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Abstract

This study examines the effects of naira redesign on Nigeria's socio-political and economic stability. It explores the rationale behind the redesign, its impact on SMEs and the informal sector, participants' perceptions, and policy implications for future currency redesigns. Using the Keynesian model, the study analyzed the money supply's influence on demand, inflation, and overall stability. Data was gathered from 200 respondents via structured questionnaires targeting small business owners and the general public. Findings reveal that the redesign aimed to enhance security, combat counterfeiting, and improve money control. However, small businesses, especially in the informal sector, faced challenges adapting to the new currency. Public attitude was generally passive, with confidence in the redesign process hinging on transparent government communication. The study concludes that while the naira redesign holds positive economic prospects, it requires strong policy support to curb inflation and build public confidence. Recommended measures include increasing awareness campaigns, engaging stakeholders, and aligning future redesigns with international standards to boost investor confidence. These steps are essential for achieving the naira redesign's goals and ensuring economic stability in Nigeria.

Keywords: Naira redesign, socio-political impact, economic stability, small businesses, currency management.

Introduction

Today's financial system has evolved from a barter economy to a sophisticated global network, significantly driven by innovations in banking and monetary policies. Banks play a crucial role in economic growth by facilitating trade, pricing goods, and allowing wealth accumulation (Ezirim & Muoghalu, 2016). The value of money, whether as seashells, metal coins, paper, or digital currency, depends on its acceptance as a medium of exchange. Effective monetary policy, including currency redesign, is essential for managing currency, ensuring price stability, and promoting investment (Nwaeze, 2017).

Currency redesign is a significant economic and political event, influencing various societal aspects. For example, Uganda underwent an extensive currency redesign. The Nigerian naira, introduced on January 1, 1963, has been redesigned multiple times. The 1968 redesign addressed wartime currency abuse and trafficking. Obafemi Awolowo introduced the naira in 1973, initially in denominations of ₦1, ₦5, and ₦10. Over time, higher denominations were introduced, and in 2007, polymer substrates were used to enhance security features (Fasua, 2022; Olabimtan, 2023).

During General Muhammadu Buhari's regime (1983-1985), the naira was redesigned to combat corruption and counterfeiting. The Central Bank of Nigeria (CBN) introduced new security features to make counterfeiting more difficult, despite mixed public reactions (Agbo, 2014; CBN, 1984; National

Concord, 1984). While the redesign reduced counterfeit currency and disrupted illegal financial networks, it also caused short-term economic instability.

On November 23, 2022, CBN Governor Godwin Ifeanyi Emefiele announced another naira redesign to control money supply and combat illicit financial flows, amidst the politically sensitive timing of Nigeria's 2023 general elections (Ibrahim, 2023). Previous studies show that currency redesigns help secure monetary autonomy and prevent dollarization (Berg & Borensztein, 2000). However, the recent redesign led to cash scarcity, long bank queues, and public frustration, significantly impacting small businesses and the informal sector, which are vital to Nigeria's economy (Peter, 2023).

This study aims to qualitatively investigate the impact of naira redesign on Nigeria's socio-political landscape and economic stability in Akoko South West Local Government Area of Ondo State. It seeks to understand the reasons behind the redesign, its effects on small businesses and the informal sector, public perception and confidence in the naira, and to propose policy recommendations for future currency redesigns in Akoko South West Local Government Area.

Conceptualizing Naira Redesign

Naira redesign involves altering the design, specifications, or material of Nigeria's currency. This may include introducing new security features, changing the design to prevent counterfeiting, or withdrawing old notes and circulating new ones to regulate money supply and inflation. Beyond the aesthetic changes, naira redesign impacts economic, political, and social dimensions. Key objectives of the naira redesign include:

Control of Money Supply and Inflation: The redesign aims to improve control over Nigeria's money supply, addressing inflation. By recalling old notes and introducing new ones, the CBN seeks a clearer picture of the monetary stock. Emefiele (2022) noted that 82% of the currency was outside the banking system, hindering effective policy implementation. The redesign aims to bring more cash into the banking system, enhancing the effectiveness of monetary policy tools (CBN, 2022).

