



## **2023 Naira Redesign Policy and Economic Hardship in Nigeria: A Study of Anaocha Local Government Area of Anambra State**

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### **ABSTRACT**

This study examined the 2023 Naira redesign policy and economic hardship in Nigeria, using Anaocha Local Government Area of Anambra State as a focal point. The study aims to explore the consequences of the currency redesign policy on the local economy and the challenges faced by residents in Anambra State, by employing qualitative research methods such as questionnaires. The study seeks to identify the factors contributing to economic hardship and propose potential solution to alleviate the situation. The researcher raised two research question, using the population of 400 respondents, the survey research design was employed in carrying out the study and questionnaire and survey used as research instrument. The finding of this research will contribute to a broader understanding of how the implementation of new Naira policy brought economic hardship and impacted business negatively. In conclusion, the researcher among other recommendations advised that traders in the informal sector should open a functional bank account and acquire knowledge about transfers and internet banking, that the ban on old currency should not be enforced within a short period of time and that the federal government should put in place, all logistics needed for the printing and circulation of the new currency before enforcing the deadline on old Naira notes. This recommendation became very important in the wake of the present technological era where youths can just click on their phones and get connected.

**Keywords:** Naira Redesign, Policy, Economy, Hardship, Anambra

### **INTRODUCTION**

The recent naira redesign policy implemented by the Central Bank of Nigeria (CBN) has sparked controversy and debate among economist, policy makers, and the general public. While the policy aimed to address issues such as currency counterfeiting, hoarding, and illegal money transfers, it has also been criticized for potentially exacerbating economic hardship in Nigeria, particularly in rural areas. Nigeria, like many other developing countries, has been experiencing economic hardship characterized by high inflation, unemployment, low foreign exchange reserves, and a weak currency. In responses to the economic challenges, the Nigerian government introduced the Naira redesign policy aimed at improving the security

features of the Nigerian currency and it made digital payments run by banks to be unreliable, leaving businesses struggling as growing numbers of customers have been unable to find cash to pay for goods and services in Anaocha Local Government Area Anambra State. The scarcity of physical currency led to an increased reliance on Point of Sale (P.O.S) systems and electronic payments method. As a result, businesses experienced a surge and hike in price of transactions and it affected the profitability of businesses, especially in rural areas as in the case of Anaocha Local Government Area Anambra State (Gbemi Faminu; Business-day newspaper 2023).

The situation made Rural dwellers to face challenges in accepting mobile money transfers due to a variety of factors. These challenges include limited access to mobile network coverage, lack of awareness or understanding of mobile money services, concerns about the security of digital transactions, or preferences for traditional cash-based transactions and activities of internet fraudsters to mention but a few. Rural businesses and individuals became hesitant to accept mobile money transfers from their customers due to the fear of technical glitches, network connectivity issues, or the uncertainty of being able to convert digital funds into physical currency when necessary. This reluctance restricted the adoption of digital payment methods in rural areas, hindering financial inclusion and limiting economic opportunities for rural communities (Bunmi Bailey; Business-day newspaper 2022).

The situation has created a parallel market for people to illegally sell the new banknotes. The cash supply crisis has disrupted businesses across the country, forcing a good number of businesses to shut down in Anaocha Local Government area of Anambra State which is one of the rural areas that has been facing significant economic challenges. This is an area which is predominantly agricultural, with a high dependence on subsistence farming and small-scale trading. The local economy has been struggling to recover from the impact of the COVID-19 pandemic, and the naira redesign policy has added to the existing economic hardship. In summary, the situation has inadvertently promoted cash-hoarding: whereas the elites have deployed all means at their disposal to secure and hoard the new notes from the commercial banks, rural dwellers no longer trust banks and are unlikely to deposit their money in banks because of perceived difficulty of accessing banked funds during times of need. Hence this study seeks to investigate naira redesign policy and economic hardship in Nigeria, with specific emphasis on Anambra State.

