

**IMPLICATIONS OF THE 2022 NAIRA RE-DESIGN ON SMALL  
AND MEDIUM SCALE ENTERPRISES:  
A STUDY OF ABAKALIKI METROPOLIS, EBONYI STATE**

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**Abstract**

This study examined the 2022-naira re-design on small and medium scale businesses focusing on Abakaliki metropolis city in Ebonyi State. The broad objective of the study is to generally evaluate the effect of 2022 naira re-design on profitability of small-scale business in Nigeria. On October 26, 2022, the CBN decision to redesign three-naira denominations was specifically aimed at fighting counterfeiting, strengthen the economy, reducing cash management costs, promoting financial inclusion, and improve the CBN's visibility of the money supply. Survey research design was adopted with questionnaires as data collection instrument. Analytically, the study employed simple percentages, frequency table and chi-square ( $\chi^2$ ) to test the hypotheses. The findings from the study showed that; the CBN cashless policy was widely accepted and adopted in Abakaliki metropolis as result by chi-square showed strong impact and significant in its adoption of the CBN naira re-design policy with the small-scale businesses saw it as fast and easy means of making money. The result from the study revealed that: Issuance of new-currency has significant effects on profitability of small and medium scale businesses in Abakaliki metropolis, withdrawal of old currency has significant effects on profitability of small and medium scale businesses in Abakaliki metropolis, restriction of daily withdrawal has significant effects on profitability of small and medium scale business in Abakaliki metropolis. The study recommends among other things that; CBN should ensure availability and accessible of new currency note in order to promote the business of small-scale businesses in Nigeria. The policy of new naira note should be properly implemented to ensure overall benefit to the general public.

**Keywords:** Currency, Redesign, Small and medium scale enterprise, Chi-square, Abakaliki

**Introduction**

Currency redesign involves changing a country's currency's security features, appearance, and other characteristics. Nigeria has experienced significant financial losses due to money counterfeiting, which is why currency redesign is a top policy priority. The redesign of the Nigerian Naira was meant to make it harder to counterfeit. The redesign of the currency is seen as an opportunity to fortify national pride and identity and can affect the economic and monetary policy. There are both advantages and disadvantages to the redesign of currency. Currency redesigns boost currency's security by helping governments in reducing counterfeiting and being one step ahead of threats. It is projected to increase economic growth and cut cash management expenses. It will make it easier for the government to keep an eye on the money supply. According to analysts, the revamping of the naira has alleviated fears in Nigeria. Reducing the quantity of money stored outside of banks will decrease the money stock and decrease the long-term trend of inflation. The resulting deflationary pressure may lead to interest rate cuts that will boost economic

activity in the short to medium term, boost aggregate demand, and enhance output growth. The redesign of the naira just before the national elections in 2023 may have made it less attractive to buy votes.

On the other hand, international history suggests that quick demonetizations may have significant short-term costs, with small businesses, vulnerable individuals, and those with limited access to cash suffering the most. The gradual phase-out of existing naira notes over a short period of time could make things more challenging for households and businesses, who already experience significant financial strains from prolonged scarcity of naira, high inflation, which have recently been made worse by external shocks on the price of food and fuel, as well as the severe floods.

In the light of this, this paper looked at the economic implications of Nigeria's 2022-2023 currency overhaul. The President or even the CBN Management did not plan or implement the 2022 Naira Redesign Program. It was more dependent on Apex Bank's understanding of the regional conditions and global best practices that necessitated currency redesign. The five main goals of the Naira redesign program were to: enhance the management of Nigerian currency; progress the country's transition to a cashless and digital economy; reduce the number of terrorist attacks and kidnappings; follow global best practices by redesigning national currencies every five to eight years; and, quietly, clean up the general elections of 2023. excessive hoarding of cash and the pervasive use of fake Naira across the country, which it was intended to be implemented had passed?

