

# Impact of The Naira Re-Designed on Nigeria's Economic Productivity

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**Abstract-** *Currency redesign or inaccessibility of cash always serves as an albatross in the smooth running of an economy's activities, as economic agents cringe for succour and relief during periods of cash drought and unavailability, resulting from economic policy or the periodic redesigning of a legal tender. In this light, this study underscored the impact of the redesigned naira on economic productivity in Nigeria. The specific objectives were to analyse the impact of the redesigned naira on economic productivity and to analyse the level of the impact of this redesigned naira on investors' confidence and consumers' purchasing power. Primary data were sourced through the use of questionnaires and interviews and used in achieving these objectives. The theoretical frameworks on which this study is based are the theory of production and the quantity of theory of money. The data was analysed using simple descriptive statistics, comprising tables and pie charts. The findings show that the naira redesign has unfavorably affected the economic productivity in Nigeria, dampened the confidence of investors, and reduced the purchasing power of consumers. The study, therefore, recommends that government should ensure a concise, people-oriented and all-inclusive policy framework that enlightens people on ways to cushion the effect of the redesigning of the naira.*

**Indexed Terms-** *Naira Redesigned, Productivity, Theory of Production, Behavioral economics, Nigeria.*

## I. INTRODUCTION

Whether a nation's economy will thrive or otherwise, among other reasons, is largely dependent on the strength of its currency. There is no nation in the world that grows beyond the threshold of the economic power and strength of its currency in international market; hence, the need for strategic macroeconomic policies void of any political undertones geared towards strengthening a nation's currency should, at least, be prioritized. In the words of Adeyemi and Osabogien, (2020), the effectiveness of nation's currency is an offshoot of effective management, trade, consumption of goods and services.

In the same vein, the confidence of investors, both foreign and domestic is boosted when a nation's currency is sustainably strong (Eghosa & Osayi, 2018). Put in another language, International Monetary Fund (2022) asserts that currency and economic production of a nation has a positive relationship in that the shambolic and epileptic growth in a nation's economy could be traced to a weak currency in an international market. The tremendous effect the currency of a nation has on the economy can never be over-emphasized and it remains one of the unique and distinctive features of the nations of the world.

Perceptibly, currency redesign is not anti-people in itself. It is just a technical process of changing the graphic design and other features of a nation's currency purposefully to enhance banknotes security, and economic reasons. Security reasons to preventing counterfeiting, protecting the nation's common

legacy, and for economic reason, to control inflationary pressures, managing the amount of money in circulation, and decreasing the total cost of currency management (Pillah, 2023). Within the purview of these reasons, Nigeria is due for currency redesign and this has been an important topic in its policy issues. However, the timing and the conspicuous political undertones made the redesign worthless and grossly needless. According to Akinleye (2023), the timing and the macroeconomic reasons behind the naira redesign were misconceived as the whole process had unpalatable effect on the people and reduce the confidence of investors which had negative effect on the country's productivity.

Currency redesign is also seen an avenue to enhance national pride and identity. In Nigeria, the currency redesign could be dated back to the colonial era. West Africa Currency Board (WACB) pound was the first currency in the country and was introduced in 1912 and used in British West Africa until 1958. The country introduced its own currency after 1960 called the Nigerian pound. But, in 1973, it was replaced by the naira and afterwards, the naira has undergone series of redesign.

Currency redesign isn't exactly a new idea, and the naira is definitely part of that story. On October 26, 2022, the Central Bank of Nigeria revealed plans to revamp the N200, N500, and N1000 notes, with the new designs set to hit the streets by December 15. While such changes can bring about macroeconomic advantages—like tackling inflation and curbing illegal financial activities the 2022 naira redesign turned out to be quite disruptive, mainly due to a significant shortage of the new notes. This lack of availability brought economic activities to a standstill, shook investor confidence, and caused a noticeable dip in consumer spending.

The timing of the redesign only added to the chaos, as it happened during a period of intense political tension and uncertainty in Nigeria. This created a climate of unease among both political figures and economic players. Key indicators like national productivity, investor confidence, and consumer purchasing power took a hit. Poor execution of the policy led to cash hoarding, widespread hardship, and

the bizarre situation where people had to buy naira with naira.