### **Theoretical Framework:**

This paper was anchored on the system theory as propounded by Ludvig von Bertalanffy because it describes how society's constituent elements connect and influence each other. Ludwig von Bertalanffy's general system theory indicates that systems should be viewed as open, holistic entities rather than closed, reductionist entities. Some key points about von Bertalanffy's system theory include: Elements in a system interact with each other in an organized, holistic fashion rather than being isolated and independent. This opposed the mechanistic/reductionist view of breaking systems down into isolated parts. Systems are open rather than closed, meaning they exchange matter, energy, and information with their environment. They are influenced by and influence their surroundings in a reciprocal relationship. Systems are viewed from a holistic perspective rather than a reductionist one that only analyzes parts. The focus is on the structure, patterns, and interconnectedness of systems rather than individual parts alone.

There are universal principles that govern how all open systems (biological, social, psychological, etc.) operate and develop regardless of their specific properties. This allowed for cross-disciplinary insights. Feedback loops exist within systems, with outputs feeding back as inputs in a continuous, circular causal relationship. This dynamic interconnection

maintains the system's pattern of behavior. Although this idea has come under fire for pointing out issues without proposing solutions, it is appropriate to understand how the redesign of the Naira has affected enterprises in Anaocha LGA sector. Based on this theory, the CBN is a part of social structure as well as the informal sector. Therefore, the actions and inactions of CBN tend to affect the other parts of the social structure. In the same vein, the Naira redesign by the CBN affected the circulation of money thereby, affecting the ability of traders in the Anaocha LGA to purchase goods. Also, it may have affected the level of patronage due to the unavailability of a means of payment. These lapses could be as a result of the CBN and perhaps to government being unable to envisage the changes that may halt the migration into a cashless economy in the country. Thus, they may have been overwhelmed by these challenges that surfaced and were unable to tackle them leading to the negatives implications that manifested in the rural area like Anaocha LGA, Anambra State.

At the heart of this system is the Naira redesign policy, which involves the introduction of new banknotes and coins as a means of addressing issues of counterfeiting, inflation, and economic instability. While this policy has the potential to improve the functioning of the monetary system and promote economic growth, it also has the potential to exacerbate existing economic hardships, particularly for marginalized communities like those in Anaocha Local Government Area of Anambra State. Taken together, these factors create a complex system that shapes the impact of Naira redesign policy on economic hardship in Nigeria. To fully understand this system and its effects on communities like Anaocha Local Government Area of Anambra State, it is necessary to consider the interplay of economic, social, and cultural factors, as well as the policies and decisions made by government and other actors. By doing so, it may be possible to identify strategies for promoting economic growth and reducing hardship in Nigeria, while also ensuring that the benefits of economic development are shared more equitably across society.

## **LITERATURE REVIEW**

### **Naira Re-Design and Economic Hardships Conceptualized**

Currency design plays a crucial role in reflecting a nation's identity, culture, and economic strength. In recent years, there has been a growing demand for a redesign of the Nigerian currency, the Naira, to bring it in line with modern standards and enhance its security features. In 2019, the Central Bank of Nigeria (CBN) announced a plan to redesign the Nigerian Naira. The goal was to enhance the security features of the currency, reduce counterfeiting, and improve the overall aesthetics. The redesigned Naira notes were expected to instill confidence in the currency, both domestically and internationally, thus positively impacting the economy (CBN, 2019). The policy aimed to curb inflation, stabilize the exchange rate, and boost economic growth. One of the primary motivations for a new Naira design is to enhance its security features, protecting it from counterfeiting and illegal activities. Counterfeit currency poses a significant threat to the economy, leading to financial losses and a loss of public trust in the currency. A new design incorporating advanced security features can significantly reduce the risk of counterfeiting.

According to the Central Bank of Nigeria (CBN), incorporating modern security features such as holograms, unique serial numbers, and advanced printing techniques can make it more difficult for counterfeiters to replicate the currency (CBN, 2018). These features can include microprinting, color-changing inks, and embedded security threads. By implementing these technologies, a new Naira design would enhance the currency's integrity and protect the economy. Another crucial aspect of a new Naira design is improving the durability of the currency. The current Naira banknotes are susceptible to wear and tear due to

poor quality materials and printing techniques. This leads to frequent replacements and higher production costs for the Central Bank. On the other hand, economic hardship in Nigeria can be exacerbated by the implementation of a Naira redesign policy. The redesign policy, aimed at enhancing the security and aesthetics of the currency, may have unintended economic consequences (Okafor, 2019).