The elite corps of the nation was particularly affected by the increase in the amount of money. More than 85% of the currency in use was kept by the general public outside of commercial banks' vaults, according to data made public by the CBN. Out of the N3.23 trillion of currency in circulation, N2.73 trillion was outside the vaults of commercial banks across the country according to the CBN Governors. The financial system had N500 billion. Currency redesign was required by the management of the apex bank to ensure effective currency management due to the rapid increase in the amount of currency in circulation. Before the deadline for demonetization, the CBN recovered 75% of the old notes that were outside of the banking system.

The new notes were distributed by the bank in order to replace the old notes that it had recovered from the cashless policy. The number of brand-new notes that people and organizations could withdraw was capped. Over-the-counter cash withdrawals were limited to N100,000 and N500,000 by the CBN. The threshold was raised to N5,000,000 for organizations and N500,000 for individuals in accordance with directives from the National Assembly. Due to the large number, commercial banks were only able to distribute a limited quantity of cash through ATMs, and mobile banking apps were ineffective. An article named "Nigeria's Season of Cash Scarcity" detailed a serious scenario that arose from a scarcity of cash at the worst of the country's financial crisis. Adegboyega (2022) stated that bank-run digital payments are often unreliable, which makes businesses suffer since an increasing number of consumers find it difficult to get cash to pay for goods and services. Because of the situation, new banknotes are currently able to be sold on the underground market.

The lack of cash has hurt businesses across the country, forcing many of them to close. The majority of trade and commerce's transactions, especially in rural regions, take place in cash, which has negatively damaged both of these vital economic sectors. This strategy has resulted in the cessation of rural economic activity (Morphy, 2023). The activities of business unit, scarcity of naira, money supply, inflation rate and exchange rate call for empirical investigation of naira redesign and economic growth in Nigeria which lead to such questions as: (i). What are the effects of issuance of new-currency on profitability of small-scale business in Abakaliki metropolis? (ii). What are the effects of withdrawal of

old currency on profitability of small-scale business in Abakaliki metropolis? (iii). What are the effects of restriction of daily withdrawal on profitability of small-scale business in Abakaliki metropolis?

## **Literature Review**

### **Naira Re-design Notes**

The idea of introducing a new series was launched. The global standard period for redesigning a country's currency is between 5 and 8 years, implying that the Naira is past due for a redesign. The new policy will aid to fight counterfeiting, strengthen the economy, reduce cash management costs, promote financial inclusion, and improve the CBN's visibility of the money supply. Bringing significant amounts of money currently held outside of banks back into the financial system may help to reduce inflationary pressures, expand financial inclusion, and improve cashless policy. The long-term rise in the price of goods and services is known as inflation. Inflation occurs when the purchasing might of the people in an economy is hampered. The expansion of financial services to all sectors of the economy is referred to as financial inclusion.

The policy requires financial transactions to be done through electronic channels such as eNaira, mobile apps, internet banking, point of sale, and other channels. Financial intermediation between banks and small and medium-sized businesses can be done through the aforementioned channels. Financial institutions perform the function of financial intermediation by creating wealth and transferring it from deficit to surplus units via loan and advance extensions (Aroghene & Ikeora, 2022). The act of counterfeiting is fraudulent. Fraud is defined as a criminal sham intended to result in financial or personal gain. As the objectives of the redesign are met, commercial activities will increase.

### **Benefits of the New Naira Redesign Policy**

Based on popular opinion, there is no doubt that the new currency design was with good intentions and was spelled out, although there have been some differing opinions about the policy here and there. The benefits of the policy tend to be analyzed during and after the implementation phase. The policy was designed to make the macroeconomic policy of the country very efficient so that it would lead to a drastic reduction in the rate of inflation in Nigeria. The policy was expected to increase financial inclusion in the country by reducing the number of unbanked people. The policy addressed the issue of financial inclusion and was very successful. As a result of the need to use bank accounts during the implementation phase, this was possible. Many POS Operators sprang up across the country to help the unbanked population have access to banking services.