As noted by Omokugbo and Festus (2020), currency redesign itself isn't necessarily detrimental; it's the scarcity and poor management that really hurt economic productivity and stability. In light of this, this study is both timely and essential. It aims to shed light on how economic agents reacted to the naira redesign and assess how effective government measures were in softening its impact on productivity. The research also seeks to inform policy-making and provide guidance for handling similar situations in the future. The study is anchored in two main theories: The Quantity Theory of Money, which looks at how changes in the money supply influence economic activity; and Prospect Theory (or the Endowment Effect), which explores how people emotionally and behaviorally respond to changes in money especially in the context of the naira redesign.

Ultimately, this study addresses an important gap in the literature by exploring how the naira redesign affected investor confidence and consumer spending—two critical areas that remain underexamined. Based on this foundation, the study is poised to offer analytical answers to the following questions:

- i. what is the impact of the naira re-designed on the Nigeria's productivity?
- ii. what is the level of impact of this naira re-designed on the confidence of investors and the purchasing power of the consumers?

The remainder of this study consists of 'Literature review section'; this spells out the conceptual framework, the theoretical review and the empirical review. The other section is 'Methodology section'; this section stipulates the data, population of the study, sample size and sampling technique and methods of data collection. The last section is 'Discussion and Analysis section'; this section specifies the descriptive analysis, descriptive analysis of the responses of the respondents.

## II. LITERATURE REVIEW

Both private and public sector agents of several countries of the world are allowed by currency to interact and mingle in international economic and financial activity through the use of money as a means of payment, a unit of account and store of value. The precise and concise objective of any monetary policy has been to maintain both internal and external balance of payments as prices are stabilized. However, there are technicalities at achieving that objective; those technicalities are not static, they change over the years.

Recently, the decision to redesign the naira is one of those technicalities to stem down the torrents of inflation and deal with security issues. But, the redesigned naira had some political undertones as the timely was not economically appropriate. Extant studies have dealt with the effect of redesigned currency on the economic growth of a nation and different analytical results have been provided, yet studies on the concise effect of redesigned of naira's impact on the economic productivity and how people's behavioral patterns, attitudinal dispositions change when naira got redesigned are very scanty and unexplored. Hence, the need for this study.

### 2.2 Conceptual Review

Technically, there are words that need to be empirically conceptualized to adequately convey the meaning as allowed by the aims and objectives of this study. In this section, concepts, theory and empirics would be used to distinguish and put the work in perspectives.

#### 2.2.1 Concept of currency

The term currency connotes a form of money that is generally acceptable in a particular country. It is a mean of exchange backed by law in a particular country. Examples are banknotes and coins are all medium of exchange within a particular country.

#### 2.2.2 Concept of Currency Redesign

As allowed by the CBN Act, naira can be redesigned. This is when graphic changes are made to the bank

naira notes. Only the Central Bank of Nigeria has the constitutional backing and prerogative to make these changes. This increases the naira's security by fighting counterfeits, advance financial inclusion and monitoring money supply

#### 2.2.3 Concept of Economic Productivity

Economic productivity in this context connotes the activities (inputs) individuals, companies and industries engage in to eke out their livelihood. Here, inputs are assembled to produce a certain amount of output. The inputs here are those economic activities aided by the availability of money to produce a certain level of output.

In a conceptual perspective, productivity is typically described as a measure of output volume against input volume, effectively reflecting how efficiently resources like labor and capital are used to achieve desired outputs in an economic framework and regarded as a pivotal factor for economic growth and competitiveness.

#### 2.2.4 Concept of Behavioral Patterns of People

This talks about people's behavioral tendencies with regards to the scarcity of money to meet daily economic obligations. People's behavioral patterns change with time, especially when it has to do with financial resources. When people do not have access to money for their daily economic obligations, it has their output dispositions and crumble their economic activities. Here, the effect the redesigned naira had on the masses would be greatly considered.