Combating Counterfeiting: Reducing the incidence of fake notes is a critical objective. The new naira notes feature advanced security measures, including sophisticated printing techniques and changes in color and patterns, making counterfeiting more difficult and enhancing public confidence (Imandojemu, 2017; CBN, 2019).

Promoting a Cashless Economy: The redesign supports Nigeria's transition to a cashless economy. By reducing the use of physical cash and promoting electronic payment systems, the policy aligns with international trends and aims to reduce the costs associated with cash handling while improving access to digital financial services (Akinwande et al., 2023).

Curbing Illicit Financial Activities: The redesign helps curb illicit financial flows (IFF) and money laundering. Retiring old notes compels individuals to deposit cash into banks, where it can be monitored. This discourages the use of cash for illicit activities, such as paying ransoms, vote-buying, and tax evasion (Okonkwo & Nnamani, 2024; CBN, 2023).

Addressing Currency Hoarding: The policy also targets currency hoarding, aiming to bring hoarded cash back into circulation. The CBN sought to reduce the amounts of naira held domestically and internationally for speculative purposes by mandating the exchange of old notes for new ones (CBN, 2023).

Reducing Dependency on Cash Transactions: The redesign seeks to minimize cash transactions, promoting a progressive economy. Reducing cash circulation helps lower the costs of physical money management and improves the accuracy of tracking transactions for taxation and legal compliance.

Enhancing the Security of the Financial System: Introducing new notes with better security features and extending the range of transactions in the formal financial system helps prevent and combat money laundering and terrorist financing, strengthening the overall security of Nigeria's financial system.

The naira redesign policy is a multifaceted approach aimed at modernizing Nigeria's financial infrastructure, promoting economic stability, and aligning with international best practices.

Reasons for the Failure of the Currency Redesign

Politics: Political factors significantly complicated the implementation of the currency redesign policy. The CBN Governor, Godwin Emefiele, faced criticism due to his alleged political ambitions, which some saw as conflicting with his role as the head of the apex bank (Premium Times, 2022). His declaration to deny foreign currency to lawmakers for the 2023 elections aimed at ensuring free and fair elections was perceived as using the CBN for political purposes, complicating the situation further. This move, coupled with accusations that politicians made early transactions outside of bank accounts, undermined public trust and credibility in the policy (Fasua, 2023).

Demographic and Sociological Changes Since 1984: Nigeria has undergone significant demographic and sociological changes since the last major currency redesign in 1984. The increased use of point of sale (PoS) systems, rampant exploitation by operators, and widespread panic and rioting highlighted the country's diminished patriotism and increased impatience. The Nigerian public has become more defiant and distrustful of authority, complicating the policy's acceptance and implementation (Fasua, 2023; Monye, 2024).

Electronic Transaction Surge: The surge in electronic transactions caused frequent system failures and transaction errors. Many Nigerians experienced difficulties with bank apps, USSD services, and POS machines, further diminishing confidence in alternative payment systems (NITDA, 2023).

Banking Superstructure and Modernity: The currency redesign exposed the inadequacies in Nigeria's banking infrastructure, particularly in rural areas. Since the bank consolidation of 2005-2006, which aimed to create stronger and more efficient banks, many rural branches have closed due to security concerns and unprofitability. This left rural areas underserved during the redesign process. Moreover, alternatives to traditional banking failed to quickly recover and gain traction (Monye, 2024).

Wages of Illiteracy and Poverty and the Widening Income Divide: The currency redesign highlighted the deepening income divide in Nigeria. Long queues at ATMs and banks exposed the dire poverty and financial exclusion faced by many Nigerians. The policy revealed the inadequacies in addressing poverty and illiteracy, as many people lacked bank accounts or had negligible balances. This economic disparity exacerbated tensions and dissatisfaction with the currency redesign (Fasua, 2023).

