



## IMPLICATIONS OF NAIRA REDESIGN ON THE FINANCIAL, ECONOMIC AND SECURITY SYSTEMS IN NIGERIA

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### **Abstract**

*Currency redesign remains a part of monetary policy strategies of the Central Bank of Nigeria geared towards reaffirming the institution's sovereignty and to curb specific financial infractions such as currency hoarding and counterfeiting, among others. This paper therefore examines the effects of the naira redesign on financial, economic and security systems in Nigeria. It employs primary data analyses drawn from structured questionnaires issued to various stakeholders such as professionals, banking public, artisans and SMEs, among others. The study found that naira redesign is effective in the containment of inflation, in asserting the sovereignty of the government's monetary policy in curbing bribery and corruption, in controlling the activities of bandits and kidnappers and in controlling money supply. The paper therefore recommends among other things that the old and new notes (that is, ₦1000, ₦500 and ₦200) should remain legal tenders until the old stock is finally phased out. It also recommends that DMBs should expand the capacities of their e-platforms, make POS devices free to encourage better participation and avoid any future clash of naira redesign or reform activity with another national event.*

**JEL Classification:** E71, M19, M21

**Keywords:** Currency redesign, Financial System, Economic System and Security System.

### **1. Introduction**

Nigeria as a nation has its share of multiple challenges, which are mainly economic and financial in nature, among others. In October, 2022, the Central Bank of Nigeria (CBN) made public the desire to redesign Nigeria's three highest currency denominations namely ₦1000, ₦500 and

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₦200; this according to the governor of the apex bank is meant to tackle some abnormalities in the nation's financial, monetary and security systems. The CBN envisaged that the redesigned notes would reduce currency hoarding, counterfeiting, incidences of kidnapping and terrorism and a springboard to a cashless economy. To firm up this arrangement a date for cutover from the old notes to new ones was fixed for January 31, 2023 and eventually extended to February 10, 2023, after which every old note mentioned above ceases to be a legal tender. However, before the new deadline, the persisting shortage of funds in circulation due to massive challenges occasioned by paucity of new notes and the attendant effects on individuals, commerce and the economy as a whole. However, on March 2, 2023 the Supreme Court ruled that the embargo on the old currency notes and by extension, cashless policy should be relaxed and set another deadline for December 31, 2023.

The idea of currency re-modification is a good strategy as evident in the level of successes recorded in some places like the United Kingdom, India and even the United States. In line with best global practices, countries redesign and reissue their legal tender for a number of reasons, mainly to nip currency counterfeiting in the bud, improve the security of currencies and to be ahead of security threats. However, the case of currency redesign in Nigeria has resulted in divergent opinions and experiences of the citizens, businesses, investors and professionals, among others. This is against the backdrop that CBN spent a total of ₦281.07 billion to print banknotes in five years, that is, ₦33.37 billion in 2016, ₦49.52 billion in 2017, ₦64.04 billion in 2018 and ₦75.52 billion and ₦58.07 billion for 2019 and 2020 respectively. It is also on record that a whopping ₦3.88 billion was expended on the destruction of mutilated notes for the period under review. (Currency Operations Department, 2021).

Although viewed as a double-edged sword in some quarters, the redesign of naira note has also been described as a laudable move by the apex bank in Nigeria (Fasua, 2023). However, the four-month timeline earlier given to transmute the old note and embrace the new one has been adjudged grossly insufficient as currencies when altered are expected to be phased out rather than forced out. The policy guide to serve as the compass for the process is not in place; this has placed some question marks on whether the redesign will achieve its broad goal or purpose. In advanced economies one hardly notices change in currency design as the old and new are allowed to run side by side as legal tenders until the old one phases out completely Adi (2023). One would hope that the Supreme Court's ruling is expected to give residents in Nigeria enough time to exchange their old notes for new ones.

### **1.1 Scope of Study:**

This study covers possible relationships between naira redesign and financial, economic and security systems in Nigeria and test the effectiveness of the strategy.

### **1.2 Statement of Problem:**

The fact that Nigeria's economy is largely cash-driven makes this study very important. The various economic units would want to know why there is such a drastic change in currency and its circulation dynamics and effects on the economy. This discussion culminate in the following research questions:

1. Is there any positive relationship between naira redesign and financial, economic and security systems in Nigeria?
2. Is currency redesign the panacea for currency hoarding and counterfeiting?