### 2.3 Theoretical Review

The study is theoretically rests on quantity theory of money and prospect theory or endowment effect.

#### 2.3.1 Theory of Production

The theory of production explains the economic principle where by a business firm decides how much of each of commodity that it sells (its output or product), it will produce, and how much of each kind of labor, raw material, fixed capital good, etc., that it

employs (its inputs or factors of production) it will use.

In our context, economic production entails summation of all the activities embarked upon by economic agents, which could be distorted or enhanced by policies and actions of the monetary authorities. It is combination of the usage of capital, being denoted by 'K', and labor, being denoted by 'L', and other variables used up in a productive process to birth an output. All these combinations depend on the availability of money, accessibility of money and an appreciable level of financial inclusion (Akinleye, 2023). In its algebraic form, production is specified as:

$$Y_t = f(K_t, L_t, \dots, w_t) \dots \dots \dots (1)$$

Where Y represents total output at time 't'; K represents the amount of capital used in the productive process, which in this case, represents financial and structural resources, while L represents the component of labor and w represents all other exogenous variables used in the productive process. In this case, the total output is entrenched and premised on the outcome of the economic activities by all economic agents; owners of MSMEs

### 2.3.2 Quantity theory of Money

In classical economics, the Quantity Theory of money (QTM) is known to establish a relationship that exists quantity of money and the general price level. According to the quantity theory of money, if the money in circulation doubles, prices would also double. Put in another language, it means that consumers will pay higher price for the same amount of goods and services. This persistent increase will result in inflation. And as inflation rises, purchasing power decreases

It is mathematically expressed as:

$$MV = PT \dots \dots \dots (2)$$

Where:

M represents Money Supply

V represents Velocity of money; (the number of times money changes hand)

P represents Price level in the economy, and

T represents Total output of goods and services in the economy

The equation stipulates that the product of the money supply (M) and the velocity of money (V) is equal to the product of the price level (P) and the volume of transaction (T).

More so, the equation could be re-arrange in order to show the price level

$$P = MV/T \dots \dots \dots (3)$$

In this theory, the velocity of money with regards to naira redesigned is very low as a result of hoarding for political reasons or short money supply by Central Bank of Nigeria (CBN).

### 2.3.2 Prospect Theory or the Endowment Effect

As propounded and developed by Daniel Kahneman and Amos Tversky in 1979 in behavioral economics, prospect theory connotes how people's behavioral tendencies change when they are faced with alternatives that involve probabilities and uncertainties. Then theory holds that people make decision based on perceived losses or gains. In the case of Nigeria's naira redesigned policy, investors were faced with the risk of losing rather than securing gain because the confidence they initially had in naira had been affected due to the scarcity of the redesigned naira, and the naira is not competitive in the international market. A rational investor would always prefer more gains to more losses in that any variables or events that increase his level of uncertainties or reducing his confidence level, he avoids. Hence, the redesigned currency like naira which does not have any international reputation in the international market and investment expenditures will always reduce investors' confidence level. Additionally, this theory explains how redesigned currency could affect how individuals value and trust the country's monetary system.

### 2.4 Empirical Review of Relevant Literatures

Extant works have investigated the economic implications of redesigning currency in several countries of world and have pinpointed both the advantages and challenges encountered by the monetary authorities in the whole process. Some studies placed an insistence on the importance of currency redesign in dealing with counterfeits and other economic miscreants, and durability of

banknotes. Also, any currency redesign is, among other reasons, aimed at enhancing public trust. Carrying out a research on the redesign of euro banknotes, Giorgio and Blasio (2017) found out that the redesign brought about a significant reduction in the rate of counterfeiting and increase the confidence of the entire citizenry and financial institutions in the country. In contrast, other works investigated and found out that redesigning of currency is grossly needless as it is very expensive, time-exhausting and oftentimes, its costs outdo its benefits.