Communication Gaps: The CBN's communication strategy was widely criticized as inadequate. Confusion about the deadline for using old notes, the availability of new notes, and alternative payment methods contributed to public panic and resistance. The lack of clear, consistent communication from the CBN exacerbated the challenges in implementing the redesign policy (Nigerian Communications Commission, 2023).

Theoretical Framework: The Keynesian Model

According to Keynesian theory, prices are assumed to be rigid in the short run, and people often exhibit money illusion, meaning they cannot easily differentiate between real and nominal values. This rigidity leads to idle production factors and a high rate of unemployment. In the short run, the aggregate supply (AS) curve is influenced by the non-competitive labor market: it is perfectly elastic at the price level consistent with rampant inflation (price level flexibility) and perfectly inelastic at the

full employment level of income (price stickiness). This framework indicates that various forward variables, including fiscal policy, significantly impact output and employment. The outcome of increased government expenditure largely depends on the size of the multiplier and crowding-out factors (Mankiw, 2000).

Keynesian economics argues that changes in money supply, such as those resulting from currency redesign, affect total spending in the economy, or aggregate demand. When Nigeria undertakes a naira redesign, involving the recall of old notes (1000, 500, 200, and 100 naira) and their replacement with new ones, it can lead to an increase in money supply. This expanded liquidity enhances consumers' purchasing power, enabling them to spend more on goods and services, thus stimulating economic activity. Additionally, affordable credit in the market boosts consumption, prompting firms to increase productivity or undertake capital-intensive projects to meet rising demand.

However, increased purchasing power can also lead to inflation. Keynesian economics acknowledges that if aggregate demand grows faster than the economy's productive capacity, it can cause demand-pull inflation. Inflation occurs when prices rise due to excess demand for goods and services relative to supply. Therefore, the pace of introducing new currency becomes crucial to mitigate inflation risks and ensure price stability.

Within the Keynesian framework, the Central Bank of Nigeria (CBN) plays a critical role in managing inflation and ensuring economic stability. The CBN monitors inflation trends and applies appropriate monetary policies, such as adjusting interest rates or changing reserve requirements, to influence the money supply and curb inflation. These actions align with Keynesian principles, focusing on manipulating monetary policy instruments to regulate economic activity and maintain price stability in response to changes in aggregate demand.

Applying the Keynesian model to the naira redesign underscores the objective of achieving full employment and sustainable economic growth. By effectively managing the redesign process, Nigeria aims to stabilize its currency and support overall economic stability. This approach involves balancing the benefits of increased liquidity and consumer spending with the need to prevent excessive inflation and maintain economic equilibrium. In summary, the Keynesian framework provides a robust theoretical basis for understanding the economic implications of Nigeria's naira redesign, emphasizing the importance of carefully calibrated monetary policies to achieve desired economic outcomes.

Methodology

To achieve the purpose of this paper, a quantitative research design was adopted. The study was conducted in Nigeria, specifically in the Akoko South West Local Government Area of Ondo State. The population of this study comprised residents and business owners within the local government area. According to the National Bureau of Statistics (NBS; 2006), the population of Akoko South West was estimated to be 228,383. A sample size of 200 was purposely chosen and distributed across five towns within the local government area: Iworo Oka, Supare, Akungba, Oba, and Etioro. A questionnaire was used as the primary instrument for data collection. Data was tabulated and analyzed using simple percentage methods. All 200 copies of the questionnaire were administered and returned, resulting in a 100% return rate. Close-ended questions were utilized to ensure reliability and to avoid irregularities in responses.

Results and discussions

Research Question 1: What are the reasons behind the redesigning of the Nigerian naira currency?

