



## PUBLIC OPINION ON INFLUENCE OF NAIRA REDESIGN ON SOCIOECONOMIC ACTIVITIES AND LIVING STANDARD IN NIGERIA

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### ABSTRACT

This paper investigated the opinions of Nigerians on the influence of Naira redesign policy on the socioeconomic activities and living standard. There were so many divergent views on the redesigning of the N200, N500 and N1000 denominations by the Central Bank of Nigeria. Those opinions, with little or no convergence, painted pictures on the reactions, feelings and attitudes of the masses towards the revamped Naira notes and its resultant consequences. This study was anchored on Individual Differences and Perception Theories. The study adopted the survey and content analysis methods. It was found out that the Naira redesign actually threw the masses into general hardship by frustrating socioeconomic activities. It was also discovered that banks, POS and other financial agents were indeed guilty as charged of unethical conducts during the period. Suggestions on the way forward were also proffered to the citizens, the media and the government.

**Keywords:** Public opinion, influence, naira redesign, socioeconomic activities, hardship

### Introduction

On the 28th of October, 2022, the Federal Government of Nigeria, through the Central Bank, announced the introduction of the redesigned N200, N500 and N1000 denominations. The news, however, was received with mixed feelings and fingers were crossed. Before 2023, the Central Bank did announce that the three redesigned notes would cease to be legal tenders as new ones would replace them from January 31, 2023. Everybody was mandated to return their old N200, N500 and N1000 notes to their banks. February 10, 2023, was the final deadline. Many could not meet up as they argued the deadline was short and, secondly, there were unmanageable and intimidating crowds at the banks.

The masses were not quite comfortable with the whole arrangement. For this reason, many social and economic analysts dismissed it as a fiscal policy in a hurry. The resultant flaws associated with the process marred the policy and actual implementation. Owing to this fiasco, the Sun Newspaper (2023), in its editorial, found out that “with two weeks to January 31 deadline for old naira notes to cease as legal tender, there is intense pressure on the Central Bank to review the implementation of the naira redesign policy”.

The failure of federal government and Central Bank to readjust and reconsider the naira swap policy led to mayhem in different quarters of the country. In his observation, Adebayo (2023) revealed that “violent

protests have been recorded in parts of the country, including in Ogun, Oyo, Akwa Ibom...” This was due to the scarcity of the new currency notes and the untold hardship it had caused the people. Mr. Godwin Emefiele, Central Bank Governor, gave two major reasons for the shortage of the currency: the Nigerian Security Printing and Minting Plc ran out of papers, and also saboteurs in the banking sector hoarded the few printed notes.

Bearing the above problems in mind, this research investigated the extent of citizens’ awareness of the issue of Naira redesign, its influence on the citizens and on socioeconomic activities and living standard.

### **Statement of the Problem**

The redesigning and swapping of the Naira came with so many fiscal bottlenecks, social and economic imbroglios. There were poor business transactions and difficulty in buying, selling, production and exchange of goods and services. Akinlo and Odusola (2003) believed it affected real sector of the economy. Unemployment resulted due to layoffs and unavailability of jobs. Hirers of labour apparently lacked the capital and resources to hire and maintain labour. Those that were hired were also fired along the line. So many small-scale industries and businesses went insolvent and then liquidated. The abnormal increase in prices should not be forgotten in a hurry. During this period, sellers and service providers used the opportunity to double – even triple – the costs of their wares or services. This was mostly the case where buyers presented the old currency notes other than the scarce new notes. Refusal to abide by this trending exchange condition meant going home empty handed. Inflationary trends were high. Akinlo and Odusola (2023) quipped that price and currency fluctuations really affected the real sector of the economy.

Banks, POS operators and other financial agents hoarded the Naira, especially the redesigned notes, and sold them on black market conditions. These dealers charged abnormal and high prices to release just a small amount. Governor Adeleke of Osun State, was one of those political leaders that angrily warned those banks hoarding the new naira notes and beckoned on the CBN to arrest culprits, if they did not desist from such unscrupulous act. In some major cities in Nigeria, for example, Nsukka, Owerri, Lagos, Port-Harcourt, Onitsha, Abuja, Ibadan, etc., POS agents collected what they called “fifty-fifty” charges. This was particularly in February and March, 2023. Under this condition, a customer withdrawing N1000 had to pay N500 charge. It was a sorry situation where one shared his hard-earned money into two and went home with half of it. Eromosele (2023) quipped that “*the amount of queuing Nigerians have been subjected to on the couple of weeks is unprecedented. It is equally unbecoming*”. He added that, on many occasions, fights had broken out in banks.