Work like Jeremy Weber (2015); the study investigated the redesign of Canadian banknotes on Canadian economy and found out that the costs needed to birth the redesign notes are, in no small way, exceeded the benefits, and this led to a loss for the country. Analyzing the relationship between currency redesign and economic performance in the UK with special regards to the inflows from other countries into the country, Hwang and Salmon (2004) found out that currency redesign had a negative effect on foreign investors' perceptions about the country as it affected the investment inflows from other countries. Also Li (2005) conducted a research on Taiwan's role in converting its currency from 1946 to 1950. The results showed that the currency redesign led to severe level of hyperinflation and people lost confidence and trust in the currency, which almost led government to nearly exhaust the country's reserves to cushion the effect of its deficits

In Nigeria perspectives, extant studies have shown the necessity of redesigning currency geared towards mitigating the problem of counterfeit and secure the confidence in the currency. Oluyombo and Adekoya (2019) investigated the effect of naira redesign on the economy; the findings shows that currency redesign was an important step in enhancing country's economic wellness and regaining the lost pride and trust citizens had in the currency. The study used both qualitative and quantitative analysis. According to Adeyemi and Osabohien (2020); the study analyzed currency redesign and economic growth of Nigeria. The data spanned from 1980 to 2017, and used an econometric model to analyze the impact. The study showed that the redesigned naira had a significant palatable impact on the economic growth.

Aroghene and Imene (2023) did a study on currency redesign and the rate of compliance in Nigerian economy. The study made currency redesign compliance a dependent variable; government support, and people's readiness for technology were made independent variables. The results revealed that people's readiness for technology had no significant impact on currency redesign compliance. The variables used in this were not people-oriented; the feeling and behavioral tendencies of the people were not captured to really know how their spending patterns change when the naira was redesigned. Hence, there is a need to explore that area the more. Aroghene and Akpobome, (2023) investigated the naira swap objectives and its effect on the economy, with regards to SMEs in Delta State alone. The study found out that from the objective of curbing counterfeit and making price to be stable, the naira swap had a positive significant effect on SMEs in Delta State in Nigeria. The study's sample size is not appropriate to make a generalization of the result in the whole of Nigeria.

Akinleye (2023) did an overview of the policy implications of currency redesign in Nigeria; using both quantitative and qualitative analysis, the study reveals that currency redesign can have a significant impact on some macroeconomic aggregates like inflation, exchange rate, and monetary policy. Also, the study reveals the ugly perception public have in redesigning the naira.

### III. METHODOLOGY

The study made use of a mixed or heterogeneous methodology: both qualitative and quantitative analysis with a descriptive statistics. In estimating the impact the redesigned naira had on the economic productivity in Nigeria with special attention to customers' spending and investors' confidence in naira across all Nigerian states, questionnaires were administered to actually know how people's behavioral disposition change towards the policy and the rate of confidence level of investors in the currency.

#### 3.1 Population of the study

The population of this study covers all the states of the federation in Nigeria.

Table 1: Table showing the location of the population of this study.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Abia	211	2.7	2.7	2.7
	Abuja/FC T	151	1.9	1.9	4.6
	Adamawa	252	3.2	3.2	7.9
	Akwa Ibom	264	3.4	3.4	11.3
	Anambra	203	2.6	2.6	13.9
	Bauchi	236	3.0	3.0	16.9
	Bayelsa	201	2.6	2.6	19.5
	Benue	206	2.6	2.6	22.1
	Borno	206	2.6	2.6	24.7
	Cross River	216	2.8	2.8	27.5
	Delta	202	2.6	2.6	30.1
	Ebonyi	230	2.9	2.9	33.1
	Edo	217	2.8	2.8	35.8
	Ekiti	232	3.0	3.0	38.8
	Enugu	211	2.7	2.7	41.5
	Gombe	242	3.1	3.1	44.6
	Imo	232	3.0	3.0	47.6
	Jigawa	212	2.7	2.7	50.3
	Kaduna	210	2.7	2.7	53.0
	Kano	177	2.3	2.3	55.3
	Katsina	81	1.0	1.0	56.3
	Kebbi	76	1.0	1.0	57.3
	Kogi	222	2.8	2.8	60.1
	Kwara	216	2.8	2.8	62.9
	Lagos	225	2.9	2.9	65.8
	Nasarawa	247	3.2	3.2	69.0
	Niger	152	1.9	1.9	70.9
	Ogun	221	2.8	2.8	73.7
	Ondo	255	3.3	3.3	77.0
	Osun	221	2.8	2.8	79.8
	Oyo	209	2.7	2.7	82.5
	Plateau	284	3.6	3.6	86.2
	Rivers	207	2.7	2.7	88.8
	Sokoto	146	1.9	1.9	90.7
	Taraba	259	3.3	3.3	94.0
	Yobe	247	3.2	3.2	97.2
	Zamfara	220	2.8	2.8	100.0
	Total	7799	100.0	100.0	

