that 17.1% of the respondents strongly agree that consumer confidence in electronic fund transfer dropped as a result of the failure in online transactions, 57% agreed, 17.1% disagreed, while the remaining 8.8% sampled respondents strongly disagree that consumer confidence in electronic fund transfer dropped as a result of the failure in online transactions. It therefore shows from the above analysis that majority of the sampled respondents agreed that consumer confidence in electronic fund transfer dropped as a result of the failure in online transactions.

Table 4.13: The cost of the redesign was passed on to consumers in the form of higher prices.

Question Eight

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	61	17.4	17.4	17.2
Agree	180	51.3	51.3	68.4
Disagree	70	19.9	19.9	84.5
Strongly Disagree	40	11.4	11.4	100.0
Total	351	100.0	100.0	

Source: Fieldwork, 2024

In table 4.13 it was discovered that, 17.4% of the study sampled respondents strongly agreed that the cost of the redesign was passed on to consumers in the form of higher prices, 51.3% agreed, 19.9% disagreed; while the remaining 11.4% strongly disagreed that the cost of the redesign was passed on to consumers in the form of higher prices. It therefore shows from the above analyses that majority of the sampled respondents agreed that the cost of the redesign was passed on to consumers in the form of higher prices.

Table 4.14: The scarcity of the new Naira note led to distrust in the bank system.

Question Nine

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	50	14.2	14.2	18.9
Agree	229	65.2	65.2	75.4
Disagree	44	12.5	12.5	91.1
Strongly Disagree	28	8	8	100.0
Total	351	100.0	100.0	

Source: Fieldwork, 2024

Table 4.14 shows that 14.2% of the respondents strongly agree that the scarcity of the new Naira note led to distrust in the bank system, 65.2% agreed, 12.5% disagreed, while the remaining 8% strongly disagree that the scarcity of the new Naira note led to distrust in the bank system. It therefore shows from the above analyses that majority of the sampled respondents agreed that the scarcity of the new Naira note led to distrust in the bank system.

Table 4.15: The riot that happened led to the destruction and temporary closure of banks

Question Ten

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	60	17.1	17.1	16.5
Agree	190	54.1	54.1	73.9
Disagree	60	17.1	17.1	88.3
Strongly Disagree	41	11.7	11.7	100.0

Total	351	100.0	100.0
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Source: Fieldwork, 2024

Table 4.15 reveals that, 17.1% of the sampled respondents strongly agreed that the riot that happened led to the destruction and temporary closure of banks, 54.1% of the respondents agreed, 17.1% of the respondents disagreed, while 11.7% of the respondents strongly disagreed that the riot that happened led to the destruction and temporary closure of banks. It therefore shows from the above analysis that majority of the sampled respondents agreed that the riot that happened led to the destruction and temporary closure of banks.

Table 4.16: Banks were over crowded as a result of scarcity of bank notes.

Question One

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	86	24.5	24.5	21.6
Agree	180	51.3	51.3	66.5
Disagree	61	17.4	17.4	83.9
Strongly Disagree	24	6.8	6.8	100.0
Total	351	100.0	100.0	

Source: Fieldwork, 2024

Table 4.16 shows that, 24.5% of the respondents strongly agreed that banks were over crowded as a result of scarcity of bank notes, 51.3% of the sampled respondents agreed, 17.4% respondents disagree, while the remaining 6.8% strongly disagree that

banks were over crowded as a result of scarcity of bank notes. The analysis thus reveals that, majority of the sampled respondents agreed that banks were over crowded as a result of scarcity of bank notes.

Table 4.17: Jobs were lost during the period of change in the Naira note.

Question Three

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	60	17.1	17.1	20.8
Agree	186	53	53	71.8
Disagree	50	14.2	14.2	87.3
Strongly Disagree	55	15.7	15.7	100.0
Total	351	100.0	100.0	

Source: Fieldwork, 2024

As regards question three, table 4.17 reveals that 17.1% of the respondents strongly agree that jobs were lost during the period of change in the Naira note, 53% agreed, 14.2% disagreed, while the remaining 15.7% strongly disagreed that jobs were lost during the period of change in the Naira note. The analysis thus reveals that majority of the sampled respondents agreed that jobs were lost during the period of change in the Naira note.

