

Naira Redesign Policy and Socio-Economic Development in Benue State

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Abstract

The study examined the impact of naira redesign policy on the economy of Benue State. The study adopted a survey design with a sample size of 400 respondents selected for the study. Questionnaire and Key Informant Interview (KII) was used as instruments of data collection. Decision-making theory was adopted as the theoretical framework for the study. The findings of the study showed that the naira redesign policy fell short of its goals due to a lack of public confidence in digital financial products, which is mainly due to perceptions of high levels of fraud associated with them and coupled with poor sensitization particularly of the CBN's directives and deadlines. Additionally, the digital financial infrastructure was insufficient to handle the increased digital transaction volume caused by the cash shortage. The study also found that the policy negatively impacted several livelihoods in Benue State resulting into negative impacts on the financial welfare as Point of Sale (POS) operators charged exorbitant fees for cash withdrawal as they became a vital alternative to banks. There were also cases of cash trading whereby the new naira notes were purchased at high prices, a testament to the desperate situation created by the policy. The study also discovered that small businesses were worse hit by the cash crunch due to the naira redesign policy because they rely heavily on cash to carry out their activities. The study recommends that there is the need to intensify the public enlightenment programme about the cashless system so that everybody will be acquainted with the system, since there is a high rate of illiteracy. The Central Bank of Nigeria should also give a long time for the retrieving of the old currency designed to the new currency redesigned so that small businesses would not astronomically lose their customers base.

Keywords: Livelihoods, Naira Redesign Public Policy, Socio-Economic Development

Introduction

Currency redesign is an activity of a sovereign nations. Nations either change or modify the existing currency in its economy. This can be done for several reasons not limited to improving the security features of the new currency, reducing the money supply, reducing inflation, investigating incomes from nefarious sources and many other economic

indicators that affect the financial status of a nation (Adeoye and Shobande, 2017). Currency redesigning have been employed by various countries to maintain their monetary sovereignty and also to boost the confidence citizens have for their national currency so as to prevent dollarization or an increase in the demand for another country's currency which could lead to depreciation of such country's currency as a result of low demand for it. In October 2022, the CBN announced plans to redesign three out of the eight currency denominations in the country. The apex bank stated that, it will redesign the N200, N500, and N1000 Naira notes (Ahmed and Jande, 2018)

The unveiling raised eyebrows and concerns across Nigeria. Several analysts had noted that the timing of the redesign was bad since Nigeria was approaching elections in February 2023. This was in addition to the short timeframe for the implementation of the nationwide policy. They also believed that, this policy move was merely a diversion from the serious economic difficulties that are currently roiling the country and offers no real economic benefits to the populace. This was because the replacement process of the old currency was marred with administrative glitches to uncooperative ways through which bank customers conducted themselves and coupled with the CBN directive to banks not to pay the redesigned notes through the counter; but through the Automated teller machines (ATMs) at the tune of #20,000 per day. It became obvious that there was a problem on the ground because the demand for the new currency outweighed its availability, so, some people saw it as an opportunity and started taking advantage, exchanging old notes for new ones for a huge premium and this generated a lot of heat and anger among the citizens.

In addition to the above, small and medium enterprises owners, petty traders, and depositors became violent which led to the vandalization of many banks, especially those in the urban areas because people barely saw cash to meet up with their daily spending and this led to the grounding of economic activities in the country. The study therefore, examines the impact of naira redesign policy on the economy of Benue State.

Conceptual Clarifications

Public Policy

Public policy is whatever governments choose to do or not to do.' (Dye, 1972, p.18). Dye argues that public policy in America, as in all nations, reflects the values, interests, and preferences of a governing elite. Dye's work focuses on the extent to which political variables influenced policy in comparison with economic ones, in particular economic development. The term policy is central to the operation and activities of both private organizations and public institutions. A policy option made by an individual or private institution is known as private policy while the one

made by government or its institutions is called public policy (Ozor, 2023). However, the term policy as it is used in this work refers to only the ones made by government and which are, as such, regarded as public policies. Generally, scholars have viewed the term policy differently and from various perspectives. Some emphasize policy as an action. Others see it as choice. Yet, some see it in terms of scope of action (Ikelegbe, 2016).