S/N	STATEMENTS	SA (%)	A (%)	UND (%)	SD (%)	D (%)	Total (%)
1	Economic factors such as inflation and monetary policy strongly influence the decision to redesign the naira.	52 (26.0%)	97 (48.5%)	6 (3.0%)	20 (10.0%)	25 (12.5%)	200 (100.0%)
2	redesigning the Nigerian naira is to enhance its security features.	84 (42.0%)	58 (29.0%)	9 (4.5%)	28 (14.0%)	21 (10.5%)	200 (100.0%)
3	Redesigning the naira aims to combat counterfeiting effectively	94 (47.0%)	34 (17.0%)	10 (5.0%)	14 (7.0%)	48 (24.0%)	200 (100.0%)
4	redesign aims to facilitate better management of the money supply in Nigeria.	79 (39.5%)	65 (32.5%)	5 (2.5%)	35 (17.5%)	16 (8.0%)	200 (100.0%)
5	The goal of the currency redesign is to improve public trust and confidence in the naira.	63 (31.5%)	51 (25.5%)	3 (1.5%)	30 (15.0%)	53 (26.5%)	200 (100.0%)
6	Enhancing durability and lifespan of currency notes is a key objective of the redesign.	14 (7.0%)	19 (9.5%)	8 (4.0%)	103 (51.5%)	56 (28.0%)	200 (100.0%)

Source: Field Work, 2024.

Key: SA= Strongly Agree; A = Agree; UND= Undecided; SD= Strongly Disagreed; D= Disagreed.

The decision to redesign the Nigerian naira currency is predominantly influenced by economic factors such as inflation and monetary policy, with a significant majority of respondents (74.5%) agreeing or strongly agreeing with this statement. Specifically, 26.0% strongly agree and 48.5% agree, while a smaller portion (22.5%) either disagree (10.0%) or strongly disagree (12.5%). Only a minimal 3.0% remain undecided. This highlights a consensus on the importance of economic considerations in the redesign process.

Enhancing the security features of the naira is another primary reason for the redesign, supported by 71.0% of respondents (42.0% strongly agree and 29.0% agree). A minority (24.5%) disagrees or strongly disagrees, and 4.5% are undecided. This data underscores the perceived necessity of security improvements to prevent counterfeiting.

Combating counterfeiting effectively is a strong motivator for the redesign, with 64.0% of respondents agreeing or strongly agreeing (47.0% strongly agree, 17.0% agree). However, there is notable disagreement, with 31.0% either disagreeing (24.0%) or strongly disagreeing (7.0%). This indicates a significant concern about counterfeiting among a majority, though a substantial portion of the population remains skeptical or indifferent.

The redesign aims to facilitate better management of the money supply, as supported by 72.0% of respondents (39.5% strongly agree and 32.5% agree). In contrast, 25.5% disagree or strongly disagree, and a small fraction (2.5%) is undecided. This demonstrates strong support for improved monetary management through currency redesign.

Improving public trust and confidence in the naira is less unanimously supported, with 57.0% of respondents agreeing or strongly agreeing (31.5% strongly agree, 25.5% agree). However, a notable

41.5% either disagree (26.5%) or strongly disagree (15.0%). This indicates a more divided opinion on the effectiveness of redesign in boosting public confidence.

Enhancing the durability and lifespan of currency notes is the least supported reason, with only 16.5% of respondents agreeing or strongly agreeing (7.0% strongly agree, 9.5% agree). A significant majority (79.5%) disagrees or strongly disagrees (51.5% strongly disagree, 28.0% disagree), while 4.0% are undecided. This suggests that durability is not seen as a crucial factor driving the redesign process.

Research Question 2: How has the currency redesign affected small businesses and the informal sector in Nigeria?