One of the potential impacts of a Naira redesign policy is the cost associated with the process. Printing new currency notes and implementing the redesign can incur significant expenses, which may strain the already burdened economy (Irobi, 2020). The introduction of redesigned Naira notes may also lead to temporary disruptions in the economy. As the new currency is circulated, there can be delays and confusion in the exchange process, affecting businesses and individuals (Irobi, 2020). Another potential impact of the Naira redesign policy is the potential for increased counterfeiting. While the redesign aims to enhance security features, counterfeiters may adapt and find new ways to replicate the redesigned notes, posing a threat to the economy (Sanusi, 2020). The economic hardship resulting from a Naira redesign policy can also be attributed to the public's perception and acceptance of the new currency. If the redesigned Naira is not widely accepted or trusted by the population, it can lead to a decline in confidence and reluctance to use the currency, impacting economic transactions (Irobi, 2020).

Furthermore, the economic impact of a Naira redesign policy can be influenced by the stability of the exchange rate. If the redesign coincides with a period of exchange rate volatility, it may exacerbate economic hardship by affecting import costs and overall price levels (Okafor, 2019). Policy considerations should be given to mitigate the potential negative economic impacts of a Naira redesign policy. These considerations include effective communication and public awareness campaigns to ensure a smooth transition and acceptance of the redesigned currency (Irobi, 2020). Additionally, measures should be implemented to strengthen the security features of the redesigned Naira notes to prevent counterfeiting and protect the economy from potential illicit activities (Sanusi, 2020). The economic hardship resulting from a Naira redesign policy can stem from the disruption of existing cash-based transactions. Nigeria has a predominantly cash-based economy, and the introduction of redesigned Naira notes can lead to challenges in cash handling and transactions, particularly in rural areas where access to banking services is limited (Sanusi, 2020)..

### **Naira Redesign and Economic Hardship in Nigeria**

Economic hardship in Nigeria can be exacerbated by the implementation of a Naira redesign policy. The redesign policy, aimed at enhancing the security and aesthetics of the currency, may have unintended economic consequences (Okafor, 2019). One of the potential impacts of a Naira redesign policy is the cost associated with the process. Printing new currency notes and implementing the redesign can incur significant expenses, which may strain the already burdened economy (Irobi, 2020). The introduction of redesigned Naira notes may also lead to temporary disruptions in the economy. As the new currency is circulated, there can be delays and confusion in the exchange process, affecting businesses and individuals (Irobi, 2020).

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reluctance to use the currency, impacting economic transactions (Irobi, 2020). Furthermore, the economic impact of a Naira redesign policy can be influenced by the stability of the exchange rate. If the redesign coincides with a period of exchange rate volatility, it may exacerbate economic hardship by affecting import costs and overall price levels (Okafor, 2019).

Policy considerations should be given to mitigate the potential negative economic impacts of a Naira redesign policy. These considerations include effective communication and public awareness campaigns to ensure a smooth transition and acceptance of the redesigned currency (Irobi, 2020). Additionally, measures should be implemented to strengthen the security features of the redesigned Naira notes to prevent counterfeiting and protect the economy from potential illicit activities (Sanusi, 2020). The economic hardship resulting from a Naira redesign policy can stem from the disruption of existing cash-based transactions. Nigeria has a predominantly cash-based economy, and the introduction of redesigned Naira notes can lead to challenges in cash handling and transactions, particularly in rural areas where access to banking services is limited (Sanusi, 2020). The costs associated with reorienting businesses, vending machines, and cash-based systems to accommodate the new currency design can also contribute to economic hardship. Small businesses and individuals may face financial burdens in adapting their operations to the redesigned Naira, potentially leading to reduced productivity and economic strain (Irobi, 2020). The success of a Naira redesign policy in alleviating economic hardship relies heavily on the effective implementation of supporting infrastructure and technology. Adequate distribution channels, reliable cash management systems, and accessible banking services are crucial for a smooth transition and minimizing economic disruptions (Okafor, 2019).