Source: Field Survey, 2023

From the Table 1, we have the highest number of respondents from AKWA IBOM STATE with 300 responses (4% of the total response) and the least response from KEBBI STATE with 76 responses (1% of the total response).

### 3.2 Sample Size and Sampling Technique

A purposive sampling technique was employed in the selection process since the major targets were those SMEs operating in Nigeria and their customers. A stratified sampling technique was used because the managers and owners were willing to give all the needed information. A total number of 7799 questionnaires were administered through-out the states of the federation.

### 3.3 Methods of Data Collection

The study relied on primary data. Primary data are those which are firsthand information and often referred to as original data. The study used questionnaires and interviews to collect data, a set of seven thousands, seven hundred and ninety-nine (7799) questionnaires was designed, in line with the posited research questions.

### 3.4 Procedure for Data Analysis and Model Specification

To analyze the collected and collated data, the study employed simple descriptive statistics, comprising of pie charts and frequency tables.

## IV. DISCUSSION AND ANALYSIS

This section presents and analyses the data collected through the questionnaire. The descriptive tools used include frequency tables and percentages values. More so, the descriptive analysis concentrated on the use of frequency by examining the responses of all the respondents (economic agents) in all the states of the federation.

Table 2: Summary of Questionnaires Administered

Questionnaire Detailed	Frequency	Percentage
Distributed Copies of the Questionnaire	7799	100
Returned Copies of the Questionnaire	7799	100
Unreturned Copies of the Questionnaire	0	0
Unfilled copies of the Questionnaire	0	0
Used Questionnaire	7799	100

Source: Field Survey, 2023

Table 2 showed that a total number of 7799 questionnaires were distributed to all economic agents in all the states of the Federation, and all of the questionnaires were retrieved from the respondents, and they contribute 100% of the questionnaires.

#### 4.1 Descriptive Analysis of the Response of Respondents

Table 3: Research Question One: What are the impacts of the Naira re-designed on the Nigeria's productivity?

From the table 3 below, it is observed that opinions of the respondents on productive hours being wasted at the ATM machines/Banks trying to withdraw has the highest level of percentage of respondents that were affected (93.1%). The economic intuition behind this, is that the number of people (economic agents) who are productively incapacitated and redundant owing to the scarcity of cash as a result of redesigned Naira are much more than people who were not. When time meant to be invested in productive activities that will contribute to the over-all GDP or economic well-being is wasted at leisure or doing unproductive adventure, its multiplier effect is always grievous and unpalatable.

In the words of Eghosa and Osayi (2018), currency redesigned without a prior planning to cushion its effect on the economic agents for productive activities will lead to slackness and redundancy in the economic activities. This empirical result is in tandem with the study of Giorgio and Blasio, (2017).

The second opinion on naira redesigned has led to naira scarcity is also a way to empirically analyze the impact of Naira re-designed on economic productivity in Nigeria. In mainstream economic theory, scarcity creates value and priority. But, in the context of Nigeria's situation, the naira scarcity is created by hoarding, and hoarding for selfish and inhumane gains has hampered on the economic productivity in Nigeria. Money is an indispensable in the process of production, and all other factors of production depend on it.