In other words, the way a given scholar conceptualizes a policy depends on the perspective from which the scholar is viewing it and this accounts for the varied definition of the concept. For instance, Ikelegbe, (2016) view public policy as a governmental programme of action, while Obasi,(2018), opined that policy refers to hard patterns of resource allocation represented by projects and programmes designed to respond to perceived public problems or challenges requiring government action for their solution. Policy for the purpose of this study is the integrated course and programmes of action that government has set and the framework or guide it has designed to direct action and practices in certain problem area. According to the researcher, a policy is a course setting action that provides the direction, the guide and the way to the achievement of certain goals or objectives desired by government.

Naira Redesign Policy

According to Olofin, Adetayo and Tella (2015, p.15), "Currency redesign refers to the process of changing the appearance, design or features of a country's currency to make it more secure, durable, and efficient. To Kiyotaki and Wright (2021) currency redesign is "the introduction of new types of money to the economy while maintaining a stable nominal value for the money supply. In the perspective of the World Bank (2021), Currency redesign, refers to the process of updating the design of a country's paper currency, typically to enhance security features or improve durability. Similar to World Bank, International Monetary Fund (2018) conceptualized currency redesign as the process of updating or changing the appearance of a country's banknotes or coins. This may involve updating security features, incorporating new technologies, or changing the visual appearance of the currency. For the purpose of this study, currency redesigns may be driven by a variety of factors, including a desire to improve security, enhance the aesthetic appeal of the currency, or better reflect a country's cultural heritage or values.

Socio-Economic Development

Socio-economic development is a product of development and can be defined as the process of social and economic transformation in a society. Thus, socio-economic development is made up of processes caused by exogenous and endogenous factors which determine the course and

direction of the development (Chandler, 2007). Socio-economic development is measured with indicators, such as GDP, life expectancy, literacy and levels of employment. Changes in less-tangible factors are also considered, such as personal dignity, freedom of association, personal safety and freedom from fear of physical harm, and the extent of participation in civil society (Okoro, 2015). Causes of socio-economic impacts are, for example, new technologies, changes in laws, changes in the physical environment and ecological changes.

Socio-economic development is a complex idea that encompasses socio-political advancement and institutional progress in addition to economic growth (Ekong and Ekong, 2022). For the purpose of this study socio-economic development includes advancements in the provision of a livelihood on a sustainable basis, access to education, and basic healthcare for the majority of the people, supporting this viewpoint.

Theoretical Framework

The study adopted decision making theory as its theoretical framework of analysis. Herbert Simon (1979) was the first to bring an analysis based on decision-making process into the focus of political analysis and was later developed by Richard Snyder and his colleagues after the Second World War II. The assumption of the theory attempts to simplify the real-world situation of decision making through relating how individuals and groups take decisions, what guides or informs such decision making, what information the decision maker looks for and what influence his decision

In applying it to this study one will agree that the decision to go cashless and redesign naira was taken by the leadership of the executives. The Governor of the Central Bank of Nigeria decided upon meeting with the President of Nigeria about the need to replace the cash-based economy based on the multidimensional benefits inherent in the policy. This was also substantiated by the array of reasons. Also, because of the arrays of reasons that were given such as over 3.7 trillion being out of bank and stashed in individual hands, the threat of high domination counterfeiting, replacement of mutilated currency that were not healthy for human handling among others culminated in the firm decision to redesign naira.

Methodology

Survey design was adopted to guide the study. The study population was drawn from residents of Benue state covering two local government area in each geo-political zone in Benue State as follows: Katsina-Ala and Ukum in Benue North-East, Makurdi and Gboko in Benue North-West and Otukpo, Ogbadigbo, Benue South respectively

Table 1: Population of the Study

Local Government (Zones)	Projected population Size
Benue North-East	
Katsina-Ala	325,500
Ukum	313,300
Benue North-West	
Makurdi	438,000
Gboko	472,000
Benue South	
Ogbadigbo	232,001
Otukpo	199,009
Total	1,979,810

Source: 2023 NPC Projected Population

Taro Yamen (1972) formula was used to determine the appropriate sample size for the study.

The formula is stated below:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

N = Population size

e = Level of significance

n = sample size.

Therefore, using the study target population (1,979,810), the formula is applied as follows;

$$\text{Where: } n = \frac{1,979,810}{1 + 1,979,810 \times (0.05)^2}$$

$$n = \frac{1,979,810}{1 + 1,979,810 \times 0.0025}$$

$$n = \frac{1,979,810}{4,949.525}$$

$$n = 400$$

The study adopted simple random sampling technique in selecting the respondents for the study. Here the selection of samples completely depends on chance or probability. Hence the researcher randomly selected the respondents for the study from farmers, business men, Students and Civil Servants. The justification for adopting simple random sampling technique stemmed from the need to avoid biased.