With the increase in the number of mobile banking operators, the policy has increased the number of employments in the country across urban and rural areas. In support of this view (Emejo, 2023) opined that if anything, the number of employment opportunities already created by the policy further demonstrates that rather than impoverishing Nigerians, the cashless policy has the potential to boost wealth creation across the country. Again, since the beginning of the implementation of the new currency redesign, activities of kidnappers particularly for ransom reduced to an extent owing to the fact that there were no longer hug cash sums available in circulation to carry out ransom payment. This complements the promise made by the CBN governor during a press briefing that the policy would support the efforts of the security agencies in Nigeria in combating banditry and ransom-taking in the country.

Based on the objectives of the policy, another major benefit is the need to ensure that the money in circulation is actually put into economic use. According to CBN (2023), as of October 2022, currency in circulation in Nigeria rose to N3.23 trillion out of which only N500 billion was within the banking system and N2.7 trillion was out of the banking system thereby making it difficult for keeping the volume of money in circulation under the custody, regulations, supervision and control of the CBN. In reeling out the gains of the policy, the Apex Bank through the Governor admitted that “since the commencement of the programme, CBN had collected about N2.1 trillion, leaving the country with about N900 billion to be collected. Apparently, the currency redesign policy has in many ways than one, helped in mopping currencies outside the banking system. Peter (2023) opined that redesigning of currency has the capability of increasing a currency's security as the policy in many ways, help to check the issues of counterfeiting. Additionally, it helps to boost the economy, reduce cash management costs, promote financial inclusion, and improve the control and monitoring of the money supply in the country.

Generally speaking, many researchers and analysts have also opined that redesigning of a nation's currency can decrease inflationary pressure. Hence, it can be concluded that the policy would have had some level of impact on our inflation as the policy usually reduces money in circulation, as a result, slow the long-term course of inflation by reducing the amount of currency held outside of banks. One of the objectives of the policy was to ensure that vote buying which is usually a characteristic of election in Nigeria, is checked. Hence, the policy implementation was moved very close to the general election that was held in Nigeria in March, 2023. From the outcome of the election which clearly shows that there were hardly cases of vote buying across the nation, it can be concluded that the policy achieved that particular stated objective to a large extent. In support (Peter, 2023) argued that redesigning the naira, which was implemented close to the 2023 general elections, may have lessened the inclination to buy votes.

From economic point of view, many Analysts have also written in support of the policy considering the benefits in the areas of long run increase in aggregate demand and economic growth. For instance, Peter (2023) is of the view that the naira redesign and cashless policy will strengthen financial institutions and improve banks' performance due to a sharp increase in the use of electronic banking channels, and the fact that more agents would be able to access the government's tax collection system. Considering the fact that cash-based economy usually comes with huge cost spanning from cost of printing and movement of cash, it can be concluded that the policy would have in many ways, reduced government expenditure on currency printing and management. As noted by (CBN, 2011), the cost of cash to Nigeria's financial system is high and increasing. It was estimated to reach N192 billion in 2012. The above views are some of the positive achievements recorded during the implementation phase of the policy. There are however, other views that tend to see the policy in a different light.

## **Theoretical Explication**

### **Active Learning Model**

According to Erickson and Pakes (1995), in the face of competitive pressure from both within and outside the firm, a firm actively investigates its economic environment and invests to boost its growth. According to this learning model, SMEs' or managers' efficiency can be increased through formal education and training, which increases their endowments, while the government can support their activities by creating an enabling environment.

## **Diffusion of Innovation**

Rogers developed this theory in 1962. It was first used in communication that describes how an idea/product gains traction and spreads (or diffuses) over time through a social system. People eventually implement a new concept, habit, or product as part of a social system as a result of this dissemination. Adoption entails a person doing something different from what they previously did (for example, purchasing or using a new product, learning and performing a new behaviour, and so on). Adoption is determined by the individual's perception of the idea, behaviour, or product as novel or unique.