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### 1.3 Objectives:

1. To study the effects of the naira redesign on financial, economic and security systems in Nigeria.
2. To examine the effectiveness of naira redesign currency in curbing currency hoarding and counterfeiting.

### 1.4 Hypothesis: The hypotheses stated in null as:

H0<sub>1</sub>: There is no positive relationship between naira redesign and financial, economic and security systems in Nigeria.

H0<sub>2</sub>: Currency redesign is not the panacea for currency hoarding and counterfeiting.

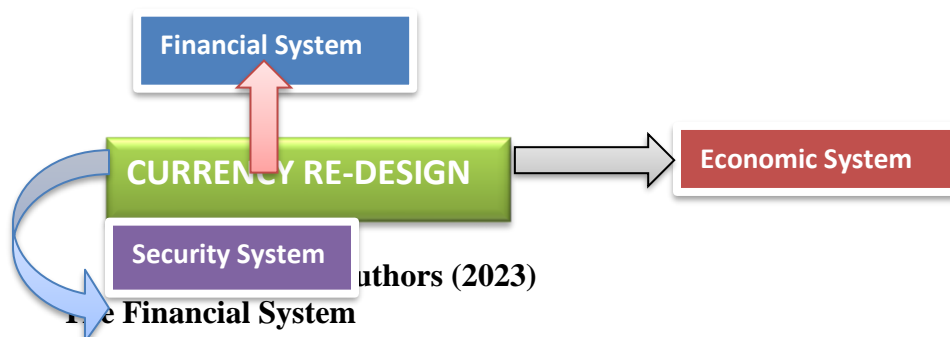
Other sections of the study are divided into literature review in section two; methodology for section three; results presentation and discussions in section four; section five presents implications of naira redesign and section six, as wrap up captures the conclusion and recommendations

## 2. Literature Review

Currency redesign could be a fall out of several things, ranging from legal requirement to when it is expedient or as a strategic move. This study looks at three of those reasons captured in the framework below, namely, financial, economic and security. The performance of any economy is dependent on its economic system, it also has to rotate on a strong financial system and lastly, economic performance (as measured by the GDP), foreign direct investment (FDI) and the financial system (Financial institutions) could only thrive where the security system is effective.

### 2.1 Conceptual Framework

**Figure 1 Effects of Currency Redesign**



The money and credit data released by the Central Bank of Nigeria (CBN) revealed a whopping deposit of ₦1.81 trillion into the banking system for January 2023 alone as a backdrop of naira redesign and initially set deadline to transmute the old currencies into new ones. Consequently, currency outside banks recorded a month on month reduction by 70% for the same period ( that is, ₦788.9 billion in January, 2023 compared to ₦2.6 trillion in December, 2022), while currency in circulation reduced by 54% (that is, ₦1.38 trillion in January, 2023 from about ₦3 trillion in December, 2022), ( CBN, 2023).

Against the background above was the strain naira scarcity brought upon the banking institutions and by extension, the public. The spin effect of the cut in money supply has resulted into a form of freedom for various economic radicals chief among which is inflation to thrive. Agents to banks, especially POS operators were affected negatively too such that they had to push down their transaction costs to the end users of such transactions. It is of note that Micro and small-scale

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enterprises (MSEs) exist mainly in rural areas in the production of consumable foods and other personal service, just to mention two ((World Bank Enterprise Survey, 2014)). The activities of the SMEs in the past few weeks have been impeded by the thrust of sudden cashless policy of the CBN.

Deposit Money Banks (DMBs) are also at the receiving end of naira scarcity/ forced cashless policy due to the fact that a large number of their customers who are beneficiaries of commercial credit facilities have been recording low patronages making it difficult for them to meet up with their repayment obligations. The fears expressed in some quarters has it that the present crumbling effects of naira scarcity affect every economic unit and it has the potential to contract the economy and could make the projected GDP for 2023 a mirage. Although it is believed that the effect of new naira redesign is only temporary, if allowed to thrive it could cause a drag in economic growth.