The problem of unending queues at banks and unmanageable crowds around banks and ATMs was an eyesore. As early as 4am or 5am, people had already woken up, abandoned their daily chores and businesses, and reported to their banks to be given numbers whose series could get to thousands. Disappointedly, these numbers might be jettisoned and new ones issued even on the following day. The cycle continued hopelessly and, at the end, little or no money was dispensed from the ATM or released at the counters of these banks. On several occasions, transfers were the next and better options, but network might be a hindrance. Another problem was the inability of many to do transfer due to ignorance, type of phone or sales rate. In his report, Olorokor (2023) observed that even political parties, preparing for the 2023 general elections, could not also access their funds from the banks. The citizens were practically thrown into abject poverty and general hardship. Social functions and religious activities were frustrated and many cancelled or postponed to unknown dates due to the scarcity of the new currency notes and the rejection of the old. World Bank exposed that the naira swap and redesign which had removed money out of circulation could negatively affect many Nigerian homes and small-scale business dependent on daily cash transaction (Aina, 2022). In their own opinion, Omokeoye and Momoh (2023) also disclosed that the policy really caused “*untold hardship to Nigerians.*”

The above problems led to this research. The study investigated the level of awareness of the public on the reasons behind the naira redesign and swap. It also tried to find out the main news source through which the public gained information on the issue. It also sought to reveal the unethical practices by banks and POS operators; the influence of the naira redesign and naira swap on price; and, finally, its influence and or implication on the socioeconomic activities and living standard of the people.

### **Objective of the Study**

- i. To investigate the extent of awareness the public had concerning the reasons for the naira redesign and swap.
- ii. To find out the major source of news through which the public got to know about naira redesign.
- iii. To identify public opinion on the nature of unethical practices and conducts by banks, POS operators and other financial agents during naira redesign and swap.
- iv. To determine public response on the influence and implication of naira design and swap on prices of goods and services.
- v. To find out public opinion on the negative implication and influence naira redesign had on socioeconomic activities and standard of living.

### **Research Questions:**

1. To what extent are you aware of the reasons for naira redesign?
2. What is the major news source available for the public on naira redesign?
3. What are the reported unethical practices and conducts of banks, POS operators and other financial agents, during naira redesign?
4. What is the implication / influence of naira redesign on the prices of goods and services?
5. What is the implication/influence of naira redesign on socioeconomic activities and standard of living in Nigeria?

## **LITERATURE REVIEW**

### **Conceptualization of Naira Redesign**

To redesign is to make something look different from its former nature. It is to change the original outlook in order to bring out a new version. This was exactly what the CBN did to ₦200, ₦500 and ₦1000 notes. It was called naira redesign.

### **Reason for Naira Redesign**

Mr. Godwin Emefiele, CBN Governor, gave reasons for redesigning and swapping the affected currency notes. Making a reference to the CBN Act of 2007 (as amended), he said it was the responsibility of the apex bank to ‘issue and manage the country’s legal tender currency – Naira, kobo, eNaira’. (CBN, 2007). CBN’s other reasons were the evidence of naira hoarding by the public, which led to serious shortage; increase in the level of naira counterfeiting; and, finally, it had been a long time the naira was last redesigned – an exercise which should take place every 5 to 8 years. In his own reason, the EFCC boss, Abdulsheed Bawa, said the naira redesign was necessary because politicians were hoarding the old notes to buy votes for the 2023 elections. (Tori, 2023). On the expected benefits of redesigning the naira, CBN said it would check naira counterfeiting, strengthen the economy, reduce cash management expenditure, promote financial inclusion and enhance CBN’s visibility of cash supply. But did it actually achieve these aims?