Aroghene and Imene (2023) investigated currency redesign and compliance in the Nigerian economy case study. The independent variables were government support and individual personal readiness for technology, while the dependent variable was currency redesign compliance. The null hypothesis of no influence of the independent variables on the dependent variable was rejected centred on the estimated results. The study recommended that the government block any channel, particularly those within the government that could stymie the successful implementation of the country's currency issuance/redesign. Similarly, when implementing a new policy, the state of the economy should come first.

Aroghene (2022) investigated the impact of capital adequacy, bank size, and liquidity on the stability of Nigerian FUGAZ banks from 2013 to 2021 (9 years). Based on the findings, this study concludes that bank managers should ensure that they maintain sufficient capital to absorb shock in order to be outstanding. Similarly, banks should ensure that their asset size is sufficient to absorb their liabilities. Similarly, Aroghene (2022) examined the impact of board independence (BIN) and audit committee independence (ACI) on Nigerian bank stability (BS) from 2012 to 2021 (10 years). According to the research, BIN and ACI have a minor impact on bank stability in Nigeria. The investigation emphasizes the importance of increasing the number of independent members on the management board in order to improve the stability of Nigerian banks. Lucas (1976) responded appropriately to the changes in the monetary regime. In his paper, he argued that authorities can make a perfectly credible commitment to a particular monetary policy regime, and that dollarization can be seen as a perfectly credible exchange rate peg. According to Lucas, dollarization implies that the domestic interest rate is the same as the foreign country whose currency serves as an anchor.

Ogomegbunam (2023) investigated the social media marketing strategies used by SMEs in Delta State, Nigeria, to ensure their survival. The data collected through research questions was analyzed using simple percentages, frequency counts, means, and standard deviations. To test the three hypotheses, Pearson Product Moment Correlation was used. Ogomegbunam (2023) used marketing strategies to determine the performance of SMEs in the literature reviewed. Olujobi (2022) investigated the macroeconomic implications of the new currency refurbishment and capital formation in Nigeria. In Port-Harcourt, Nigeria, Agwu and Emeti (2014) discussed the issues, challenges, and prospects of small and medium-sized enterprises (SMEs). There was a scarcity of literature on how the naira swap objectives impacted the performance of SMEs in Delta State.

Adesina, Nwidobie and Amadi (2018) investigate the monetary policy instruments of the Central Bank of Nigeria (CBN) during and after the bank consolidation exercise (2000-2016) and the effects of these policies on the financial performance of deposit money banks (DMBs) in Nigeria, discovering that interest rates had a significant effect on DMB performance in the short run but an insignificant effect in the long run. Ojiabo, Onwumere and Onyebuchi (2020) study investigates the challenges and prospects associated with the redesign of Nigerian currency. The authors argue that the current design of Nigerian currency does not adequately reflect the country's cultural heritage and values, and that a redesign could provide an opportunity to showcase Nigeria's rich cultural diversity and promote economic growth.



## Methodology

The design of the study was a descriptive survey; it was a design that seeks information on the population of the study without manipulation of any variables. According to Abonyi, Okereke, Omebe and Anugwo (2005), descriptive survey researches are those studies which aim at collecting data on and describing in then in systematic manner, the characteristics and future of facts about a given population. The rationale for choosing descriptive survey research design for the present study is that the researcher collected data from a population to enable her discuss in a systematic manner, the effects of naira re-design on small and medium scale enterprise: A Study of Ebonyi State.

## Results

### Analysis of Respondents

This study was designed to provide answers according to research questions that were earlier formulated.

**Question One:** What are the effects of issuance of new-currency on profitability of small-scale business in Abakaliki metropolis?