### **Naira Redesign Policy and Business Activities**

The introduction of a redesigned currency can influence various business activities in the country. Researchers have examined how the redesign affects cash handling costs, accounting systems, and payment mechanisms (Akpan & Atan, 2020). Additionally, businesses must adapt to the transition from the old currency to the new one. One significant area of research pertains to the historical context of the Naira and its evolution. Isimi (2015) provides insights into the historical developments of the Naira and highlights currency crises that Nigeria has experienced over the years. This historical analysis underscores the recurring need for redesign and the vulnerabilities of the currency. Regarding the reasons for Naira redesign, Gillman and Siklos (2018) discuss factors such as inflation, counterfeiting, wear and tear, changes in national symbols, and technological advancements that may necessitate a currency redesign. These considerations are essential for policymakers to address before implementing any redesign policy.

The policy implications of Naira redesign have also been a subject of interest for researchers. Bhatti, Choi, and Park (2017) delve into the economic benefits of redesigning banknotes and its impact on credibility and persistence in a monetary economy with inflation targeting. The findings highlight the potential positive effects on public perception and trust in the currency if the redesign is executed effectively.

In terms of business activities, Akpan and Atan (2020) examine the impact of currency redesign on cash handling costs in Nigeria. They explore how businesses in the country are affected by the introduction of a redesigned currency, particularly in terms of cash management. Additionally, the acceptance and perception of the redesigned currency by the public play a crucial role in the success of any redesign initiative. Bae, Suh, and Kim (2019) study public perception of currency redesign in South Korea and emphasize the importance of public awareness campaigns and education programs during the transition phase. Though the

CBN says that its cashless policy is not designed to starve Nigerians of the new banknotes, but to encourage cashless transactions, the toll on the economy and livelihoods has become unbearable. The reported protests in some state capitals due to the cash crunch prompted some banks to close some of their branches. Also, chaotic scenes are still witnessed at many Automated Teller Machines (ATMs) as thousands of people struggle to access the new naira notes.

Small, medium and large businesses, in both formal and informal sectors of the economy, are feeling the pinch of the shortage of the new banknotes and the hoarding of fuel. The crippling effect of naira redesign policy will undermine the trade and agricultural subsector. It will also have a knock-on effect on other critical sectors of the economy, especially the manufacturing value chain and the services sector. With the scarcity of the new naira notes, the trading end of the chain has been greatly disrupted by the currency swap crisis. The trade sector, for instance, contributes about 14 per cent of the nation's Gross Domestic Product (GDP), which is valued at N35trillion. The agricultural sector, which contributes about 25 per cent to the GDP is valued at an estimated value #62 trillion. Most of the activities in these sectors are either in the rural areas or in the informal sector of the economy. These are the sectors that have made the economy resilient in the face of the numerous domestic and global headwinds, since the outbreak of the COVID-19 pandemic in 2020. According to statistics from the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA), the informal sector has recorded about 20 per cent drop in sales in consumer goods and 30 per cent for the manufacturing sector since the scarcity of the new naira notes and the shortage of fuel started.

The rejection of old notes by banks, motorists, and other traders caused significant challenges for Nigeria's informal economy. Also, the country's high percentage of unbanked individuals underscores financial inclusion. For instance, people living in remote areas without bank branches rely on point-of-sale agents with limited access to the new naira. The implementation of the naira redesign policy also revealed Nigeria's economic vulnerability. Due to limited access to physical cash, many Nigerians could not pay for basic needs and engage in trading activities. Some bank customers closed their bank accounts in protest of the cash crunch (Olakunle Mohammed; Business-day Newspaper 2023).

The review on the Naira redesign Policy and Economic Hardship in Nigeria has several gaps, which suggest potential areas for future research. Following the literature reviews exercise undertaken, scholarly works from (Akpan and Atan, 2018; *Adekoya, and Obiwuru, 2018*); *Ogundipe, Alege, and Ogundipe, 2019*); *Ayodele, and Adepoju, 2017*; and *Oyelami, Ogunrinola, and Olowe, 2020*) have examined some definitional aspects and contending issues on Naira Redesign Policy and Economic Hardships. They examined the impact of naira redesign policy on economic hardship in Nigeria. The study recommended that government should expedite action in addressing all forms of economic hardship brought by Naira redesign policy. We equally reviewed the works of (*Agiomirgianakis, and Serenis, 2017*; *Odozi, and Onwuka, 2019*; *Adesoye, and Maku, 2018*; *Olatunji, and Adeniyi, 2017*; *Odusola, Ogundipe, and Ojeaga, 2018*) which expanded our understanding of the economic implications of the Naira redesign policy, they are either limited, in scope and content or cannot adequately address the variables of our study in the context Economic hardship.