S/N	STATEMENT	SA (%)	A (%)	UND (%)	SD (%)	D (%)	Total (%)
7	The currency redesign has positively affected the operational costs of small businesses.	69 (34.5%)	11 (5.5%)	8 (4.0%)	78 (39.0%)	34 (17.0%)	200 (100%)
8	The currency redesign has facilitated easier financial transactions for small businesses.	57 (28.5%)	7 (3.5%)	34 (17.0%)	58 (29.0%)	44 (22.0%)	200 (100%)
9	The redesign has had a significant negative impact on the profitability of small businesses.	12 (6.0%)	19 (9.5%)	27 (13.5%)	79 (39.5%)	63 (31.5%)	200 (100%)
10	Small businesses have seen an increase in customer spending post-redesign.	29 (14.5%)	17 (8.5%)	19 (9.5%)	121 (60.5%)	14 (7.0%)	200 (100%)
11	The currency redesign has led to increased competition among small businesses.	19 (9.5%)	22 (11.0%)	37 (18.5%)	71 (35.5%)	51 (25.5%)	200 (100%)
12	Small businesses in the informal sector have faced challenges adapting to the new currency design.	31 (15.5%)	49 (24.5%)	12 (6.0%)	67 (33.5%)	41 (20.5%)	200 (100%)

Source: Field Work, 2024.

Key: SA= Strongly Agree; A = Agree; UND= Undecided; SD= Strongly Disagreed; D= Disagreed.

The currency redesign appears to have had a mixed impact on the operational costs of small businesses. While 40.0% of respondents believe the redesign has positively affected operational costs (34.5% strongly agree, 5.5% agree), a larger proportion of 56.0% disagrees (39.0% strongly disagree, 17.0% disagree), and 4.0% are undecided. This indicates that the perceived benefits of reduced operational costs are not widely recognized among small business owners.

The redesign has not significantly facilitated easier financial transactions for small businesses, with only 32.0% agreeing (28.5% strongly agree, 3.5% agree) and a higher percentage of 51.0% disagreeing (29.0% strongly disagree, 22.0% disagree). Additionally, 17.0% are undecided. This suggests that the redesign has not substantially improved transaction processes for many small businesses.

A notable 71.0% of respondents disagree that the redesign has significantly negatively impacted the profitability of small businesses (39.5% strongly disagree, 31.5% disagree), while only 15.5% agree (6.0% strongly agree, 9.5% agree) and 13.5% remain undecided. This indicates a general consensus that the redesign has not detrimentally affected profitability.

The redesign has not led to an increase in customer spending, as indicated by 67.5% of respondents who disagree (60.5% strongly disagree, 7.0% disagree). Only 23.0% agree (14.5% strongly agree, 8.5% agree), and 9.5% are undecided. This suggests that the redesign has not stimulated higher spending among customers of small businesses.

There is a perception of increased competition among small businesses post-redesign, with 37.0% agreeing (26.0% strongly agree, 11.0% agree) and 61.0% disagreeing (35.5% strongly disagree, 25.5% disagree). Additionally, 2.0% are undecided. This indicates a notable level of perceived increased competition but also reflects significant disagreement on this impact.

Small businesses in the informal sector have faced challenges adapting to the new currency design, with 40.0% agreeing (15.5% strongly agree, 24.5% agree) and 54.0% disagreeing (33.5% strongly disagree, 20.5% disagree). Only 6.0% are undecided. This indicates that adaptation difficulties are a significant issue for many informal sector businesses, although there is substantial disagreement on the extent of these challenges.

Research Question 3: How has the public perception and confidence in the Nigerian naira been affected by the redesign process?