**Table 1:** View of respondents on how scarcity of cash slows down business transactions

Opinion	No of frequency	Percentage (%)	Cumulative Percentage (%)
Strong Agree	252	72	72
Agree	70	20	92
Undecided	0	0	
Disagree	0	0	
Strongly disagree	128	8	100
<b>Total</b>	<b>350</b>		

Source: Field work, 2023

Table one (1) shows that (252) respondents representing 72% strongly agree that scarcity of cash slows down business transactions in Abakaliki metropolis while 128 respondents representing 8% strongly disagreed with the opinion.

**Table 2:** View of respondents on how scarcity of cash increases the prices of goods and services

Opinion	No of frequency	Percentage (%)	Cumulative Percentage (%)
Strong Agree	190	54	54
Agree	100	28	82
Undecided	0	0	
Disagree	15	4	86
Strongly disagree	45	12	100
<b>Total</b>	<b>350</b>		

Source: Field work, 2023

Table two (2) shows that (190) respondents representing 54% strongly agree that scarcity of cash increases the prices of goods and services while (45) respondents representing 12% strongly disagree with the opinion.

**Table 3:** View of respondents on how scarcity of cash increases cost of transporting goods

<b>Opinion</b>	<b>No of frequency</b>	<b>Percentage (%)</b>	<b>Cumulative Percentage (%)</b>
<b>Strong Agree</b>	<b>175</b>	<b>52</b>	<b>54</b>
<b>Agree</b>	<b>75</b>	<b>21</b>	<b>79</b>
<b>Undecided</b>	<b>0</b>	<b>0</b>	
<b>Disagree</b>	<b>25</b>	<b>7.</b>	
<b>Strongly disagree</b>	<b>75</b>	<b>21</b>	<b>100</b>
<b>Total</b>	<b>350</b>		

Source: Field work, 2023

Table three (3) shows that (175) respondents representing 52% strongly agree that scarcity of cash increases cost of transporting goods, while (75) respondents representing 21% strongly disagree with the opinion.

**Table 4:** View of respondents on how most of transactions were done online

<b>Opinion</b>	<b>No of frequency</b>	<b>Percentage (%)</b>	<b>Cumulative Percentage (%)</b>
<b>Strong Agree</b>	<b>180</b>	<b>54</b>	<b>54</b>
<b>Agree</b>	<b>85</b>	<b>24</b>	<b>78</b>
<b>Undecided</b>	<b>5</b>	<b>1</b>	<b>79</b>
<b>Disagree</b>	<b>15</b>	<b>4</b>	<b>83</b>
<b>Strongly disagree</b>	<b>55</b>	<b>15</b>	<b>100</b>
<b>Total</b>	<b>350</b>		

Source: Field work, 2023

Table four (4) shows that (180) respondents representing 54% strongly agree that most of transactions were done online, while (55) respondents representing 15% strongly disagree with the opinion. Thus, cashless policy encourages convenience of business truncation.

**Table 5:** View of respondents on how online transaction breaks the distance barrier

<b>Opinion</b>	<b>No of frequency</b>	<b>Percentage (%)</b>	<b>Cumulative Percentage (%)</b>
<b>Strong Agree</b>	<b>190</b>	<b>54</b>	<b>54</b>
<b>Agree</b>	<b>100</b>	<b>28</b>	<b>82</b>
<b>Undecided</b>	<b>0</b>	<b>0</b>	
<b>Disagree</b>	<b>15</b>	<b>4</b>	<b>86</b>
<b>Strongly disagree</b>	<b>45</b>	<b>12</b>	<b>100</b>
<b>Total</b>	<b>350</b>		

Source: Field work, 2023

Table five (5) shows that (190) respondents representing 54% strongly agree that Online transaction break the distance barrier while (45) respondents representing 12% strongly disagree with the opinion.