In Nigeria, the redesigning of naira made it scarce and unavailable, which in turn had its unfavorable toes on economic productivity. 91.8% of the respondents complained about the scarcity of naira as a result of its re-design. Also, the opinion of making business transaction difficult due to the re-designed of Naira is a way of showing the impact of naira redesigned on the economic productivity of Nigeria. Economic agents conducted their business transaction when there was no cash and it made productivity slacked and nosedived during this period. The issue of naira buying from the POS operators was also as a result of naira redesigned, and this slowed down the production process. This empirical finding is in tandem with that Nwaogu, (2023) which found out that naira re-designed has raised the financial buoyancy of POS operators; they made so much abnormal profits during scarcity of currency. It also affected the speed and volume of daily transaction. This reduced the purchasing power of the consumers; it lulled the process at which producers get raw materials for production, and consumers get cash for the payment of finished goods from the producers.

Further, of all 7799 respondents, 90.2% respondents complained about the naira re-designed causing the slow movement of daily transactions. Ephraim et al., (2023) did an empirical review on naira redesigned and e-Naira; the results were in tandem with this

opinion. The opinion of respondents on naira redesigned leading to social unrests such as conflict, protest, etc. is also way of analyzing the impact of naira redesigned on economic production in Nigeria. Out of the 7799, 6582 respondents linked the social unrests during that time to frustration experienced when naira was redesigned by the monetary authorities. As a result of the scarcity of the naira due to its redesigned, some nefarious activities by some hoodlums and miscreants reduced during this period. For example, the rate of kidnapping went down as a result of non-payment of ransom by cash; this was recorded as one of the greatest benefit of the naira redesigned that is not productive-inclined. The analytical result shows that out of 7799, 5452 respondents claimed that it discouraged kidnapping. Another opinions by the respondents on reduction of vote-buying during general election was also recorded as gain for the redesigning of Naira.

Table 3: The impacts of the Naira re-designed on the Nigeria's Economic productivity

	Response		Percent of Cases N=7799
	N	Percent	
Naira currency notes affected the volume and speed of transactions carry out daily	6914	10.3 %	90.2%
Productive hours are wasted at the ATM machines/Banks trying to withdraw	7136	10.6 %	93.1%
Naira redesign has led to Naira scarcity	7030	10.4 %	91.8%
The redesign of Naira currency has made it more difficult to conduct business transactions	6930	10.3 %	90.5%
Naira redesign policy has reduced the rate of kidnapping in the country	5452	8.1 %	71.2%
Naira redesign policy reduced the cost of goods	3986	5.9 %	52.0%
Naira redesign policy reduced the rate of vote buying during elections in the country.	5187	7.7 %	67.7%

Naira scarcity led to Naira buying at the POS operators and some other financial agents	6920	10.3 %	90.3%
Naira redesign led to societal disturbances (Protests, conflicts, etc.) in many parts of the country.	6582	9.8 %	85.9%
Reduces the level of Naira counterfeit since the new Naira currency was introduced?	5230	7.8 %	68.3%
[Redesign of the Naira currency had impact on inflation in Nigeria	6012	8.9 %	78.5%
Total	67379	100.0%	879.5%

Table 4: Research Question 2: What are the levels of impact of this naira re-designed on the confidence of investors and the purchasing power of the consumers?

The feedback from the respondents had been analyzed using Microsoft Excel application. Based on the content of the questionnaires the relative importance index analysis was employed to ascertain the most significant problems encountered by during Naira Scarcity.

The formula can be given as 
$$RII = \sum \frac{W}{A \times N}$$

Relative index analysis was selected in this study to rank the criteria according to their relative importance. The following formula is used to determine the relative index where w is the weighting as assigned by each respondent on a scale of one to five with one implying the least and five the highest. A is the highest weight and N is the total number of the sample. Based on the ranking (R) of relative indices (RI), the weighted average for the two groups will be determined. According to Akadiri (2011), five important levels are transformed from RI values: high (H) ( $0.8 \leq RI \leq 1$ ), high- medium (H-M) ( $0.6 \leq RI \leq 0.8$ ), medium (M) ( $0.4 \leq RI \leq 0.6$ ), medium-low (M-L) ( $0.2 \leq RI \leq 0.4$ ) and low (L) ( $0 \leq RI \leq 0.2$ ).