### **The Economic System**

A growth of 3.6% was recorded in the Nigeria's economy in 2021 from a 1.8% contraction in 2020. For the period under review, the supply side of non-oil sector (driven mainly by agriculture and services) increased by over 4% and a reduction of over 8% in the oil sector. The demand side has public and private consumption as major additions to GDP growth. In 2021, median of inflation stood at 17.0% in 2021 against 13.2% in 2020, it is of note that this median is above the CBN's inflation target of about 6% - 9%, this was largely exacerbated by incessant increase in the consumer price index (CPI) and exchange rate. (African Development Bank, 2022). It thus goes to say that to avoid inflation crisis occasioned by naira scarcity and its overall effect on the productive sector, the strategies surrounding naira redesign has to be well articulated and effectively monitored, this is against the backdrop of various projections that have been made on the Nigerian economy, for example the International Monetary Fund (IMF) has projected the Nigeria's economic growth as 3.2% for 2023 and a drop to 2.9% in 2024 (IMF, 2023). Also, the United nation has projected that the economy would grow by 3% in 2023 (The United Nations, 2023)

### **The Security System**

Security in a context depicts measures of physical stability and steady income, likelihood of daily expectations, shield from crime, freedom from all forms of harm and assurances of protection in the neighborhood, among others. (Aluta, 2021)

Nigeria has over the years ranked quite low in the Global Peace Index (GPI, 2012), this is traceable to activities of bandits, kidnappers and terrorists. Factors that spur up these malaises are material inequality, ethno-religious struggles, weak security system, unrestricted border movements, poverty and terrorism, and many more. It thus goes to say that socio-political and economic wellbeing of people is the main proof of good security system in any society.

The Central Bank of Nigeria allude the move to improve the security system in Nigeria as one of the reasons for naira redesign. In other words, it is believed that since terrorism, banditry and kidnapping involve exchange of money as ransom, a change in naira characteristic could devalue the monies starched away by the perpetrators of the listed vices.

## **2.2 Historiography of currency redesign / demonetization**

### **a. India's Demonetization Approach (2016)**

In a broad attempt to curb corruption and reduce the amount of money in circulation the government of India within a window of six months withdrew and reintroduced 500 and 1,000

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denominations of the Indian rupee. The key stimulus behind this move was to assist tax enforcement, that is, to assist bring under control the cash economy largely elusive to tax inspectors; greater use of banks and electronic payments brought out some levels of efficiency. In addition, over 250 million accounts were opened after the demonetization in 2014. However, as good as the move looks, there were far reaching negative effects on key aspects of the economy, For example Bloomberg (2018) reported that the scheme froze some key sectors such as agriculture and SMEs with a liquidity shock, put people through unnecessary hardship, disrupted supply chains and destroyed demand for almost everything. The net savings was reduced by approximately 50% per annum year and the currency in circulation increased to 20 trillion rupees from 18 trillion before the policy.

Furthermore, IMF (2018), reported inconveniencies caused by cash shortages occasioned by the demonetization policy which dampened consumer and business sentiments attributing the failure in the policy to its suddenness and the consequent shortage. (Daily Trust Newspaper, 2023)

#### **b. The United Kingdom's approach (Current)**

The Bank of England is responsible for producing and issuing banknotes in England and Wales. The most recent series of Bank of England banknotes, technically known as Series G was launched over a space of five years between 2016 and 2021. This series is the first that was printed on polymer. The next generation banknote research started in 2011. Early industry and public engagements started in 2012 and 2013 respectively. Meanwhile, the first set of design work and pre-production was from 2014 to 2016.

A new £5 was issued in September 2016 while its legal tender status was withdrawn in May 2017, whereas a new £10 was issued in September 2017 and its legal tender status was terminated in March 2018. Furthermore, new £20 was issued February 2020 and £50 issued June 2021, while their legal status were withdrawn on September 2022.

Following the death of Queen Elizabeth, the Bank of England unveiled the design of King Charles III banknotes on December 20, 2022. By this, the King's portrait will appear on all four of its polymer banknotes (£5, £10, £20 and £50), it is expected that the new notes would be in circulation. mid-2024. (Daily Trust Newspaper, 2023)

#### **c. The United States' experience (Current)**

United States' currency redesign and its distribution activities are both orderly and systemic. Before dollar enters circulation, four critical steps must be crossed namely, design, order, production and issuance.

The United States' Bureau of Engraving and Printing, Treasury Department and the US Secret Service has it that the United States is planning a currency redesign. The bureau also explained that the current denomination sequence and planned issuance dates have been in development with the Advanced Counterfeit Deterrence Committee since 2011: \$10 (2026), \$50 (2028), \$20 (2030), \$5 (2032) and \$100 (2034). It is important to state now that the idea of currency re-issuance in the United States started in the year 2011 and the first currency deployment is expected in 2026. (Daily Trust Newspaper, 2023).