Discussion of Findings

The study findings showed that the majority of the respondents agreed that Money laundering was the major factor that led to the redesigning of Naira. The Naira

note according to Osadebe (2022) was redesigned to address the issue of individuals who have made currency fraud their main source of income, hidden money they have stolen, for instance, would either find a way to change it by taking the money out or would not need it given the change in the value of the Naira. In Nigeria, there has been an increase in economic hardship for a greater percentage of the Nigerian citizens. The National Bureau of Statistics (NBS) on the 17th of November 2022 said that 133 million (63%) Nigerians are suffering from high level of poverty, with children constituting more than half of poor people in the country (Komolafe et Al, 2022). This poverty level is heightened by politicians and other government officials hoarding the Naira notes, storing them away in GP tanks, ware houses, buried in hidden bunkers and etcetera so that the stacked away cash cannot be traced to their account for money laundry and other criminal charges since it is not in a bank account that can be traced. To stop the hoarding of Naira notes, the CBN governor in collaboration with the federal government planned to redesign the Naira currency notes in circulation in order to encourage the injection of funds back into the banking system.

Majority of the respondents also agreed that the Naira was long overdue to be redesigned. It had been a long time since the Naira was last redesigned – an exercise which should take place every 5 to 8 years. The EFCC former boss, Abdulrasheed Bawa, said the Naira redesign was necessary because politicians were hoarding the old notes to buy votes for the 2023 elections. (Tori, 2023). This view upheld by Tori also indicates in the findings of the study that majority of the respondents agreed that the redesigning of

Naira was targeted towards eliminating vote buying in the 2023 general election. Olorok (2023) observed that even political parties, preparing for the 2023 general elections, could not also access their funds from the banks and this might be an obstacle to vote buying.

The study also revealed that the majority of the respondents disagreed that the scarcity of the Naira note only affected a few individuals during the period of change of the Naira note. In regards to this, the scarcity of the Naira note affected everyone including the rich because they had to pay more money to get the desired amount they wanted. The study also showed that the majority of the respondents agreed that the scarcity of the new Naira note led to distrust in the bank system. Banks, POS operators and other financial agents hoarded the Naira, especially the redesigned notes, and sold them on black market conditions. These dealers charged abnormal and high prices to release just a small amount. Governor Adeleke of Osun State, was one of those political leaders that angrily warned those banks hoarding the new Naira notes and beckoned on the CBN to arrest culprits, if they did not desist from such unscrupulous act. In some major cities in Nigeria, for example, Nsukka, Owerri, Lagos, Port- Harcourt, Onitsha, Abuja, Ibadan, etc., POS agents collected what they called —fifty-fifty charges. This was particularly in February and March, 2023. Under this condition, a customer withdrawing N1000 had to pay a N 500 charge (Muntari, 2023).

It was a sorry situation where one shared his hard-earned money into two and went home with half of it. On several occasions, transfers were the next and better options, but network might be a hindrance and this is line with the findings of the study in the sense that majority of the respondents agreed that consumer confidence in electronic fund transfer dropped as a result of the failure in online transactions during the period of change of the Naira note. Also, majority of the respondents also agreed that jobs were lost during the period of change of the Naira note. Unemployment resulted due to layoffs and unavailability of jobs. Hirers of labour apparently lacked the capital and resources to hire and maintain labour. Those that were hired were also fired along the line. So many small-scale industries and businesses went insolvent and then liquidated.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

The goal of the study is to investigate how the public views the government and the naira redesign policy in the Esan Central Local Government Area in 2023. The study's goals were to find out how the public in Esan Central local government area felt about the reasons behind the naira redesign, to find out how the 2023 naira redesign affected public opinion in the area, and to look at the difficulties the public in Esan Central local government area faced as a result of the 2023 naira redesign policy. The survey research method is the research design used in this study. By using this methodology, the researcher can administer questionnaires to the respondents and get answers. As a result, the gathered data was compiled and subjected to quantitative analysis. According to the National Population Commission (2023), there are 339,899 adult male and female residents in the Esan Central local government region, which makes up the study's population. The study's sample size, as determined by the Taro Yamane formula, is 399.5, or roughly 400. The basic random sample technique was used in the field survey.

Among other things, the study noted that a lot of counterfeit Naira notes were in circulation, which prompted the redesign of Naira notes. It also found that money

laundering was the main cause of the redesign. The survey also found that during the time when the Naira note changed, jobs were lost.