**Table 6:** View of respondents on how online transfer, customers pay and receive goods without stress

<b>Opinion</b>	<b>No of frequency</b>	<b>Percentage (%)</b>	<b>Cumulative Percentage (%)</b>
<b>Strong Agree</b>	<b>175</b>	<b>52</b>	<b>54</b>
<b>Agree</b>	<b>75</b>	<b>21</b>	<b>79</b>
<b>Undecided</b>	<b>0</b>	<b>0</b>	
<b>Disagree</b>	<b>25</b>	<b>7.</b>	
<b>Strongly disagree</b>	<b>75</b>	<b>21</b>	<b>100</b>
<b>Total</b>	<b>350</b>		

**Source: Field work, 2023**

Table six (6) shows that (175) respondents representing 52% strongly agree that with online transfer, customers pay and receive goods without stress, while (75) respondents representing 21% strongly disagree with the opinion.

**Table 7:** View of respondents on how scarcity of cash leads to standstill production of goods and services

<b>Opinion</b>	<b>No of frequency</b>	<b>Percentage (%)</b>	<b>Cumulative Percentage (%)</b>
<b>Strong Agree</b>	<b>180</b>	<b>54</b>	<b>54</b>
<b>Agree</b>	<b>85</b>	<b>24</b>	<b>78</b>
<b>Undecided</b>	<b>5</b>	<b>1</b>	<b>79</b>
<b>Disagree</b>	<b>15</b>	<b>4</b>	<b>83</b>
<b>Strongly disagree</b>	<b>55</b>	<b>15</b>	<b>100</b>
<b>Total</b>	<b>350</b>		

**Source: Field work, 2023**

Table seven (7) shows that (180) respondents representing 54% strongly agree that scarcity of cash leads to standstill production of goods and services. While (55) respondents representing 15% strongly disagree with the opinion. Thus, cashless policy encourages convenience of business truncation.

**Research Question Two:** What are the effects of withdrawal of old currency on profitability of small-scale business in Abakaliki metropolis?



**Table 8:** View of respondents on how Withdrawal of old currency note leads to low patronage of businesses

<b>Opinion</b>	<b>No of frequency</b>	<b>Percentage (%)</b>	<b>Cumulative Percentage (%)</b>
<b>Strong Agree</b>	<b>170</b>	<b>54</b>	<b>54</b>
<b>Agree</b>	<b>100</b>	<b>28</b>	<b>82</b>
<b>Undecided</b>	<b>0</b>	<b>0</b>	
<b>Disagree</b>	<b>15</b>	<b>4</b>	<b>86</b>
<b>Strongly disagree</b>	<b>45</b>	<b>12</b>	<b>100</b>
<b>Total</b>	<b>350</b>		

Source: Field work, 2023

Table eight (8) shows that (170) respondents representing 54% strongly agree that withdrawal of old currency note leads to low patronage of businesses while (45) respondents representing 12% strongly disagree with the opinion.

**Table 9:** View of respondents if rejection of old currency notes by the customer affects the business transactions

<b>Opinion</b>	<b>No of frequency</b>	<b>Percentage (%)</b>	<b>Cumulative Percentage (%)</b>
<b>Strong Agree</b>	<b>185</b>	<b>52</b>	<b>54</b>
<b>Agree</b>	<b>75</b>	<b>21</b>	<b>79</b>
<b>Undecided</b>	<b>0</b>	<b>0</b>	
<b>Disagree</b>	<b>25</b>	<b>7.</b>	
<b>Strongly disagree</b>	<b>75</b>	<b>21</b>	<b>100</b>
<b>Total</b>	<b>350</b>		

Source: Field work, 2023

Table nine (9) shows that (185) respondents representing 52% strongly agree that rejection of old currency note by the customer affect the business transactions, while (75) respondents representing 21% strongly disagree with the opinion.