These books and related literatures lifted and reviewed above have provided a credible preview of what maybe envisaged or seen in the impact of the Naira Redesign Policy in the lives of people in Anaocha Local Government Area. Enough guidelines and information are accruable for these works, but the present study is apt to provide indebt information obtained through the use of interviews directly from the residents of these areas; hence the end-product is bound to be balanced and objective. One potential gap in the existing literature is the

limited understanding of local perceptions and experiences regarding the Naira redesign policy and its impact on economic hardship in Anaocha Local Government Area. While there may be studies examining the overall impact of the policy on the national or regional level, there is a dearth of research focusing specifically on the perspectives and experiences of individuals, businesses, and financial institutions within the study area. The study focuses on the impact of currency redesign on economic hardship, rounding, and public perception, and may not capture other potential effects of currency redesign. Future research could explore other potential implications of currency redesign, such as the impact on political aspect, foreign investment, and overall economic growth. The study relies on limited data from a limited location (Anaocha LGA) and may not be able to capture the full impact of a future redesign. Future research could collect more comprehensive data to provide a more detailed analysis of the potential impacts of currency redesign in Nigeria. The study focuses on the perspectives of indigenes of Anambra State, without considering the views of other stakeholders in other Local Governments in Anambra State. Future research could explore the perspectives of a wider range of stakeholders to provide a more comprehensive analysis of the potential impact of currency redesign.

The study did not consider the impact of external factors such as global economic conditions, political instability, and technological advancements. Future research could explore the impact of these external factors on the potential implications of currency redesign in Nigeria. By exploring local perceptions and experiences, this gap in the literature can be addressed. Understanding how residents, businesses, and financial institutions in Anambra State perceive the Naira redesign policy and its impact on economic hardship can provide valuable insights into the effectiveness and potential challenges of the policy at the local level. This gap can be bridged by conducting surveys, interviews, or focus group discussions with relevant stakeholders to gather their firsthand perspectives and experiences.

## **METHODOLOGY**

The research design used in this study is a case study approach, focusing on the currency redesign policy and economic hardship in Nigeria and Anaocha LGA, Anambra State as the case study. The case study design allows for an in-depth exploration of the policy implications of currency redesign, drawing on a range of data sources to provide a comprehensive analysis. The research design is a plan and structure that guide the investigator in the process of data collection, analysis and interpretation. This study is based on the one-shot case design which involves the careful examination of only one group, event or phenomenon at a single point in time after a presumed causal event has occurred. Anaocha LGA is situated in the southeastern region of Nigeria and is one of the twenty-one LGAs that make up Anambra State. It is bordered by Aguata LGA to the south, Awka North LGA to the west, Dunukofia LGA to the northwest, and Njikoka LGA to the northeast. The LGA is predominantly inhabited by the Igbo ethnic group, with various communities and villages spread across its geographical expanse. The population of the study comprises the entire 405,000 indigenes of Anaocha Local Government Area made up of ten communities namely; Aguluzigbo, Agulu, Neni, Ichida, Adazi-Ani, Adazi-Enu, Adazi-Nnukwu, Akwaeze, Nri, Obeledu. (City population, 2022).

The research methodology employed for this particular study is the Simple Random Sampling technique. The rationale behind this sampling approach stems from the recognition that studying the entire population is not feasible, thus necessitating a representative subset. Despite the substantial size of the population under investigation, a sample of 400 individuals from different communities in Anaocha Local Government ranging from the most populated community to the least populated were chosen for this

study, encompassing a diverse range of individuals, traders, and business executives. In the study, survey and documentary methods of data collection was employed. During the survey, questionnaires was the only instrument of data collection used. Collected data were analyzed with the descriptive statistics. Data collection for this study involved both primary and secondary sources. Primary data was collected through questionnaires with the ten communities of Anaocha LGA indigenes. The data collected for this study was analyzed using quantitative and descriptive analysis, which is a research method that involves inspecting, cleaning, transforming, and interpreting data to discover useful information, draw conclusions, and support decision-making.

## RESULTS AND DISCUSSION

### Analysis of Research Questions:

This section discussed the key research questions and how they were addressed in the questionnaire.

