



Naira Redesign Policy of 2022 and its Implications on Household Poverty in Itu Local Government Area of Akwa Ibom State, Nigeria

by

Mfon E. Asuquo
Department of Sociology and
Anthropology
Faculty of Social Sciences
Akwa Ibom State University
Obio Akpa, Akwa Ibom State
mfonasuquo@aksu.edu.ng
+2347035490011

and

Eno N. Ekpo
Fenson E. Uko
Obonoh F. Frank
Department of Sociology and Anthropology
University of Uyo, Akwa Ibom State, Nigeria
enonnamdie76@gmail.com
fensonemmy@gmail.com
othnielobonoh@gmail.com

Abstract

The Naira redesign of the year 2022 in Nigeria was aimed at enabling the Central Bank of Nigeria (CBN) to take control of the Naira in circulation, manage inflation, combat counterfeiting, and ransom payment. However, the social and economic implications of this policy were far unexpected as it brought many manifest consequences. This study was undertaken to assess the implications of the Naira redesign policy of the year 2022 on household poverty in Itu Local Government Area of Akwa Ibom State. Three specific objectives and three research questions guided the study. Exploratory survey research design was utilized in the study. Simple random sampling involving fish bowl method with replacement was used in the selection of six political wards out of eleven wards for the study. One thousand one hundred and four respondents were selected for the study. Data were collected using structured questionnaire and in-depth interviews. The quantitative and qualitative data were analyzed using descriptive statistics and thematic analysis, respectively. Findings reported negative effect of the Naira redesign policy on household economy as well as social livelihood. It re-introduced trade by barter using Naira to buy Naira, long queues at the bank and the postponement as well as outright cancellation of social events. Based on these findings, the study recommended that future financial policies should consider the effect of micro-economy structure like the family and people in the rural areas before enacting and implementing such policies.

Key words: Naira redesign policy, Household poverty, Itu Local Government Area, Akwa Ibom State.

1. Introduction

Naira redesign is not a new policy in recent history of Nigeria. Over the past years, the Central Bank of Nigeria had brought some currency redesigning policies on the naira notes to suit different intentions on different occasions. For instance, in September 2009, the N5, N10 and N50 bank notes were converted to polymer substrate following a successful performance on the N20 bank note. Arguably, this previous redesign policy on the bank notes brought little or no opposition from a greater proportion of the masses even as many Nigerians appreciated the aesthetics and durability of the polymer notes. It was therefore greeted with a wide array of acceptance from the general public. In October 2022, the Central Bank of Nigeria, through its Governor, announced that new Naira notes would be introduced to replace the then N200, N500 and N1000 notes. The Governor of the CBN stated that the redesign would take effect from December 15, 2022 while the old notes in these categories would cease to be legal tender by January 31, 2023 (Tella, 2023). In November 2022, the then President of the Federal Republic of Nigeria, Muhammadu Buhari, unveiled the redesigned notes to the public at the Federal Executive Council meeting and urged Nigerians to deposit their old notes in exchange for the new ones before the January 31 deadline. According to the CBN, the reasons for the redesign of the notes were to curb counterfeiting as well as promote the cashless policy of the Federal Government. Again, the CBN categorically held that over 85% of the currency in circulation was kept away from the vaults of commercial banks and the new policy would discourage hoarding of the Naira notes. However, Ubani (2023) argued that the policy was largely politically motivated than being economically driven.

Many households and individuals across the country began to experience untold hardships as the deadline for the exchange and deposit of old notes approached. Long queues in commercial banks became a daily occurrence either for the deposit of old Naira notes or the collection of the new ones. In the process, struggles to enter the bank premises became common sights in towns and cities across the country. Onimisi (2023) posited that cash was in shortage even though the CBN had repeatedly held that there was enough cash with commercial banks for circulation. At the expiration of the deadline set by the CBN, the old notes were no longer acceptable for business transactions and neither were the new notes available. Sadly, many money agents and POS operators operated on very exorbitant fees at over 300% increase. Many persons could not afford to fund these transactions. ATM machines were empty and could not dispense money. The scarcity of money in circulation due to failure of supply by the CBN, who had earlier collected same money from owners on the disguise of exchange for new ones, resulted in entrenching household poverty in many communities. It was not only economic poverty but also psychological depression as the feeding routine of many families dwindled to an unimaginable level. Pedestrians who commuted with public transportation systems were unable to access cash for fares, hence resorted to trekking long distances to and from their destinations almost on daily basis.

There was tension, fear, uneasiness and uncertainty in many households across the country even as the cost of living became high. Households residing in rural areas, who could not operate on an internet banking system, went through several ordeals in

their bid to cope with the Naira crunch. Many markets in rural areas resorted to trade-by-barter in order to make exchanges for their needs. This new development made it almost very difficult for households to operate maximally by purchasing their daily needs, especially food items. Payment of school fees and purchase of medicine was very difficult as the effect of the cash crunch deepened. The atmosphere was generally dominated with uncertainty and anxiety as people feared the loss of their money and/or the collection of the new notes. The experiences for many households were unpalatable as the situation aggravated the already economic difficulty in the country at large. Although some scholars (Phillah, 2023; Wachukwu, 2023; Onimisi, 2023) have explained the consequences of the Naira redesign policy on the socio-economic health of Nigeria, the implications of the policy on rural dwellers in Nigeria have not seriously attracted scholarly attention. It is against this background therefore, that this study assesses the Naira redesign policy and its implication on household poverty in Itu Local Government Area of Akwa Ibom State.