Primary and secondary data were used as sources of data collection

for the study. For the primary data, questionnaire and Key Informant Interview were used to elicit responses from the respondents. For secondary data, text books, journals, internet were also used to extract information for the study

The data collected from the questionnaire administered were analyzed quantitatively with the use of frequency and percentage used in answering the research questions. On the other hand, information elicited from the key informant interview were recorded on tape, transcribed, and coded and analyzed qualitatively.

Demographic Parameters of Respondents

The demographic parameters of this study covered the sex distribution of respondents, their age composition and educational qualifications. Knowledge of this will enhance our understanding of the respondents and the kind of responses that were generated during the study. This would go a long way in determining the intelligibility of the responses and what recognition and consideration they should be accorded in terms of accepting and appreciating the findings of the study. The table shows the demographic parameters of respondents involved in this study:

Table 2: Socio-Demographic Parameters of Respondents

Attributes	Frequency (N = 389)	Percentage(% = 100)
Gender		
Male	183	47.10
Female	206	52.90
Age (years)		
18-25	74	19.02
26-40	170	43.70
40 and above	145	37.27
Marital status		
Single	175	44.98
Married	214	55.01
Educational Qualification		
First School Leaving Certificate	86	22.10
Secondary School Certificate	194	47.04
Tertiary Institution	120	30.84
Occupational Qualification		
Civil Servant	70	17.99
Farmers	145	37.27
Business Man	127	32.64
Politician	47	12.08
Total	389	100.00

Source: Field Survey, 2025

Presented in table 1.1 above shows the socio-demographic parameters of respondents. Results obtained revealed that majority of the respondents (52.90%) were females compared to male (47.10%). Thus, this shows that females dominate the study area. Majority of the respondents were within range of 26-40 years (43.70%), this was followed by those within 40 years and above (37.27%) and 18-25 years (19.02%). Most of the respondents (55.01%) were married compared to those who were single (44.98%). Thus, married people dominate the research.. In terms of education qualification, majority of the respondents (47.04%) secondary school graduates, this was followed by those with tertiary education (30.84%) and first school leaving certificate (22.10%). Thus, this shows that the respondents with secondary school certificate dominate the study area.. In terms of occupational qualification, results obtained revealed that 37.27% of the respondents were farmers, this was followed by those who were business men (32.64%), civil servants (17.99%) and politicians (12.08%). This shows that the majority of the respondents are farmers hence the major occupation of people in the local government area is farming.

Naira Redesign Policy and Socio-economic Development in Benue State

The relationship between naira redesign and socio-economic development in Benue State

The relationship between naira redesign and socio-economic development in Benue State is shown in Table 1.3. Results obtained were presented using frequency tables as shown below.

Table 3: The relationship between naira redesign and socio -economic development in Benue State

S/N	The relationship between naira redesign and socio - economic development in Benue State	Yes (%)	No (%)
1	the naira redesign policy was meant to control the supply of money in circulation	381(97.94)	8(2.05)
2	the naira redesign policy was meant to reduce in the level of cash insecurity and money laundering	337(86.63)	52(13.36)
3	the naira redesign policy was meant to reduce corruption and embezzlement of Funds thereby improving the economy	377(96.91)	12(3.08)
4	the Niara redesign policy helps to ensure proper management and increase in the number of Naira in bank Vaults	366(94.08)	23(5.91)

Presented in table 1.3 above are the relationship between naira redesign and socio-economic development in Benue State. Higher percentage (97.94%) was recorded for those who opined that the naira redesign policy was meant to control the supply of money in circulation. Most (86.63%) of the respondents opined that the naira redesign policy was meant to reduce in the level of cash insecurity and money laundering. Majority of the respondents (96.91%) opined that the naira redesign policy was meant to reduce corruption and embezzlement of funds thereby improving the economy. 94.08% of the respondents itemized that the Niara redesign policy helps to ensure proper management and increase in the number of Naira in bank Vaults

Corroborating the responses above, a staff of CBN interviewed on 23rd December, 2024 stated that;