**Table:1 Demographic Analysis**

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**Figure 1: Gender of Respondents**

Gender of Respondents	Frequency	Percentage (%)
Male	158	40.3%
Female	234	59.7%
<b>Total</b>	<b>392</b>	<b>100%</b>

Bar Chat showing frequencies for Gender  
Gender

Pie Chart showing frequencies for  
Gender

**Table:2 Age**

Age of Respondents	Frequency	Percentage (%)
Below 20 years	12	3.06%
20 – 29 years	50	12.76%
30 – 39 years	70	17.86%
40 – 49 years	160	40.82%
50 years & above	100	25.5%



<b>Total</b>	<b>392</b>	<b>100%</b>
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From the analysis in table 4.1 above, we can see that 158 (or 40.3%) of the respondents are male while 274(or 59.7%) of them are female.

### Figure 1: Age of Respondents

Bar Chart showing frequencies for Age

Pie Chart showing frequencies for Ag

**Source: Fieldwork, (2024).**

Reports from table 4.2 on the analysis of age bracket of the respondents reveals that 12(or 3.06%) are within the range of below 20, 50 (or 12.76%) are within the age range of 20-29 years; 70 (or 17.86%) are within the range of 30-39 years; 160 (or 40.82%) are within the range of 40-49 years and finally 100 (or 25.5%) are within the range of 50 years & above.

**Table 3: Respondent's Villages in Anaocha LGA**

<b>s / n</b>	<b>Town Respondents</b>	<b>of</b>	<b>Frequency</b>	<b>Percentage %</b>
a.	Adazi-Ani		44	11.23%
b.	Adazi-Enu		33	8.43%
c.	Adazi-Nnukwu		42	10.72%
d.	Akwaeze		38	9.7%
e.	Agulu		46	11.5%
f.	Ichida		35	9.0%
g.	Neni		49	12.6%
h.	Nri		38	9.7%
i.	Aguluzigbo		31	7.92%
j.	Obeledu		36	9.2%
<b>Total</b>			<b>392</b>	<b>100%</b>

**Source: Fieldwork, (2024).**

### Figure 1: Town of Respondents

**Source: Fieldwork, (2024).**

Bar Chart showing frequencies for Towns of Respondents

From Table 4.3, it shows that 45(or 11.25%) of the respondents are from Adazi-Ani; 33 (or 8.25%) of the respondents are from Adazi-Enu; 43(or 10.75%) of the respondents are from Adazi-Nnukwu; 40 (or 10%) of the respondents are from Akwaeze; 48 (or 12%) of the respondents are from Agulu; 35 (or 8.75%) of the respondents are from Aguluzigbo; 50 (or 12.5%) of the respondents are from Neni; 38 (or 9.5%) of the respondents are from Nri; 31 (or 7.75%) of the respondents are from Ichida and 37 (or 9.25%) of the respondents are Obeledu.

Level of Qualifications	Frequency	Percentage (%)
WAEC	75	19.13%
Bachelor's Degree	115	29.34%
Diploma	80	20.41%
Master's Degree	62	15.82%
Doctorate's Degree	32	8.16%
Others	28	7.14%
<b>Total</b>	<b>392</b>	<b>100%</b>

**Table 4: Educational Qualification of Respondent**

Bar Chart showing frequencies for Education Level  
for Education Level

Pie Chart showing frequencies

**Source: Fieldwork (2024).**

From Table 4.4, it shows that 75(or 19.13%) of the respondents are WAEC holders; 115 (or 29.34%) of the respondents are Bachelor's Degree holders; 80(or 20.41%) of the respondents are Diplomats; 62 (or 15.82%) of the respondents are Master's Degree holders; 32 (or 8.16%) of the respondents are Doctorate Degree holders, and 28 (or 7.14%) of the respondents does not have any educational qualification and therefore are classifies as others.

**Table 5: Occupation of Respondents**

Occupation	Frequency	Percentage (%)
Farming	130	33.16%
Trading	144	36.73%
Driving	40	10.2%
Students	10	2.55%
Civil/Public Servant	50	12.76%
Others	18	4.6%
<b>Total</b>	<b>392</b>	<b>100%</b>

Bar Chat showing frequencies for Occupation  
Occupation

Pie Chart showing frequencies for  
Occupation

**Source: Fieldwork (2024).**

From Table 4.5, it shows that 130(or 33.16%) of the respondents are Farmers; 144 (or 36.73%) of the respondents are Traders; 40(or 10.2%) of the respondents are Drivers; 10 (or 2.55%) of the respondents are Students; 50 (or 12.76%) of the respondents are Civil/Public Servants, and 18 (or 4.6%) of the respondents are either hawker, pedestrians and roadside viewers was classified as others.