However, many critics were of the opinion that the CBN’s acclaimed benefits and objectives of the redesigned naira were a total fiasco. Governor Ganduje of Kano State extolled the policy as “*a good one but the implementation is poorly executed and ill-timed. The poor implementation is either a display of*

*incapacity and / or a sign of sabotage.*” (Muntari, 2023). Another weakness of the currency redesign was the resultant low socio-economic activities and the untold hardship it brought to Nigerians, including political parties. ThisDay (2023) also noticed that “the exercise brought so much hardship, confusion, apprehension, rancor, despondency”.

Olokor (2023) did not keep mute over the failure of the naira redesign. He accused federal government and CBN of “*withdrawing over 2trillion naira from circulation and then went ahead printing only 300billion naira*”. He blamed this as the cause of the crisis that gulped the country during the period. Isenyo (2023) remarked that this imbalance in the amount withdrawn from circulation and the one pushed into circulation led to serious dearth of naira notes. He also accused that it was a plot to “disrupt the forthcoming general elections. “Baiyewu (2023) equally supported that the policy was “*capable of frustrating the forth coming 2023 general elections.*”

**Table 1: History of Currency Redesign and Introduction in Nigeria**

SN	Year	Administration	Leader	Currency introduced	Currency redesigned/ replaced	Bank
1	Pre-monetary age	Barter system	Local chiefs	Items of importance	-----	-----
2	Precolonial	Precolonial	Local chiefs	Cowries, Beads, Manilas	-----	-----
3	1880	Colonial	Queen Elizabeth/ Governor-General	Shilling & Pence	-----	British Bank of W/A
4	1912-1959	Colonial	Queen Elizabeth/ Governor-General	Pound & Shilling	-----	West Africa Currency Board
5	July 1, 1959	Colonial	Queen Elizabeth/ Governor-General	Nigerian Pound & Shilling	WACB's shilling	CBN
6	1968	Military	Yakubu Gowon	-	Pound and shilling	CBN
7	1973	Military	Yakubu Gowon	Naira & Kobo	Pound & shilling	CBN
8	1977	Military	Murtala Muhammed	N20	-	CBN
9	July 2, 1979	Democracy	Shehu Shagari	N1, N5, N10	-	CBN
10	1984	Military	Muhammadu Buhari	-	All notes but 50k	CBN
11	1991	Military	Ibrahim Babangida	-	50K & N1 were coin	CBN
12	Dec. 1999	Democracy	Olusegun Obasanjo	N100	-	CBN
13	2000	Democracy	Olusegun Obasanjo	N200	-	CBN
14	April, 2001	Democracy	Olusegun Obasanjo	N500	-	CBN
15	Oct. 2005	Democracy	Olusegun Obasanjo	N1000	-	CBN
16	Feb. 28, 2007	Democracy	Olusegun Obasanjo	<del>N</del> 20 coin	<del>N</del> 1, <del>N</del> 5, <del>N</del> 10, <del>N</del> 20 & <del>N</del> 50	CBN
17	Sept. 30 2009	Democracy	Umaru Musa Yar'Adua	-	<del>N</del> 5, <del>N</del> 10, <del>N</del> 50	CBN

18	Sept. 29, 2010	Democracy	Goodluck Jonathan	-	₦50	CBN
19	Dec., 2014	Democracy	- -	-	₦100	CBN
20	Nov., 2022	Democracy	Muhammadu Buhari	-	₦200, ₦500, ₦1000	CBN

(Table is author’s findings)

### Theoretical Framework

This study was built around individual differences and perception theories. These two frameworks have a point of convergence: they both explain that every member of the audience possesses unique qualities, which account for the differences in behaviour, understanding and opinion. Wogu(2008). Individual differences influence perception because every human being in a given social milieu possesses special and peculiar psychological traits. These natural propellers determine how individuals react to news, information, social constructs, issues, situations and social happenings.

McDonald (2011) believes that perception is all about the way someone sees the world around them. Nelson and Quick (1997), cited in McDonald (2011), argue that perception helps one to form and hold an opinion about a person, thing or issue. They also maintain that the problem with perception is that your opinion depends on the amount of information you have, your ability to interpret it, your level of exposure and individual differences.

Individual differences and perception were relevant to this study because the survey sought the opinion of each of the participants to ascertain the influence or implication of naira redesign on their socio-economic activities and living standard. (Nwaezeihenatuoha, 2023).