**Table 10:** View of respondents on how issuing of old currency by the bank affects the business transactions

<b>Opinion</b>	<b>No of frequency</b>	<b>Percentage (%)</b>	<b>Cumulative Percentage (%)</b>
<b>Strong Agree</b>	<b>185</b>	<b>52</b>	<b>54</b>
<b>Agree</b>	<b>75</b>	<b>21</b>	<b>79</b>
<b>Undecided</b>	<b>0</b>	<b>0</b>	
<b>Disagree</b>	<b>25</b>	<b>7.</b>	
<b>Strongly disagree</b>	<b>75</b>	<b>21</b>	<b>100</b>
<b>Total</b>	<b>350</b>		

Source: Field work, 2023

Table ten (10) shows that (185) respondents representing 52% strongly agree that issuing of old currency by the bank affect the business transactions, while (75) respondents representing 21% strongly disagree with the opinion.

**Research Question Three:** What are the effects of restriction of daily withdrawal on profitability of small-scale business in Abakaliki metropolis?

**Table 11:** View of respondents on how poor bank network denies customers access to their money

Opinion	No of frequency	Percentage (%)	Cumulative Percentage (%)
Strong Agree	185	52	54
Agree	75	21	79
Undecided	0	0	
Disagree	25	7.	
Strongly disagree	75	21	100
<b>Total</b>	<b>350</b>		

Source: Field work, 2023

Table eleven (11) shows that (185) respondents representing 52% strongly agree that Poor bank network denies customers access to their money, while (75) respondents representing 21% strongly disagree with the opinion.

**Table 12:** View of respondents if limited number of ATM terminal affect business transactions

Opinion	No of frequency	Percentage (%)	Cumulative (%)
Strong Agree	152	43	43
Agree	170	48	91
Undecided	0	0	
Disagree	0	0	
Strongly disagree	38	9	100
<b>Total</b>	<b>350</b>		

Source: Field work, 2023

Table twelve (12) shows that (152) respondents representing 43% strongly agree that limited number of ATM terminal affect business transactions. While (38) respondents representing 9% strongly disagree with the opinion.

**Table 13:** View of respondents if limited withdrawer affects business transaction

Opinion	No of frequency	Percentage (%)	Cumulative Percentage (%)
Strong Agree	250	71	71
Agree	80	23	23
Undecided	0	0	
Disagree	0	0	
Strongly disagree	30	0.3	100
<b>Totals</b>	<b>350</b>		

Source: Fieldwork, 2023

Table thirteen (13) shows that (250) respondents representing 71% strongly agree that Limited withdrawer affect business transaction. While (30) respondents representing 29% strongly disagree with the opinion.

**Table 14:** View of respondents if many customers do not possess ATM card

<b>Opinion</b>	<b>No of frequency</b>	<b>Percentage (%)</b>	<b>Cumulative Percentage (%)</b>
<b>Strong Agree</b>	<b>205</b>	<b>58</b>	<b>58</b>
<b>Agree</b>	<b>65</b>	<b>18</b>	<b>76</b>
<b>Undecided</b>	<b>0</b>	<b>0</b>	
<b>Disagree</b>	<b>25</b>	<b>07</b>	<b>83</b>
<b>Strongly disagree</b>	<b>95</b>	<b>27</b>	<b>100</b>
<b>Total</b>	<b>350</b>		

Source: Fieldwork, 2023

Table fourteen (14) shows that (205) respondents representing 58% strongly agree that many customers do not possess ATM card, while (95) respondents representing 9% strongly disagree with the opinion.

**Table 15:** View of respondents if long queues at the ATM stand affect the small scale business transaction

<b>Opinion</b>	<b>No of frequency</b>	<b>Percentage (%)</b>	<b>Cumulative Percentage (%)</b>
<b>Strong Agree</b>	<b>205</b>	<b>58</b>	<b>58</b>
<b>Agree</b>	<b>65</b>	<b>18</b>	<b>76</b>
<b>Undecided</b>	<b>0</b>	<b>0</b>	
<b>Disagree</b>	<b>25</b>	<b>07</b>	<b>83</b>
<b>Strongly disagree</b>	<b>95</b>	<b>27</b>	<b>100</b>
<b>Total</b>	<b>350</b>		

Source: Fieldwork, 2023

Table fourteen (15) shows that (205) respondents representing 58% strongly agree that long queue at the ATM stand affect the small-scale business transaction, while (95) respondents representing 9% strongly disagree with the opinion.