#### **Table 1. Trajectory of Naira Creation / Redesign in Nigeria**

Post-colonial period in Nigeria after the archaic measure of value such as manilas, salt and cowries, among others are presented in the table below:

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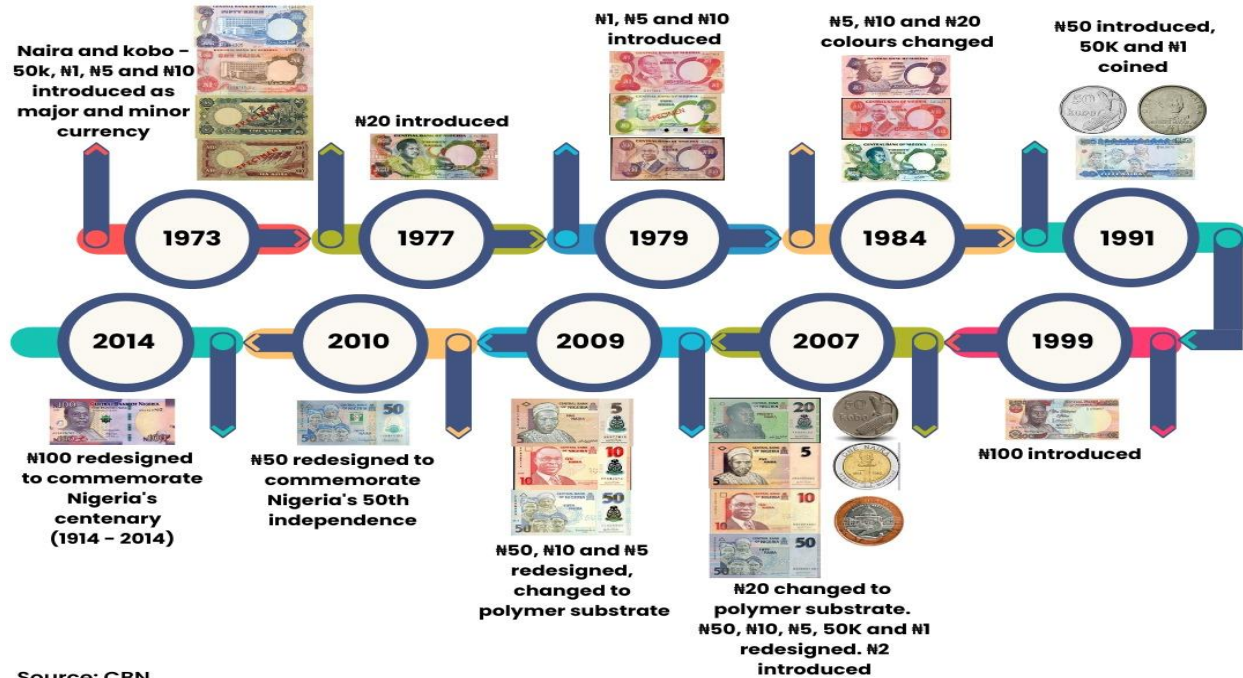
Date	Apex Institution	Currency/ Denomination	Termination Date
1880	Bank of England	Shillings and Pence	1912
1912	West African Currency Board	Pounds & Shillings	1959
1959	Central Bank of Nigeria	Pounds & Shillings	*1968-1973
1973 (post-civil war)	Central Bank of Nigeria	Introduction of Naira (₦1) & kobo (1k)	-
11-02-1977	Central Bank of Nigeria	Introduction of ₦20	-
1979	Central Bank of Nigeria	Introduction of ₦1, ₦5 & ₦10	-
1984	Central Bank of Nigeria	Change in currency colours	-
1991	Central Bank of Nigeria	50K & ₦1 became coins	-
1999	Central Bank of Nigeria	Introduction of ₦100	-
2000	Central Bank of Nigeria	Introduction of ₦200	-
2001	Central Bank of Nigeria	Introduction of ₦500	-
2005	Central Bank of Nigeria	Introduction of ₦1,000	-
2007	Central Bank of Nigeria	Introduction of ₦20 as polymer substrate, while the ₦50, ₦10 and ₦5 banknotes; as well as ₦1 and 50K coins were reissued in new designs, and the ₦2 coin was introduced	-
2009	Central Bank of Nigeria	Conversion of ₦50, ₦10 and ₦5 banknotes to polymer substrate	-
2010	Central Bank of Nigeria	Issuance of commemorative ₦50 (to reflect 50 years of independence)	-
2014	Central Bank of Nigeria	Issuance of commemorative ₦100 (to reflect 100 years of nationhood)	-
2022/2023	Central Bank of Nigeria	Redesign of ₦1000, ₦500 and ₦200 notes.	-