S/N	STATEMENT	SA (%)	A (%)	UND (%)	SD (%)	D (%)	Total (%)
13	Redesigning the naira will positively impact Nigeria's economic stability.	29 (14.5%)	17 (8.5%)	15 (7.5%)	42 (21.0%)	97 (48.5%)	200 (100%)
14	I trust that the redesigned naira will be more resistant to counterfeiting.	72 (36.0%)	17 (8.5%)	12 (6.0%)	82 (41%)	17 (8.5%)	200 (100%)
15	The public consultation during the redesign process was sufficient.	13 (6.5%)	39 (19.5%)	31 (15.5%)	66 (33.0%)	51 (25.5%)	200 (100%)
16	Redesigning the naira is necessary to combat financial crimes such as money laundering.	73 (36.5%)	43 (21.5%)	29 (14.5%)	21 (10.5%)	34 (17.0%)	200 (100%)
17	The redesign process has increased my confidence in the Nigerian naira.	41 (20.5%)	22 (11.0)	37 (18.5)	67 (33.5)	33 (16.5)	200 (100%)

Source: Field Work, 2024.

Key: SA= Strongly Agree; A = Agree; UND= Undecided; SD= Strongly Disagreed; D= Disagreed.

The belief that redesigning the naira will positively impact Nigeria's economic stability is largely disagreed upon, with 69.5% of respondents (48.5% strongly disagree, 21.0% disagree). Only 23.0% agree (14.5% strongly agree, 8.5% agree), and 7.5% are undecided. This suggests that the redesign is not seen as a significant factor in economic stability by the majority.

There is a divided opinion on whether the redesigned naira will be more resistant to counterfeiting. While 44.5% agree (36.0% strongly agree, 8.5% agree), a close 49.5% disagree (41.0% strongly disagree, 8.5% disagree), and 6.0% are undecided. This shows that public trust in the redesign's effectiveness against counterfeiting is contentious.

The sufficiency of public consultation during the redesign process is widely criticized. Only 26.0% agree (6.5% strongly agree, 19.5% agree), while a significant 58.5% disagree (33.0% strongly disagree, 25.5% disagree), and 15.5% are undecided. This suggests that many feel the consultation process was inadequate.

The necessity of redesigning the naira to combat financial crimes like money laundering is relatively well supported, with 58.0% agreeing (36.5% strongly agree, 21.5% agree). However, 27.5% disagree (10.5% strongly disagree, 17.0% disagree), and 14.5% are undecided. This indicates a moderate level of confidence in the redesign's potential to reduce financial crimes.

Public confidence in the Nigerian naira following the redesign has not substantially increased. Only 31.5% agree (20.5% strongly agree, 11.0% agree), while 50.0% disagree (33.5% strongly disagree, 16.5% disagree), and 18.5% are undecided. This reflects a general lack of confidence in the redesign process.

Research Question 4: What policy recommendations can be proposed for enhancing future currency redesign efforts in Nigeria?

S/N	STATEMENT	SA (%)	A (%)	UND (%)	SD (%)	D (%)	Total (%)
18	Improved public awareness campaigns are necessary for successful currency redesign.	96 (48.0%)	41 (20.5%)	12 (6.0%)	27 (13.5%)	24 (12.0%)	200 (100%)
19	Currency redesign efforts should focus on minimizing disruption to economic activities.	137 (68.5%)	57 (28.5%)	4 (2.0%)	2 (1.0%)	-	200 (100%)
20	Future currency redesigns should aim to reduce the overall cost of currency production.	89 (44.5%)	32 (16.0%)	18 (9.0%)	23 (11.5%)	38 (19.0%)	200 (100%)
21	Future currency redesigns should consider the specific needs of small businesses.	87 (43.5%)	61 (30.5%)	-	31 (15.5%)	21 (10.5%)	200 (100%)
22	The government should provide incentives to encourage public acceptance of redesigned currency.	59 (29.5%)	67 (33.5%)	16 (8.0%)	41 (20.5%)	17 (8.5%)	200 (100%)

Source: Field Work, 2024.

Key: SA= Strongly Agree; A = Agree; UND= Undecided; SD= Strongly Disagreed; D= Disagreed.