### Methodology

The method used in this work was the descriptive survey design. It helped the researcher understand and describe the opinions of the public on naira redesign and its influence or implication (Tayo-Garbson, Njoku & Etumnu, 2019). This study was done in Nigeria, particularly in the South East geopolitical zone. The population of this study was derived from the residents of the five South Eastern States: Abia, Anambra, Ebonyi, Enugu and Imo. According to the National Bureau of Statistics (NBS; 2006), the population of South Eastern States was estimated to be 22,000,000. A sample size of 400 was drawn using Yamane’s statistical sample formula (Yamane, 1967). There were three senatorial zones in each of the five states: **Imo State:** Orlu, Owerri, Okigwe; **Enugu State:** Enugu East, Enugu West, Enugu North; **Abia State:** Abia North, Abia Central, Abia South; **Anambra State:** Anambra North, Anambra Central, Anambra South; **Ebonyi State:** Ebonyi North, Ebonyi Central, Ebonyi South

Two zones from each of the three zone were selected, giving a total of 10 zones. Further, random method was adopted to select one LGA from each of the two selected zones. In another step, two towns were randomly pulled from each of the two LGAs: **Imo:** Orlu West LGA = Ohakpu; Owerri West LGA = Irete; **Anambra:** Awka North LGA = Amansea; Ihiala LGA = Ihiala; **Enugu:** Nsukka LGA = Nsukka; Oji River LGA = Achi; **Abia:** Ohaofia LGA = Abiriba; Umuahia North LGA = Umuahia Town; **Ebonyi:** Afikpo North LGA = Amasiri; Ohaozara LGA = Obiozara

Questionnaire was used as instrument for primary data collection. Data was tabulated and analyzed using the simple percentage. 400 copies of questionnaire were administered and 350 copies were returned, representing 87.5% return rate. Close ended questions were used to ensure reliability and avoidance of irregularity of responses. Selected respondents were also interviewed.

## Results and discussions

**Research Question 1: To what extent are you aware of the reasons for naira redesign?** Table 2: Opinion of the public on their awareness level

S/N	EXTENT OF AWARENESS	A	NA	FA	NFA	TOTAL	PERCENT
1	I am aware	30	-	-	-	30	8.6
2	I am not aware	-	174	-	-	174	49.7
3	I am fully aware	-	-	-	22	22	6.3
4	I am not fully aware	-	-	-	120	120	34.3
	Unfilled					4	1.1
						350	100.0

Source: Field Work, 2023.

Key: A= Aware; NA = Not Aware; FA= Fully Aware; NFA= Not Fully Aware.

From the response above, 49.7% of the citizens claimed they were not aware at all about the reason behind the naira redesign. 34.3% said they were not fully aware. 8.6% and 6.3% consented to being aware and not being fully aware respectively. Therefore, 49.7% of the respondents was not aware at all. The implication of this was that so many Nigerians did not understand government policies either due to lack of adequate information, publicity or lack of interest.

**Research Question 2: What is the major source of news for the public on naira redesign?**

Table 3: Major news source for the public on naira redesign.

S/N	MAJOR NEWS SOURCE	FREQUENCY	PERCENTAGE
1	Newspaper	7	2.0
2	Television/Radio	60	17.1
3	Social Media	91	26.0
4	Interpersonal Media	189	54.0
	Unfilled	3	0.9
		350	100.0

Source: Field Work, 2023.

Table 3 shows that 54% of Nigerians got their information through interpersonal means, such as peer interaction, social gatherings, schools, market setting, grapevine, families, offices, business outfits, opinion leaders, worship-centres etc. The common practice in the above-named sources of information is the unnecessary injection of personal angle or opinion, which distorts message by blowing it out of proportion. Patel and Binjola (2020). 26% of the respondents accepted they got the news on naira redesign from social

media. 17.1% and 2.0% had the radio/television and newspaper respectively as their major sources of news on the policy. The implication of this was that the public seemed to be more at home with interpersonal and social media platforms (80%) than the mainstream media (19.1%). A commercial tricycle driver from Mile 12, Lagos, gave his reason for not depending on television, radio or newspaper for news (including on naira redesign):

*No steady light. No light. I Use it. I have small radio. I don't use it. No light. I mean, as for newspaper, no time. I can read, but no time. I listen to people. I get news from them. I don't have a big phone. My own spoilt, long ago.*

**Research Question 3: What are the reported unethical practices and conducts of banks, POS operators and other financial agents during naira redesign?**

Table 4: Unethical Practices and conducts of Banks, POS Operators and other Financial Agents.