It was the intention of the Central Bank of Nigeria to use the redesigning of naira as a tool for controlling the supply of money in circulation. If the demand for naira rises, then its value will rise too reducing the high rate of inflation and price level of goods and services in Nigeria. According to the respondent, he stated that the former Governor of Central Bank of Nigeria noted that currency outside the banking system grow by 133.04 percent to ₦2.68 trillion in August, 2022 from ₦1.15 trillion in 2015. The amount of money in circulation also increased by 108.44 percent from ₦1.54 trillion in 2015 to ₦3.21 trillion in August, 2022. The CBN's statistics shows that the supply of money in Nigeria increased to ₦3.21 trillion in August, 2022 which represents 0.43 percent rise from ₦2.78 trillion in August, 2021. The redesigning of naira was meant to mop up much liquidity in circulation used to fund terrorists and other crime related activities like kidnapping, and banditries.

An interview with a staff of CBN interviewed on 23rd December, 2024, Redesigning of the country's currency was meant to reduce the level of cash insecurity as it would encourage and advance the cashless policy which is believed to thwart the activities of criminals like kidnapers who demands cash to set their victims free. At first, cash would not be available to pay the ransom thereby reducing the level of cash insecurity. On the other hand, redesigning of the naira could be the government's ticket in reducing and even curbing money laundering in Nigeria. It is arguably true that some members of the public just move about with huge amounts of ill-gotten money they cannot invest or deposit into the banks because they are scared of getting caught by the authority. With the introduction of a new naira design, these money launders would be at a loss because since they cannot make deposits in the bank, in due time the money with them will be rendered useless.

The staff further stated that corruption has long been a major issue in Nigeria, slowing economic development and undermining public trust in government institutions. To counteract this prevalent problem, the Central Bank of Nigeria (CBN) redesigned the Naira, introducing better security features and a renewed emphasis on openness. The new Naira incorporates additional security features that make counterfeiting more difficult. This approach aids in the reduction of counterfeit currency, which has been connected to money laundering and corrupt practices. The redesign was meant to reduce illicit financial flows and illicit activities related with counterfeit money by protecting the currency's integrity. The redesign of the Naira was supported by a determined attempt to increase transparency and accountability in financial activities. He also stated that the redesigning of naira notes was to ensure that hidden public funds are returned by fraudulent politicians thereby reducing the level of corruption and embezzlement of funds in Nigeria. Following the global best practices, every country should redesign their currency every 5-8 years and the last time Nigeria redesigned her currency was over 20 years ago. This means Nigeria has to redesign her currency

Table 4: The factors that affected the implementation of the policy

S/N	The factors that affected the implementation of the policy	Yes (%)	No (%)
1	the naira redesign policy fell short of its goals due to a lack of public confidence in digital financial products	327(84.06)	62(15.93)
2	there were low levels of public awareness and tight deadlines, undermining the policy's effectiveness	331(85.08)	58(14.91)
3	the inadequacy of the digital financial infrastructure to handle the increased digital transaction affected the implementation of the policy	262(67.35)	127(32.64)
4	there was a problem of financial inclusion of rural dwellers who do not have banks located in their area	285(73.26)	104(26.73)

Source: Field Survey, 2025

The factors that affected the implementation of the policy is presented in table 2. Majority of the respondents (84.06%) opined that the naira redesign policy fell short of its goals due to a lack of public confidence in digital financial products. Up to 85.08% of the respondents stated that there were low levels of public awareness and tight deadlines,

undermining the policy's effectiveness. Most of the respondents (67.35%) opined that the inadequacy of the digital financial infrastructure to handle the increased digital transaction affected the implementation of the policy. More than half of the respondents (73.26%) stated there was a problem of financial inclusion of rural dwellers who do not have banks located in their area. Corroborating the responses above an interviewee on the 23rd December, 2024, stated that: several underlying factors led to implementation problems, including the lack of a critical mass of easily accessible alternative financial products, the inadequacy of pre-existing infrastructure to support the policy's speedy rollout, low public trust, and limited public sensitization coupled with tight deadlines. Yet improved implementation is possible. Nigeria could draw insights and lessons from other countries that have successfully carried out similar policies in recent years (for example, India and Sweden). Such cases offer valuable recommendations for Nigeria's policymakers and partners to consider.

Another respondent interviewed on the 23rd December, 2024 opined that: the redesign policy failed to adequately sensitize financial consumers, particularly on the CBN's directives and deadlines most especially in Benue State. He went ahead to state that sensitization campaigns that was done faced two primary issues: timing and clarity.