**Compilation & Design: The Author (2023). Source: Guardian Newspaper (28-10-2022)**  
**Figure 2. The Evolution of Naira and Kobo**

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## Evolution of naira and kobo



Source: CBN

Infographics by:  
James Emmanuel

their

icirnigeria.org

Infographics date:  
October 2022



Source: Central Bank of Nigeria (2023)

The figures 2 and 3 capture the picture of naira and kobo redesigned versions between 1973 and 1999, and the newly introduced ₦1000, ₦500 and ₦200 denominations respectively. It is important to mention now that the coins are apparently not in circulation and most Nigerians are not familiar with the coins.

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## 2.2 Empirical Review

Many attempts have been geared towards finding the nexus between currency reform or redesign and its economic implications. Currency redesign could be viewed as a way a government reaffirms her monetary sovereignty; it is a way to sway citizens from accepting the dollarization option should they lose confidence on the naira (Earnest, 2011). However, while there are common denominations regarding why such monetary policies are put in place, reasons vary from country/economy to country/economy.

On macroeconomic implications of the new currency refurbishment and capital formation in Nigeria, Olujobi (2022) found that the currency redesigning by Central Bank of Nigeria is a way to reduce money supply and strengthen for monetary policy effectiveness in cutting down inflationary, among others.

Currency reform could be a veritable means of controlling inflation because when old notes are withdraws from circulation; it would reduce excess of money in circulation. However, currency redesign could also be politically motivated. According to Fasua (2023), the fact that the naira redesign falls within the election period reveals a kind of political undertone, notwithstanding it is a good move by the central bank of Nigeria.

## III Methodology

### 3.1 Model Specification

Ex-post design has been used due to the primary nature of the data collated. It is a quasi-experimental study that investigates how an independent variable, present prior to the study, impacts a dependent variable ( Kowalczy 2021).

Furthermore, for the study to get the minimum sample size, Slovin's finite formula was used, this is in line with Almeda et al (2010), the formula was given as

For the study to obtain the minimum sample size, Slovin's finite population formula was employed in line with (Almeda et al, 2010). The formula was given thus:

$$\frac{z^2 * \sigma^2 * (1 - \sigma)}{MOE} n \geq 2 \dots \dots \dots (1)$$

where n represents the sample size, z stands for the z-score for obtaining the required margin of error , MOE is the margin of error (0.05), that is, 95% level of confidence, and  $\sigma$  is the population of investors' standard deviation. The standard deviation was expected to be 0.15 based on the pilot study. Therefore, integrating the values in equation (1) above gives the sample size thus:

$$n \geq \frac{1.32^2 * 0.15^2 * (1 - 0.15)}{0.05^2} \dots \dots \dots (2)$$

The sample size for this study is approximately 216 out of the 290 questionnaires distributed. The fact that not all the questionnaires distributed would be retrieved culminated in building a margin of error in the sampling model. In terms of response, 230 were retrieved from respondents and after data cleaning, 216 of it were analysed accordingly. The questionnaire was designed using a 5 response option of Point Likert Rating Scale (PLRS), that is, Strongly Agreed (SA) = 5, Agreed (A) = 4, Neutral (N) = 3, Disagreed (D) = 2 and Strongly Disagreed (SD) = 1. The data from the questionnaires are analyzed through descriptive statistics and one-sample t-test using SPSS.

## 4. Presentation and Discussion of Findings

### 4.1 Reliability Test

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In measuring the internal consistency of a questionnaire, the Cronbach's Alpha reliability test is adjudged suitable, hence its adoption in this study. The questionnaire distributed has six questions in all, therefore, the questions in the Cronbach's Alpha test below are six in number.