5.2 Conclusion

A cycle of banknote redesign typically aims to accomplish certain goals, such as enhancing banknote security, preventing counterfeiting, conserving the nation's collective heritage, managing the amount of currency in circulation, and lowering the overall cost of currency management. Since the higher denomination used for corruption would be destroyed by the currency redesign, it would be easier to follow the flow of such funds out of the financial system, aiding a nation's battle against corruption. The CBN has once more provided an explanation for its decision to redesign certain Naira notes. It admits that among other reasons, the decision was made due to the massive amount of counterfeit currency in circulation, money laundering, and Naira note concealment. However, this analysis showed that the Central Bank of Nigeria's (CBN) actual plans to reform the Naira were a total failure. This is because the policy made innocent Nigerians scapegoats and tossed away the good with the bad. Despite being redesigned and exchanged, some currency notes were not in use, as had been the case throughout the nation's currency redesign history. Unusual and unmanageable pricing were successfully brought about by the Naira redesign policy. Nigerians experienced immense hardship and a very low standard of life as a result of the limited supply of the redesigned notes and the inadequate execution of the Naira redesign policy.

In conclusion, if the Naira redesign concept had been effectively adopted and carried out, it would have been a fantastic policy and a tremendous step towards rebuilding the Nigerian economy. In light of this, it goes without saying that meticulous preparation and skillful implementation are essential to the success of a currency makeover.

5.3 Recommendations

Based on the findings of this research study, the following recommendations are made:

1. To prevent shortages and promote a seamless transition, the Central Bank of Nigeria (CBN) should make sure there is a sufficient supply of the redesigned currency. It should also work with banks and printing companies to efficiently manage production and distribution.
2. To prevent Naira note counterfeiting, the Central Bank of Nigeria (CBN) should strengthen the currency's security measures.
3. Financial institutions ought to be aware that it is illegal to stockpile Naira for the black market or for any other purpose.
4. The federal government should always act swiftly to revoke any policy that has a negative impact on the populace, the economy, or the country.
5. In order to preserve public trust and confidence, policymakers should monitor public mood, provide a feedback mechanism to resolve any concerns or issues that may develop throughout the implementation of the Naira redesign strategy, and immediately respond to feedback.

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Appendix

Department of Public
Administration,
Faculty of Social Science,
University of Benin,
Benin City.

Dear Sir / Madam,

REQUEST FOR YOUR COOPERATION IN COMPLETING THIS QUESTIONNAIRE

I am an undergraduate student of the above-mentioned Department and University. As part of the programme, I am presently conducting a research on the topic “ Naira redesign policy and public perception of government in Esan Central Local Government Area in 2023” . This questionnaire is therefore designed to collect the relevant data for the study. Your response to the questions will not be used for any other purpose other than the one stated above.

Furthermore, you are kindly requested to respond as sincerely as possible to all the questions as stated in the questionnaire. Please, tick (✓) in the space provided in the most appropriate column on each of the item.

Thank you for your cooperation.

SECTION A: BIODATA

Please, kindly tick the box that best fit the information given below:

1. Sex: Male () Female ()
2. Age: 18 – 35 years (), 36 – 53 (), 54 and above ()
3. Marital Status: Single (), Married (), Divorced ()
4. Occupational Status: Farming (), Trading (), Artisan (), Civil Servants (), Others ()

5. Educational qualification: No formal education (), Primary (), Secondary (), Tertiary (), Others ()

SECTION B

KEYS: SA-Strongly Agree; A – Agree; SD-Strongly Disagree; D – Disagree Please tick the space that best fit your view

S/N	STATEMENT	SA	A	D	SD
6	There was large circulation of fake Naira note which led to the redesigning of Naira notes.				
7	Continuous rise in the price of goods and services led to the redesign of Naira note.				
8	Money laundering was the major factor that led to the redesigning of Naira.				
9	The Naira was long overdue to be redesigned.				
10	The redesigning of Naira was targeted towards eliminating vote buying in the 2023 general election.				
11	There were so many failed bank transactions during the introduction of the new Naira notes.				
12	Consumer confidence in electronic fund transfer dropped as a result of the failure in online transactions.				
13	The cost of the redesign was passed on to consumers in the form of higher prices.				
14	The scarcity of the new Naira note led to distrust in the bank system.				
15	The riot that happened led to the destruction and temporary closure of banks.				
16	Banks were over crowded as a result of scarcity of bank notes				
17	Jobs were lost during the period of change in the Naira note				