**Table 16:** View of respondents if limited withdrawer increases the POS queue

<b>Opinion</b>	<b>No of frequency</b>	<b>Percentage (%)</b>	<b>Cumulative Percentage (%)</b>
<b>Strong Agree</b>	<b>205</b>	<b>58</b>	<b>58</b>
<b>Agree</b>	<b>65</b>	<b>18</b>	<b>76</b>
<b>Undecided</b>	<b>0</b>	<b>0</b>	
<b>Disagree</b>	<b>25</b>	<b>07</b>	<b>83</b>
<b>Strongly disagree</b>	<b>95</b>	<b>27</b>	<b>100</b>
<b>Total</b>	<b>350</b>		

Source: Fieldwork, 2023

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Table sixteen (16) shows that (205) respondents representing 58% strongly agree that limited withdrawer increases the POS queue, while (95) respondents representing 9% strongly disagree with the opinion.

## Conclusion

The study examined the impact of naira re-design on small and medium scale enterprise: A Study of Ebonyi State. In spite of the perceived benefits of the 2022 Naira redesign programme by the CBN, the programme has had devastating effects on Nigerians, especially rural dwellers and small and medium scale business owners, who found it very difficult to make transactions amid the cash crunch. The cash crunch was itself furthered by hierarchies of corrupt practices that became hopelessly entangled with the implementation of the programme: the new notes were mostly packed and given to a few privileged Nigerians at the expense of others. The lapses of the country's e-banking infrastructure also became apparent in the absence of sufficient cash circulation. All these are pointers, not only to the faultiness of the hazy implementation of the Naira redesign programme, but also to the need for renewed efforts in combating corruption in the Nigerian banking sector; and the need to upgrade the country's e-banking channels and other infrastructures necessary for the smooth running of a cashless economy. Finally, the programme and its attendant drive towards a cashless economy should be understood for what they are: policies that are ultimately premised on the efforts of the world largest economies to further incorporate the country's economy into the global economy as a means of facilitating the exploitation of Nigeria's economy through global imperial economic institutions such as the International Monetary Fund (IMF) and World Bank.

## Recommendations

The study presents the following significant recommendations.

1. CBN should ensure availability and accessibility of new currency note in order to promote the business of small and medium scale businesses in Nigeria.
2. Central Bank of Nigeria should remove the limit withdrawal per day to enable customers has access to their money as this will help to promote the business transactions in the country.
3. Commercial banks should ensure steady network as well as increase the number of ATM stand to reduce the long cue in the bank as it was experienced during the implementation of the programme.

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### **Decision rule**

If the calculated  $X^2$  is greater than the critical value, reject the null hypothesis and accept the alternative and if the calculated  $X^2$  is less than the critical value the alternative hypothesis will be rejected and the null hypothesis accepted. From the table above,  $X^2=1140$  while the chi-square ( $x^2$ ) critical value at 0.05 is 9.925. This means that, restriction of daily withdrawal has significant effects on profitability of small-scale business in Abakaliki metropolis.

### **Conclusion**

The study examined the impact of naira re-design on small and medium scale enterprise: A Study of Ebonyi State. In spite of the perceived benefits of the 2022 Naira redesign programme by the CBN, the programme has had devastating effects on Nigerians, especially rural dwellers and small and medium scale business owners, who found it very difficult to make transactions amid the cash crunch. The cash crunch was itself furthered by hierarchies of corrupt practices that became hopelessly entangled with the implementation of the programme: the new notes were mostly packed and given to a few privileged Nigerians at the expense of others. The lapses of the country's e-banking infrastructure also became apparent in the absence of sufficient cash circulation. All these are pointers, not only to the faultiness of

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