On the analysis of whether to empirically find out the impact of the naira redesigned on investors' confidence and consumers' purchasing power, the table showed responses to some of the empirical questions respondents were asked during the course of this study. Using RII, the responses were selected according to their level of important. One major setback for consumers' purchasing power is lack of access to cash during this period and this has caused them to pay higher fees to access cash. Experiencing shortage of currency in daily economic activities always douse investors' confidence level and discourage them from investing (Pillah, 2023).

The second response according to the RII analysis is shortage of naira currency in daily economic activities which always serves as a way of eroding investors' confidence and discourage consumers from purchasing. Also, difficulty in making payment serves as a disincentive for investment, which will always affect productivity; it will cut down the aggregate demand. The consumers' spending habit was limited, thereby, eroding their purchasing power completely. This is the fifth rank of the impact of naira redesigned.

Table 4: Levels of impact of naira re-designed on the confidence of investors and the purchasing power of the consumers.

	Agree	Disagree	Strongly Agree	Strongly Disagree	Undecided	RII	Rank
	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)		
Paying higher fees to access cash	2874 (36.9)	92 (1.2)	4560 (58.5)	32 (0.4)	241 (3.1)	0.904	1
I often experience shortage of Naira Currency in my daily transactions	2942 (37.7)	80 (1)	4519 (57.9)	36 (0.5)	222 (2.8)	0.903	2
Difficult in making payments	3021 (38.7)	134 (1.7)	4346 (55.7)	33 (0.4)	265 (3.4)	0.895	3
The scarcity of Naira Currency affects my Productivity at work	3324 (42.6)	160 (2.1)	3963 (50.8)	42 (0.5)	310 (4)	0.882	4
Limit of spending because of cash shortages	3150 (40.4)	183 (2.3)	4083 (52.4)	74 (0.9)	309 (4)	0.882	5
Financial pressure on family (Breadwinners)	3146 (40.3)	137 (1.8)	4033 (51.7)	55 (0.7)	428 (5.5)	0.881	6
Social unrest will rise as Naira scarcity will result into protests	3315 (42.5)	159 (2)	3776 (48.4)	74 (0.9)	475 (6.1)	0.871	7
Exposed Banks to attacks	3361 (43.1)	253 (3.2)	3510 (45)	106 (1.4)	569 (7.3)	0.854	8
Leading to mental health Issues	3129 (40.1)	336 (4.3)	3418 (43.8)	152 (1.9)	764 (9.8)	0.839	9
Capable of putting POS operators out of business, thereby leading to more joblessness.	3001 (38.5)	470 (6)	3189 (40.9)	344 (4.4)	795 (10.2)	0.811	10

Source: Field Survey, 2022.

Nonetheless, this study empirically suggested ways where the ugly effect of the naira redesigned could be mitigated and controlled should in case the

government wants to embark on such monetary restructuring again. Respondents suggested ways to mitigate the effect created by naira redesigned. Based on RII analysis as well, it is suggested that the use of

electronic payment should be encouraged, which gives credence to cashless policy once championed by the government.

Table 5: Ways to mitigate the effects of Naira Redesigned

As the Naira re-designed affected the SMEs and halted their productivity, SMEs still found a way to ameliorate and mitigate the untoward negative effect of the Naira redesigned. In the table below, the most

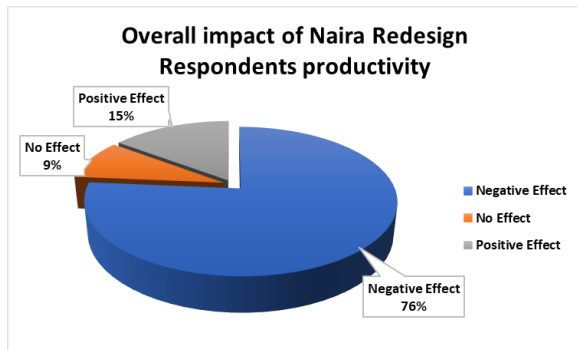
viable way SMEs mitigate against the ugly effect of the Naira redesigned is to encourage the use of electronic payments. As shown in table 5, the RII on encouraging the use of electronic payments is 0.87 which is the highest and it is ranked first. The economic implication of this is that, cashless policy should be made more endearing to the citizens. Electronic payments and online transactions should be encouraged and advocated.