**Table 2. Cronbach's Alpha Reliability Test**

Cronbach's Alpha	Number of Questions
0.749	6

**Source:** Author's Computation using SPSS (2023)

The overall score of reliability test from table 2 is 0.749, this shows that the questions and scales are good measures of internal consistency.

#### 4.2 Descriptive Statistics

**Table 3. Descriptive Statistics on Effectiveness of currency redesign in strengthening financial, economic and security systems in Nigeria**

Description	Number	Mean	Standard Deviation
Currency redesign is useful in the containment of inflation and other economic radicals.	216	3.83	0.921
Currency redesign is useful in asserting the sovereignty of the government's monetary policy.	216	3.90	0.885
Currency redesign is a useful tool in curbing bribery and corruption	216	3.84	0.901
Currency redesign is useful in controlling the activities and bandits and kidnappers given to ransom payments	216	2.14	1.1009
Currency redesign is effective in controlling money supply.	216	3.01	0.957

**Source:** Author's Computation using SPSS (2023)

Table 3 attests to the fact that currency redesign is effective in strengthening the financial, economic and security systems in Nigeria as summarized in the positive opinions of correspondents captured above. However, despite the divergent opinion of correspondents on the security issues, the fact remains that on the short-run, currency redesign would help curb the spate of physical assault and allied vices. In summary, the table presents a picture of positive relationship between naira redesign and financial, economic and security system in Nigeria.

**Table 4 Descriptive Statistics on Effectiveness of currency redesign in curbing currency hoarding and counterfeiting in Nigeria**

Description	Number	Mean	Standard Deviation
Currency redesign is a guaranteed panacea to solving the problems of currency hoarding and counterfeiting	216	3.69	0.938

**Source:** Author's Computation using SPSS (2023)

The resulted presented in table 4 shows that currency redesign would assist in curbing the incidences of currency hoarding and counterfeiting. However, it is good to state here that this has to be followed up to sustain the traction for long-term purposes.

#### 4.3 Testing of Hypothesis

**H<sub>0</sub>:** There is no positive relationship between naira redesign and financial, economic and security systems in Nigeria.

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**Table 5.** *One-Sample T-Test computation on Effectiveness of currency redesign in strengthening financial, economic and security systems in Nigeria*

S/N	Description	T	Df	Sig. (2-tailed)	Mean	95% Confidence Interval	
						Lower	Upper
1	Currency redesign is useful in the containment of inflation and other economic radicals.	34.630	215	0.000	3.901	3.92	4.13
2	Currency redesign is useful in asserting the sovereignty of the government's monetary policy.	36.403	215	0.000	3.941	3.81	4.42
3	Currency redesign is a useful tool in curbing bribery and corruption	35.332	215	0.000	3.899	3.91	4.20
4	Currency redesign is useful in controlling the activities and bandits and kidnappers given to ransom payments	21.003	215	0.000	2.673	2.49	3.03
5	Currency redesign is effective in controlling money supply.	31.088	215	0.000	3.699	2.22	3.36

**Source:** Author's Computation using SPSS (2023)

From table 5;

1. Currency redesign is useful in the containment of inflation and other economic radicals has one-sample t-test value:  $t(215)=34.630$ ,  $P=0.000$ ,
2. Currency redesign is a useful in asserting the sovereignty of the government's monetary policy has one- sample t-test value:  $t(215)= 36.403$ ,  $P=0.000$ ,
3. Currency redesign is a useful tool in curbing bribery and corruption has one- sample t-test value:  $t(215)= 35.332$ ,  $P=0.000$ ,
4. Currency redesign is useful in controlling the activities and bandits and kidnappers given to ransom payments has one- sample t-test value:  $t(215)= 21.003$ ,  $P=0.000$  and
5. Currency redesign is effective in controlling money supply has one-sample t-test value:  $t(215)= 31.088$ ,  $P=0.000$ .

Therefore, with the P values of 1 to 5 Items less than 0.05 (that is,  $P < 0.05$ ), the null hypotheses ( $H_{01}$ :  $H_{05}$ ) are rejected while the alternative hypotheses ( $H_{11}$ :  $H_{15}$ ) stating in summary that currency redesign is effective in strengthening financial, economic and security systems in Nigeria is accepted.