There is strong support for the need for improved public awareness campaigns to ensure the success of currency redesign efforts. A significant majority of respondents (68.5%) agree or strongly agree (48.0% strongly agree, 20.5% agree) with this statement. Only 25.5% disagree or strongly disagree (13.5% strongly disagree, 12.0% disagree), while 6.0% remain undecided. This indicates a clear recognition of the importance of effective communication and public education in the redesign process.

There is overwhelming agreement that currency redesign efforts should focus on minimizing disruption to economic activities, with 97.0% of respondents in favor (68.5% strongly agree, 28.5% agree). Only a small minority (3.0%) are undecided, and there is no disagreement. This highlights a consensus on the need to ensure economic stability during redesign initiatives.

Reducing the overall cost of currency production in future redesigns is also strongly supported, with 60.5% of respondents agreeing (44.5% strongly agree, 16.0% agree). However, 30.5% disagree (19.0% disagree, 11.5% strongly disagree), and 9.0% are undecided. This suggests a significant portion of the population sees the importance of cost efficiency in the redesign process.

Future currency redesigns should consider the specific needs of small businesses, as agreed by 74.0% of respondents (43.5% strongly agree, 30.5% agree). Nonetheless, 26.0% disagree (15.5% strongly disagree, 10.5% disagree). This indicates that many believe accommodating small business needs is crucial for successful implementation, though some remain skeptical.

Providing government incentives to encourage public acceptance of redesigned currency is seen as beneficial by 63.0% of respondents (29.5% strongly agree, 33.5% agree). In contrast, 29.0% disagree (20.5% strongly disagree, 8.5% disagree), and 8.0% are undecided. This suggests a moderate level of support for incentivizing acceptance, though a notable portion of the population is opposed or indifferent.

Summary of Key Findings

Discussion on Research Question One: Reasons behind the Redesigning of the Nigerian Naira Currency

Analyzing the data on respondents' attitudes toward the reasons behind the naira redesign, the study found that public opinion is not unanimous, though certain aspects are more popular than others. Economic factors, including inflation and monetary policy, are considered influential by 74.5% of respondents. This supports Adenikinju's (2009) argument about the need for effective monetary policy in Nigeria's economy. High percentages of respondents also emphasized the redesign of security features and combating counterfeiting (64.0%), corroborating Okoye and Onyukwu's (2020) assertion about the ongoing counterfeiting issues in Nigeria and the need for continuous innovation in anti-counterfeiting measures.

Former Governor of the Central Bank of Nigeria, Sanusi (2013), advocated for redesigning to better manage Nigeria's money supply, with 72% supporting this view. However, opinions on whether redesigning the naira will improve public trust and confidence are divided, with 57.0% agreeing and 41.5% disagreeing. This aligns with Adetiloye's (2010) idea that currency redesign alone may not boost citizens' confidence without other economic measures. The low support (16.5%) for increasing durability as a reason for redesign reflects different priorities in Nigeria compared to developed countries, as pointed out by Nwankwo. Okonjo-Iweala (2018) also emphasized that currency reforms in Nigeria should address broader economic issues.

Discussion on Research Question Two: Impact on Businesses and the Informal Sector

The data show mixed results regarding the impact on operational costs for small businesses. While some sources do not see a positive impact, findings on negative profitability impacts suggest resistance among Nigeria's SMEs, especially in the current adverse monetary policy environment, as noted by Oluseyi (2024). The perception of unchanged transaction ease contradicts policy makers' expectations, aligning with Nwankwo and Eze's (2023) stance on the incongruence between policy implementation and its execution.

The reduction in consumer spending after the redesign supports Okonkwo et al.'s (2024) findings on consumer behavior during currency transitions, pointing out cost-cutting practices that affect small businesses. Adeleke (2023) highlighted that policy changes often cause short-term market shocks and increased competition among smaller players. Overall, while the currency redesign is not wholly detrimental, it poses significant challenges for small and informal businesses.