For me, I felt the awareness campaign should have started earlier and that the validity period for old notes should have been longer. Additionally, there was a communication mismatch between what the CBN conveyed and what consumers understood. For instance, commercial actors, such as petty traders and point-of-sale agents in Benue State reportedly stopped accepting old notes because they feared they could not exchange them for new notes by the initial deadline. A respondent interviewed on the 5th August, 2024 stated that the digital financial infrastructure was insufficient to handle the increased digital transaction volume caused by the cash shortage. He stated that at the height of the cash crunch, many individuals and business men/women in Benue State resorted to making transfers via mobile apps and SMS short codes. However, these platforms could not handle the surge. As a result, many transactions failed or were reversed due to network failures, leading to a loss of money. He noted that one occasion I wanted to transfer money for a business done but I was debited without the person getting to see the money and till date they did not refund my money. On getting to the bank, I was asked to wait in the long queue, I had to let the money go.

Table 5: The impact of naira redesign on the lives and livelihoods of citizens in Benue State

S/N	The impacts of naira redesign on the lives and livelihoods of citizens in Benue State	Yes (%)	No (%)
1	The Naira redesign policy produced multiple effects on livelihoods in Benue State	334(85.86)	55(14.13)
2	households faced elevated financial pressures from prolonged high inflation due to the naira redesign policy	362(93.05)	27(6.94)
3	the redesign of the naira had a detrimental effect on household spending.	365(93.83)	24(6.16)
4	Naira redesign policy also had negative effect on livelihoods by way of the traumatic psychological experiences of lost time due to waiting on long queues on ATM waiting to access the new naira notes	364(93.57)	25(6.42)

Source: Field Survey, 2025

Presented in table 1.5 above are the impact of naira redesign on the lives and livelihoods of citizens in Benue State. Majority of the respondents (85.86%) itemized that The Naira redesign policy produced multiple effects on livelihoods in Benue State. Most (93.05%) of the respondents stated that households faced elevated financial pressures from prolonged high inflation due to the naira redesign policy. Majority of the respondents (93.83%) opined that the redesign of the naira had a detrimental effect on household spending. Higher percentage (93.57%) was recorded for those who opined that Naira redesign policy also had negative effect on livelihoods by way of the traumatic psychological experiences of lost time due to waiting on long queues on ATM waiting to access the new naira notes

The perspective of a respondent who was interviewed on the 24th December, 2024 is that; the naira redesign policy caused psychological trauma as a result of the hassles caused by the inability to obtain new notes; the time lost in line at ATMs caused inconveniences and social discomfort for the populace. People were helpless, frustrated. It was observed that most households, particularly the impoverished ones who were lost and unsure of where to turn for aid, were overcome with feelings of helplessness, frustration, and anxiety of survival. Also, households with limited or no financial resources find it challenging to use the typical commercial bus since the drivers insist that payment be made in cash. At this rate, it became difficult even to come together to meet their basic requirements.

Corroborating the responses, another interviewee on the 24th December, 2024 stated that this policy negatively impacted several livelihoods in Benue State resulting into negative impacts on the financial welfare. Residents of Benue State faced untold difficulties due to cash circulation shortages in terms of transportation costs and household running costs (financial welfare). The rejection of old notes by banks, motorists, and other traders caused significant financial challenges for residents of the State. The implementation of the naira redesign policy also revealed the economic vulnerability of Nigerian citizens; households faced elevated financial pressures from prolonged, high inflation especially in Makurdi metropolis who cannot boast of a thriving middle class. Due to limited access to physical cash, many people could not pay for basic needs as cash scarcity caused negative impacts on food prices and commodities.

Another respondent stated that as the cash crunch bit harder people resorted to buying and selling money. To buy cash at the money shops people go through a lot. For instance, to get cash of ₦100,000 you will be charge ₦15,000, for lower charges you pay ₦10,000. For ₦1000 you pay ₦100 but some naira-selling shops sell for as much as ₦200 for every ₦1000 you buy. In this case, you pay ₦20 for every 100k sold to you, ₦5000 for ₦30,000, and ₦6000, to get ₦30,000. There are some good shops where you can get ₦27000 for ₦30000 sold to you. A respondent argued that she spent over five hours at the ATM, yet was only able to get 3000k, and at a point, the bankers said that the money had finished as they locked their gates and sent the customers away empty. He stated that during the naira redesign policy he went to the bank as early as 5am to see if he can get some cash but returned by 4 pm and I was only able to get 2000, what can this do for me, what can I buy with it, my children were at home waiting for me to come back with foodstuff so that we can make food but with two thousand we couldn't do anything. From my judgment of the situation in Nigeria now, fuel scarcity is even a small thing compare to this naira redesign. The cash scarcity is the mother of all hardship in the country.