**H<sub>02</sub>:** Currency redesign is not the panacea for currency hoarding and counterfeiting.

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**Table 6** *One-Sample T-Test computation on Effectiveness of currency redesign in curbing currency hoarding and counterfeiting in Nigeria*

S/ N	Description	T	Df	Sig. (2- tailed)	Mean	95% Confidence Interval	
						Lower	Upper
6	Currency redesign is a guaranteed panacea to solving the problems of currency hoarding and counterfeiting	35.010	215	0.000	3.672	3.59	3.88

**Source:** Author's Computation using SPSS (2023)

Arising from table 6:

Currency redesign is a guaranteed panacea to solving the problems of currency hoarding and counterfeiting has one-sample t-test value of  $t(215) = 35.010$ ,  $P = 0.000$ . Therefore, with the item 6 having a P values less than 0.05 (that is,  $P < 0.05$ ), the null hypothesis (that is,  $H_0$ ) is rejected while the alternative hypothesis ( $H_1$ ) which states that currency redesign is effective in curbing currency hoarding and counterfeiting in Nigeria is accepted.

### 5. Possible implications of naira redesign on the financial, economic and security systems in Nigeria.

As beautiful as the idea of naira redesign is as presented by the Central Bank of Nigeria vis a vis the nexus between the strategy and its effects on the financial, economic and security systems as well as its potency in curbing the spates of currency hoarding and counterfeiting, this study has largely agreed with the postulations. However, the timing of the naira redesign, non-projection or inaccurate projections on the consumer price index (CPI) and the spin effect on various economic units leaves some question marks and agitations:

- On the **financial** side, it is in doubt whether the Deposit Money Banks (DMBs) have the capacity to cope with the surge in demand for services on their electronic platforms (e-platforms). This is because of the undertone of cashless drive in the new naira redesign strategy. It thus goes to say that if the electronic platform falls short of meeting the deluge of transactions expected, it might affect the consumer price index (CPI) and it could be a clog in the transactions of artisans and MSMEs. Reduction in transactions occasioned by cash scarcity could also affect banks because most borrowers would have a common ground for default in loan repayments, which could compel banks to restructure such credit facilities. Furthermore, if well managed, naira redesign could be the key to accessing the financial exclusive citizens in rural areas because everyone is expected to exchange the old notes with new ones; this is an avenue to track such segments.
- For the **economy**, if the new notes do not come in commensurate amount as the old notes to be withdrawn, there could be scarcity of cash and as a country largely driven by cash at present, it would grind some economic activities. This and related factors could affect the gross domestic product (GDP) of the nation is not properly addressed in a timely manner. On the flipside, should CBN push out money on a large scale more than required, there could be demand-push inflation because of the excessive money supply.

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- c. In terms of Nigeria's **security** system, on the short-run as discovered in this study, currency redesign could help frustrate the activities of bandits and kidnappers who thrive on ransom payments. However, this has to be followed up by some military activities for the effect to be sustainable.

## 6. Conclusion and recommendations

Currency redesign is a laudable monetary policy strategy as attested to by some economic experts (Fasua, 2023 et al). However, the timing, suddenness, partial readiness on the parts of DMBs for the paradigm shift and political coloration added to it appear to be the major low points of the initiative. The following recommends are put forward in order to fully harness the potentials of the currency redesign in terms of its relevance to the financial, economic and security systems in Nigeria:

- a. The Central Bank of Nigeria (CBN) should immediately extend the deadline set for the mopping up of old notes from the system; the affected old notes (that is, ₦1000, ₦500 and ₦200) should remain legal tender and be phased out gradually rather than forced out.
- b. Deposit money banks (DMBs) should be mandated to adhere to CBN's directives of depositing the old notes with the apex bank in exchange of new notes to head off cash scarcity.
- c. The CBN and DMBs should work our modalities to gradually implement the cashless policy with a gestation period in view. The cashless initiative should not be muddled up with another monetary policy drive.
- d. DMBs should expand the capacities of their various electronic-channels or e-platforms to accommodate the projected deluge of transactions with the change in transaction dynamics from cash domination to less of cash. Telecommunications companies also have an indirect role to play here by improving on their infrastructure since the platforms depend on them.
- e. Point of Sale (POS) devices should be made free to encourage more participation of artisans and mini-trading units. This is a way forward to driving the cashless transactions.
- f. CBN should ensure that future dates for naira redesign or re-denomination do not fall within the period other national events are on going .

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### Citation:

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