**Question 1: To what extent did the naira redesign policy contribute to economic hardship in Anaocha local government area of Anambra State?**

In this section we gave answer to our first research question to what extent did the naira redesign policy contribute to economic hardship in Anaocha local government area of

Anambra State? and verified our first hypothesis which is “The implementation of the Naira redesign policy has contributed to economic hardship in Anaocha Local Government Area, Anambra”.

This question was addressed by six (6) questions in the questionnaire.

**Table 6: Implementation of New Naira Contributed to Economic Hardship 2023.**

S/N	Questions	Agreed	Disagreed	Don't Know	Total
1.	Have you noticed any changes in the local economy since the implementation of the new Naira redesign?	350 89.28%	42 10.72%	-	392 100%
2.	Have you experienced any difficulties in conducting financial transactions or handling the new currency?	385 98.3%	-	7 1.7%	392 100%
3.	The Naira redesign ushered in the cashless economy	346 88.26%	46 11.74	-	392 100%
4.	Are there any specific challenges or hardships you have faced as a result of the implementation of the new Naira redesign?	359 91.58%	22 5.61%	11 2.81%	392 100%
5.	Have there been any changes in employment opportunities or income levels in Anaocha LGA following the implementation of the new Naira redesign?	240 61.22%	147 37.5%	5 1.28%	392 100%
6.	Do you think that the implementation of the new Naira redesign has contributed to economic hardship in Anaocha LGA?	362 92.35%	21 5.35%	9 2.3%	392 100%

**Source: Fieldwork (2024).**

The above table shows that the Naira redesign policy increased difficulty in financial transactions, ushered in the cashless economy, brought hardship, reduced the income level of indigenes and contributed immensely to economic hardship in Anaocha LGA, Anambra State.

### **Question 2: What is the impact of the naira redesign policy on business activities in Anaocha local government area of Anambra State?**

Here, the study presents analysis on how the Naira redesign policy had a significant impact on business activities in Anaocha Local Government Area, Anambra that affected their growth and performance.

In this section we gave answer to the question what is the impact of the naira redesign policy on business activities in Anaocha local government area of Anambra State? and also verified our hypothesis which is ‘The Naira redesign policy had a significant impact on business activities in Anaocha Local Government Area, Anambra that affected their growth and performance. A number of empirical indicators were identified and examined.

This question was addressed by six (6) questions in the questionnaire.

**Table 7: Impact of naira redesign in 2023 on businesses in rural area of Anaocha Local Government.**

S/N	Questions	Agreed	Disagreed	Don't Know	Total
1.	The Naira redesign disrupted business transaction	357 91.07%	35 8.93%	-	392 100%
2.	The Naira redesign led to the widespread of counterfeit money	331 84.43%	53 13.52%	8 2.05%	392 100%
3.	The Naira redesign led to an increase expense in the country	343 87.5%	44 11.23%	5 1.27%	392 100%
4.	The Naira redesign led to a reduced confidence in government	287 73.22%	105 26.78%	-	392 100%
5.	The Naira redesign led to low patronage	358 91.33%	34 8.67%	-	392 100%
6.	The Naira redesign led to difficulty in purchasing goods for sell	293 74.75%	99 25.25%	3 2.5%	392 100%

**Source: Fieldwork (2024).**

The table above shows that the naira redesign disrupted business transaction, increased the spread of counterfeit money and the rate of expenditure in the country, reduced patronage, reduced confidence in the government of the country, and it also affected the purchase of goods.