Table 5: How to mitigate the effects of Naira Redesigned

	Agree	Disagree	Strongly Agree	Strongly Disagree	Undecided	RII	RanK
	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)		
Encourage the use of electronic payments	3172 (40.7)	173 (2.2)	3843 (49.3)	86 (1.1)	525 (6.7)	0.87	1
Strengthening of banking system	2985 (38.3)	174 (2.2)	3958 (50.8)	120 (1.5)	562 (7.2)	0.869	2
A combination of the above options	3128 (40.1)	164 (2.1)	3777 (48.4)	83 (1.1)	647 (8.3)	0.865	3
Increase the production of Naira currency notes	2745 (35.2)	263 (3.4)	3935 (50.5)	294 (3.8)	562 (7.2)	0.85	4
Strict regulation of Bureau de Change	3033 (38.9)	252 (3.2)	3308 (42.4)	144 (1.8)	1062 (13.6)	0.834	5
Reduce the demand for cash	3140 (40.3)	592 (7.6)	2775 (35.6)	380 (4.9)	912 (11.7)	0.788	6

Source: Field Survey, 2023.

Figure 1: The Over All Impact of the Naira Redesigned



Source: Field Survey, 2023.

From the figure above, the negative effect of the policy is much more felt than the positive. So, based on this, the naira redesigned policy cannot said to be entirely pro-people. This may be due to poor implementation and inadequate consultations.

#### IV. DISCUSSION OF FINDINGS

It has empirically been established that economic productivity or transactional interactions among economic agents has always been hampered by the currency redesign or inaccessibility of cash flow for day to day economic activities. The circular flow of income also would always be halted as a result of the currency redesigned.

In this study, an empirical analysis on the effect the naira redesigned has on the economic productivity in Nigeria was carried out. The purchasing power of the customers and the confidence of the investors were also affected.

Based on the findings of how productive hours of economic agents are wasted and not being used judiciously at ATM machines/Bank. Productive time was turned into economic incapacitation, and this affected a great number of economic agents as shown in Table 3 above. In the same vein, the drawback for consumers' purchasing power is tied to the inaccessibility of cash flow during the period, and to have access to cash has caused them more cash.

#### V. POLICY RECOMMENDATIONS

The suggestions this study made were based on the findings. However, the policy of the currency redesign was ill-timed; which gingered macroeconomic fluctuations in the country centered on the ugly performance of the economy, precisely the inflationary pressure. The success or failure of the currency redesign depends on many factors. Among many other novel recommendations which other works may have suggested, this study recommends the following:

- There should be proper and thorough public enlightenment on the currency redesign in all the states of the federation before implementation
- The redesigning of currency should well-timed and devoid of any political undertones and witch-hunting
- There should be harmonization between fiscal and monetary policies; there should not be an overlapping of duties and responsibilities between the two. All in one aim: to achieve macroeconomic objective of price stability and stem inflationary pressures.

#### CONCLUSION

In Nigeria, the redesigned naira policy would always have negative effects than positive effects on the economy owing to the incontestable fact that the political system of Nigeria is regrettably full of corrupt minds and the dynamic nature of its political, security and exchange rate policies also made it more worrisome. Consequently, currency redesign may not be all there is to stemming the knotty economic issues and challenges Nigeria is faced with. Naira redesign should not be ill-timed and should not be used as a political tool to get at some big wigs in the country. Naira redesign works and achieve almost all macroeconomic objectives, especially price stability if all the recommendations this study gave are technically and thoroughly looked into.

The implication of this study is premised on the need and benefits of planning before a major economic distortion in the economic productivity in Nigeria. A poor planning will always make a shipwreck of any

intended economic program or policy in any country. In furthering this research work, subsequent studies could look into the political will of the federal government and the empirical reasons why currency redesigned has not delivered as it should. If need be, the governor of the Central Bank of Nigeria could be interviewed extensively to know the intent of the Mr. President.

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