S/N	Unethical Practice and Conduct	Frequency	Percentage
1	Denying customers access to their money	29	8.3
2	Seizing customers' money and releasing in rations	41	11.7
3	Hoarding and selling bank notes on black market	171	48.9
4	Collecting abnormal charges on withdrawals	107	30.6
	Unfilled	2	0.6
		350	100.0

Source: Field Work, 2023.

The most observed unethical practice and conduct exhibited by financial institutions were hoarding and selling banknotes on black market arrangements (48.9%). Another unprofessional conduct was collecting abnormal charges on withdrawals (30.6%), if at all withdrawals were possible. On some other occasions, customers' deposits were withheld and released in rations (11.7%), against the amounts demanded. This was due to the scarcity of cash in circulation. In all, respondents admitted that financial institutions were guilty of unethical conducts to the tune of almost 100%.

**Research Question 4: What is the influence of naira redesign on the prices of goods and services?**

Table 5: Public response on the influence of naira redesign on price.

S/N	Naira Redesign Influence on Price	Frequency	Percentage
1	Fair and Proportional	20	5.7
2	Normal Price	22	6.3
3	Stable and Controlled Price	4	1.1
4	Abnormal and Uncontrolled Price	301	86.0
	Unfilled	3	0.9
		350	100.0

Source: Field Work, 2023.

86% of the respondent divulged that naira redesign seriously led to inflation and abnormal increase in price. According to Akinlo and Odusola (2003), Ojomolade and Oni (2018) the negative implication of this never affected only individuals, homes and industries but the entire country.

**Research Question 5: What is the implication of influence of naira redesign on socioeconomic activities and standard of living in Nigeria?**

Table 6: Respondents opinion on the implication of naira redesign on socioeconomic activities and living standard

S/N	Implication of Naira Redesign	Frequency	Percentage
1	Unemployment and layoffs	18	5.1
2	General hardship and poor living standard	255	72.8
3	Booming businesses and opportunities	6	1.7
4	Frustrated social activities, buying and selling	71	20.3
	Unfilled	0	0.0
		350	100.0

**Source:** Field Work, 2023.

From the above table, 72.8% of the participants admitted that naira redesign and swap caused general hardship and low standard of living. The reason was not just because of the redesign but actual timing and execution. Muntari (2023). Other respondents opened up that the exercise led to very low economic engagements (20.3%), unemployment and layoffs (5.1%). In all, the negative implications of naira redesign were put at 98.3%. Only 1.7% of the citizens agreed the exercise improved their business opportunities.

**Summary of Findings**

From the data collected, presented and analyzed, the following findings were made:

1. A greater percentage of the general public did not know the reason(s) given by CBN and federal government for redesigning and swapping ₦200, ₦500 and ₦1000.
2. Most Nigerians depended on all forms of interpersonal means of communication (not radio, TV or newspaper) for news on naira redesign.
3. Banks and other financial institutions hoarded and sold banknotes on black market
4. Naira redesign policy succeeded in causing abnormal and uncontrolled prices
5. The poor implementation of naira redesign pushed Nigerians into untold hardship and very poor living standard.

**Conclusion:**

This study revealed that the real intentions of CBN for redesigning the naira were a complete debacle. The reason was that the policy threw out the baby with the bath water and made innocent Nigerians scapegoats. Though some currency notes were redesigned and swapped, they were not in circulation, as it had been in the history of currency redesign in the country. The result of the scarcity of the redesigned notes was general hardship. The survey also demonstrated that Nigerian citizens never resorted to the mainstream media as they did to interpersonal and social media platforms.

**Recommendations**

1. Mass media, especially the mainstream platforms, should fight to regain their usual enviable lost position in the minds of the public.
2. Media professionals should, against all odds (including political and economic considerations) go about their constitutional responsibilities, as and when due



3. Federal Government should always avoid making policies to suit those in power against the citizens. There shouldn't be politics in policies.
4. Government should quickly withdraw any policy producing adverse negative effects on the people, economy and the nation
5. Financial institutions should know that hoarding the naira for black market or any other reason is an act against the laws

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