**Table 8: Better ways in which businesses in the in rural area like Anaocha LGA and the government can prepare for such change**

S/N	Questions	Agreed	Disagreed	Don't Know	Total
1.	Traders in the informal sector should endeavor to opening a functional bank account	323 82.4%	69 17.6%	-	392 100%
2.	The federal government should ensure that the logistics needed for the printing and circulation of the new currency are put in place before enforcing the deadline	275 70.15%	97 24.75%	20 5.10%	392 100%
3.	Traders in the informal sector should get enlightenment and be informed about doing transfers and internet banking.	323 82.4%	61 15.6%	8 2.0%	392 100%
4.	The deadline for the use of old currency should not be enforced within a short period of time.	365 93.12%	27 6.88%	-	392 100%
5.	The new and old naira notes should be allowed to coexist until the old notes are completely retrieved through deposit.	390 99.48%		2 0.52%	392 100%

**Source: Fieldwork (2024).**

The table above shows that if traders in the in Anaocha LGA, Anambra State open a functional bank account and acquire knowledge about transfers and internet banking, it will help them to prepare against such eventuality. It also shows that if the ban on old currency is not enforced within a short period of time, if the federal government put in place, all

logistics needed for the printing and circulation of the new currency before enforcing the deadline and allow for the coexistence of old and new notes, it will help businesses in Anaocha LGA, Anambra state prepare for such change.

### **Discussion of Findings**

It was observed that traders in Anaocha LGA relied on cash to do their business and will only do business with those with cash. While some of these individuals do not have a functional bank account, some others had no bank account. Though some of these traders eventually began to accept transfer from some people who they are familiar with, these individuals had to use the bank account of friends and relatives and will sometimes ask you to add N50 or N100 for bank charges. One of the challenges identified in the course of this transaction is poor bank network which could delay or reverse the money sent thereby, leading to bad debt.

The research finding revealed the aim of the Naira redesign was defeated perhaps due to the inability of the federal government to properly put in place, the system that is necessary for a cashless economy. Thus, increased difficulty in financial transactions, ushered in the cashless economy, brought hardship, reduced the income level of indigenes and contributed immensely to economic hardship in Nigeria. Contrary to the CBN, it also failed to aid the transition into a cashless economy or caused Naira to appreciate. Nevertheless, the Naira redesign disrupted the social and economic life of citizens. It disrupted business transaction, increased the spread of counterfeit money as most citizens may not have been familiar with the new currency. This also increased the rate of expenditure in the country obviously as the government shouldered the cost of printing the new currency. In addition to this, the level of patronage reduced drastically and the confidences in the country and the federal government reduced greatly due to the unavailability of cash (legal tender). And it also affected the purchase of goods among Anaocha indigenes. Findings showed that some of the traders in the Anaocha do not have a functional bank account, some others had no bank account and relied on physical cash for the smooth functioning of their business. Thus, it was revealed that if traders in the informal sector open a functional bank account and acquire knowledge about transfers and internet banking, it will help them to prepare against such eventuality and curb some of the challenges they encountered. It was further revealed that if the deadline for old currency is not enforced within a short period of time, if all logistics needed for the printing and circulation of the new currency are put in place, before enforcing the deadline and if old and new notes are allowed to coexist, it will help businesses in rural areas prepare for such change.

### **CONCLUSION AND RECOMMENDATIONS**

Naira redesign has been part of Nigeria's history. But, the 2022/2023 Naira redesign seems to be the most memorable in the history of Nigeria basically because it ushered in an era where Naira was to purchase Naira. This was due to the inability to access physical cash even when there is money in one's bank account. Though, the Naira redesign came with a lot of prospects which was declared by the CBN, it failed to achieve any of these prospects. Rather, it disrupted the social and economic activities in the country. Obviously, the CBN as well as the federal government failed to envisage the challenges that will face the transition into a cashless economy and thus, did not put in place any measure to mitigate these challenges. The basic challenge which has to do with the printing of sufficient new notes to

serve the entire population and the availability of bank network to enable cash transfer was not given the much-needed attention. This made it almost impossible to effectively carryout social and economic activities. Therefore, while the redesign of Naira may have been a step in the right direction, the numerous challenges that followed it altered the value of this change. Thus, before the enforcement of the ban on old Naira note in subsequent time, there is need to provide all the logistics needed for the printing and circulation of the new currency and also, aiding transfers.

Based on the finding of this study, the following recommendations were made.

1. Traders in the informal sector should open a functional bank account and acquire knowledge about transfers and internet banking.
2. The ban on old currency should not be enforced within a short period of time.
3. The federal government should put in place, all logistics needed for the printing and circulation of the new currency before enforcing the deadline on old Naira notes.

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