Responses on the negative effects of naira redesign on small and medium scale industries in Benue State

The negative effects of naira redesign on small and medium scale industries in Benue State are shown in Table 5. Results obtained were presented using frequency tables as shown below.

Table 6: The negative effects of naira redesign on small and medium scale industries in Benue State

S/N	The negative effects of naira redesign on small and medium scale industries in Benue State	Yes (%)	No (%)
1	small businesses suffer from depleted capital and financial hardship which ultimately lead to their closure	360(92.54)	29(7.45)
2	the naira redesign led to exchange rate volatility, making it difficult for SMEs to plan and forecast their operation	360(92.54)	29(7.45)
3	Naira Redesign limits the purchasing power of consumers, impacting the demand for goods and services provided by MSMEs	324(83.29)	65(16.70)
4	the naira redesign policy affects SMEs' ability to maintain sufficient inventory levels	290(74.55)	99(25.44)

Source: Field Survey, (2025)

Presented in table 5 above are the negative effects of naira redesign on small and medium scale industries in Benue State. Higher percentage (92.54%) was recorded for those who opined that the small businesses suffer from depleted capital and financial hardship which ultimately led to their closure. 92.54% of the respondents opined that the naira redesign led to exchange rate volatility, making it difficult for SMEs to plan and forecast their operation. Majority of the respondents (83.29%) opined that Naira Redesign limits the purchasing power of consumers, impacting the demand for goods and services provided by MSMEs. Higher percentage (74.55%) was also recorded for those who opined that the naira redesign policy affects SMEs' ability to maintain sufficient inventory levels.

A respondent who is a business man in Makurdi interviewed on the 2nd of January, 2023 stated that small businesses were worse hit by the cash crunch due to the naira redesign policy because we rely heavily on cash to carry out our activities and transactions. The respondent stated further that I collected loan before the naira redesign policy came up so I can boost my business but when the time I was asked to repay my loan came i could not repay the loans because I did not make any sales and my

goods got spoilt because people did not see cash to buy and even transactions were not going at that time. Infact, I experienced low sales due to a lack of cash, resulting in significant losses. Consequently, my business and many other businesses suffered from depleted capital and financial hardship, ultimately leading to their closure.

A respondent noted that; naira redesign policy led to exchange rate volatility, making it difficult for SMEs to plan and forecast their operations. Fluctuations in the exchange rate increase input costs, import expenses, and debt burdens, negatively affecting profitability and competitiveness. The naira scarcity restricts access to affordable finance for MSMEs. Formal and informal financial service providers, faced with liquidity challenges, tighten lending conditions, making it harder for SMEs to access credit. Consequently, SMEs struggle to fund their operations, invest in new technologies, and expand their businesses. Cash scarcity also contributes to rising inflation, which leads to higher production costs for MSMEs. The devaluation of the currency increases the prices of imported raw materials and machinery, reducing profit margins and hindering the growth potential of SMEs

The naira redesign policy limits the purchasing power of consumers, impacting the demand for goods and services provided by MSMEs. Reduced consumer spending translates into lower revenues and profitability for MSMEs, thereby stifling their growth prospects. With a limited supply of cash, MSMEs face challenges in receiving timely payments from customers. Delayed payments and increased default risks strain SMEs' cash flows, hindering their ability to meet operational expenses and hampering overall business performance.

Discussion of Findings

The findings showed that the naira redesign policy fell short of its goals due to a lack of public confidence in digital financial products, which is mainly due to perceptions of high levels of fraud associated with them coupled with poor sensitization particularly on the CBN's directives and deadlines as people felt the awareness campaign should have started earlier and that the validity period for old notes should have been longer. Additionally, the digital financial infrastructure was insufficient to handle the increased digital transaction volume caused by the cash shortage. Also, the process was truncated by its failure to carry stakeholders along in the conception and implementation of the policy. In addition, the CBN did not do sufficient publicity and sensitisation of the public, resulting in delays in adjusting to the policy.