Discussion on Research Question Three: Public Perception and Confidence in the Naira

A majority (69.5%) of participants disagree that the redesign will positively impact economic stability, corroborating Okoye and Ezenwakwelu's (2023) view that currency redesign alone cannot be effective without coordinated fiscal and monetary policies. The divided opinion on the redesigned naira's resistance to counterfeiting reflects overall cynicism, as noted by Nwankwo and Adedeji (2024). The lack of sufficient public consultation (58.5% disagreeing) highlights Adegboye and Ojo's (2024) call for more inclusive policy formation.

Despite 58% of respondents supporting the redesign's potential to combat financial crimes, the mixed results on public confidence (50% disagreeing that confidence has increased) align with Ezeani et al.'s (2024) findings that currency redesigns without broader institutional changes do not improve trust.

These results underscore the need for improved public enlightenment and awareness, as suggested by Oluwaseyi and Adebayo (2024).

Discussion on Research Question Four: Policy Recommendations for Future Currency Redesigns

The agreement on the need to enhance public enlightenment (68.5%) supports Adegboye and Oluseyi's (2023) proposal for improving financial literacy in Nigeria. The near-consensus on minimizing disruptions to economic activities (97%) aligns with Okonkwo and Nwankwo's (2024) findings on the importance of gradual policy changes and stabilization aids. Reducing currency production costs (60.5% agreement) echoes Babajide and Aina's (2023) fiscal responsibility proposition.

The significant support (74%) for considering small businesses in future redesigns confirms Adeleke and Ezenwakwelu's findings on the importance of SMEs in Nigeria's economy. The majority support for government incentives to promote redesigned currency acceptance (63%) aligns with Oladipo and Akinwumi's (2023) findings on public confidence in financial institutions.

The recommendations emphasize the need for a more inclusive, sensitive approach to the economic impact of currency redesign, better communication, and public education throughout the process. This aligns with Ijewere and Gbandi's (2024) emphasis on contextually grounded monetary policy planning and Omotosho and Ayodeji's (2024) arguments for robust change management in monetary reforms.

Conclusion

The redesign of the Nigerian Naira has been driven by several key objectives, including enhancing security features, addressing counterfeiting issues, managing the money supply, and rebuilding public trust. While these goals are realistic and necessary, the redesign process has yielded mixed results in terms of economic impact and public perception. The data indicates that the redesign has not significantly transformed the operating climate for businesses, especially in the informal sector, and there has been a notable lack of public appreciation for the consultation process.

To improve the effectiveness of future currency redesigns, several areas require focused attention. These include minimizing economic disruption, lowering currency production costs, addressing the needs of small businesses, and launching efficient public awareness campaigns. Additionally, offering government incentives could facilitate public acceptance of redesigned currency.

Recommendations

Enhance Public Trust and Confidence: Future currency redesigns should incorporate strategies to enhance public trust and confidence. This includes using persuasive messages to highlight the advantages of the new currency design and addressing public doubts regarding the reliability and stability of the redesigned currency.

Facilitate Better Management of Money Supply: To achieve the objectives of currency redesign, the new currency design should be accompanied by measures to improve the management of money supply. This includes synchronizing the redesign with changes in interest rates and other economic factors that affect inflation and currency stability.

Consider the Needs of Small Businesses: Future currency redesigns should address the specific needs of small businesses, particularly those in the informal sector. This could involve providing support to help these businesses adapt to the new currency, mitigating the impact on their profitability, and ensuring smooth transactions.

Improve Public Awareness Campaigns: Effective public awareness campaigns are crucial for the success of currency redesigns. These campaigns should clearly communicate the reasons behind the redesign, the government's objectives, and instructions on how to use the new currency. Coordination

is essential to ensure that everyone, including those in rural and remote areas, is informed and sensitized about the changes.

By implementing these recommendations, future currency redesign efforts can be more successful in achieving their objectives while minimizing negative impacts on the economy and increasing public acceptance and confidence.

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