The findings also showed that the naira redesign policy caused psychological trauma as a result of the hassles caused by the inability to obtain new notes; the time lost in line at ATMs caused inconveniences and social discomfort for the populace. People were helpless and frustrated. Also, households with limited or no financial resources find it challenging to use the typical commercial bus since the drivers insist that payment be made in cash. At this rate, it became difficult even to come together to meet their basic requirements. The study also found that the policy negatively impacted several livelihoods in Benue State resulting into negative impacts on the financial welfare as Point of Sale (POS) operators charged exorbitant fees for cash withdrawals as they became a vital alternative to banks. There were also cases of cash buying whereby the new naira notes are purchased at high prices, a testament to the desperate situation created by policy. As such, inaccessibility of cash hindered the survival of ordinary citizens.

The study further showed that when currency is redesigned the rate of inflation is expected to fall resulting from a decrease in the amount of money in circulation. Also, when currency is redesigned, it would encourage and advance the cashless policy which is believed to thwart the activities of criminals like kidnappers who demands cash to set their victims free. At first, cash would not be available to pay the ransom thereby reducing the level of cash insecurity. On the other hand, redesigning of the naira could be the government's ticket in reducing and even curbing money laundering in Nigeria. The study also revealed that when currency is redesigned, it will reduce illicit financial flows and illicit activities related with counterfeit money by protecting the currency's integrity.

Finally, the study showed that small businesses were worse hit by the cash crunch due to the naira redesign policy because they rely heavily on cash to carry out their activities. Some SMEs could not repay their loans, while others experienced low sales due to a lack of cash, resulting in significant losses. Consequently, many businesses suffered from depleted capital and financial hardship, ultimately leading to their closure. The study also showed that naira redesign policy led to exchange rate volatility, making it difficult for SMEs to plan and forecast their operations. Cash scarcity also contributes to rising inflation, which leads to higher production costs for MSMEs.

Conclusion and Recommendations

From the findings above, the study concluded that in spite of the perceived benefits of the 2022 Naira redesign programme by the CBN, the programme has had devastating effects on Nigerians, especially on

the livelihoods of Benue residents and small and medium scale business owners, who found it very difficult to make transactions amid the cash crunch. The cash crunch was itself furthered by hierarchies of corrupt practices that became hopelessly entangled with the implementation of the programme: the new notes were mostly packed and given to a few privileged Nigerians at the expense of others. The lapses of the country's e-banking infrastructure also became apparent in the absence of sufficient cash circulation. All these are pointers, not only to the faultiness of the hazy implementation of the Naira redesign programme, but also to the need for renewed efforts in combating corruption in the Nigerian banking sector; and the need to upgrade the country's e-banking channels and other infrastructures necessary for the smooth running of a cashless economy.

Finally, the programme and its attendant drive towards a cashless economy should be understood for what they are: policies that are ultimately premised on the efforts of the world largest economies to further incorporate the country's economy into the global economy as a means of facilitating the exploitation of Nigeria's economy through global imperial economic institutions such as the International Monetary Fund (IMF) and World Bank. Based on the findings, the study recommends the following:

- i. During any policy design and formulation stage, it is always important to ensure that the infrastructure that would aid implementation is clearly spelt out and made available before implementation. Government should be ready to make adjustments when the need arises particularly during implementation.
- ii. There is the need to intensify the public enlightenment program about subsequent currency redesign so that everybody will be acquainted with the system, since there is a high rate of illiteracy. People also need to be adequately informed and given ample time to adjust to the new development so as to avert unwarranted hardship. The government should also embark on phasing out the old Naira notes on a gradual basis, while ensuring that the released newly minted notes matches the mopped out old currency
- iii. The federal government should keep funding the advancement of digital infrastructure along with citizen digital skills to create a strong digital economy that will support the nation's goals of increased revenue generation, economic diversification, and ongoing domestic household improvement. To ensure that domestic families continue to reap the most benefits from a cashless economy, it is imperative to modernize the nation's e-banking channels and other essential infrastructure.

iv. Strengthening Currency Stability Measures: Efforts should be made to stabilise the Naira through prudent fiscal and monetary policies. Maintaining a stable exchange rate will reduce MSMEs' uncertainties, improve their competitiveness, and boost investor confidence.

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