Ideally, the naira redesign was principally aimed at curtailing the amount of counterfeit notes in circulation in addition to reducing the high rates of hoarding of notes. The CBN had also indicated its intention to drive the policy of cashless economy that earlier motivated the introduction of point of service (POS) machines. The redesign policy was also expected to have a positive multiplier effect on security by curbing kidnappers demand for ransom payment in cash. Other expected benefits were to preventing vote buying in the advent of the 2023 General Elections. However, observations of the policy performance seem to have brought untold hardship on families. As Tarurhor and Aruoren (2023) found out, the Naira redesign came with unprecedented pains and ordeals for many average Nigerians. As deadline for the exchange of old naira notes approached, the frustration of Nigerians kept mounting. Long queues and mammoth crowds in bank premises became common sight in towns and cities all over the country. Sadly, the bank officials kept lamenting that the new naira notes were in short supply from the CBN, therefore, advising their customers to subscribe to e-banking services, even when such services were not very common to some illiterate, elderly customers, and many rural population in the country. The lingering scarcity of Naira bills affected every aspect of the Nigeria economy, most especially small and medium scale enterprises.

The limited cash supply and availability for use by the transacting public for the purchase goods and services led to a reduction in patronage on consumption products. Household members who commute with public transport to offices and schools daily resorted to trekking long distances due to unavailability of cash for fares. In terms of transport fare, many taxi drivers in the cities had no POS machine and bus operators thought that the charges were too meager to necessitate an online transfer even as others concluded that it would be impossible to retrieve the money upon lodgment into their bank account. Many households that were struggling to stay afloat in the already difficult economy went through more serious ordeals under the Naira redesign policy. The policy exacerbated the already poverty levels in many families especially in the rural areas. In the absence of cash to use as medium of exchange, many rural markets operated on trade-by-barter while others could not hold at all. In the findings of Iwedi, Wachukwu and

Court (2023), many families could no longer afford the fundamental necessities of daily feeding, transportation and basic purchases. This situation created a general feeling of despair, dissatisfaction and low nationalistic spirit by the Nigerian people in general. However, Iwedi, *et. al* (2023) study was based on the urban cities with data obtained from urban dwellers. It did not include the problem that rural dwellers went through under the Naira redesign policy. This study seeks to fill this gap. The Nigerian president at the time, Muhammadu Buhari had reiterated that the policy became necessary to check corrupt politicians who hoarded Naira notes for selfish ends. However, the policy may have turned out to favour the politicians as the new Naira notes were supplied to them (Ejekwonyilo, 2023).

The main objective of this study was to assess the 2022 Naira redesign policy and its implications on household poverty in Itu Local Government Area of Akwa Ibom State. The specific objectives include: to examine the extent to which cash scarcity affected economic activities of household members in Itu LGA; to ascertain the extent to which the cash crunch affected social activities of household members in Itu LGA; to find out the coping strategies adopted by household members in Itu LGA to overcome Naira scarcity.

2. Materials and Methods

Research Design/Study Area

The study used exploratory survey research design. This is because Naira redesign is under-investigated and the effect has been poorly understood in rural communities. In Itu Local Government Area of Akwa Ibom State there is no research study on this subject. The exploratory research design was also justified as it gave the researcher the opportunity to gain more insight to find out the extent to which the rural people were affected by the policy. The research area for this study was Itu Local Government Area of Akwa Ibom State. It is located in the South-South geopolitical zone of Nigeria. It is bounded in the north and North-east by Odukpani in Cross River State and Arochukwu in Abia; in the west by Ibiono Ibom and Ikono Local Government Areas. It is also bounded in the south and South-east by Uyo and Uruan Local Government Areas respectively. The local government is divided into five (5) clans namely: Itam, Mbiabo, Ayadehe, Itu and Oku Iboku Clans. Itu people are predominantly farmers and have various trees like gmelina, raffia and palm tree. Additionally, few mineral resources are found in Itu Local Government Area and they include: crude oil, salt, limestone and rock. Fishing, in addition to farming, constitutes the economic mainstay of the people of Itu Local Government. This is because of its numerous fresh waterways and water bodies which provides rich habitat for fish and sea animals, including crab, periwinkle, grayfish, among others. Politically, Itu LGA is divided into eleven political wards. These include: Oku Iboku, Mbiase/Ayadehe, East Itam I, East Itam II, East Itam III, East Itam IV, East Itam V, West Itam I, West Itam II and West Itam III. These wards are made up of several villages.

Population of the Study/Sample

The population of the study comprised the total number of residents in the area which is 163, 200 as at March, 2023 (NPC, 2023). This population cuts across all the villages that make up the five (5) clans and eleven (11) political wards of the area. The formula developed by Yarmane (1967) for the determination of sample size on a known population was used to determine the sample size of the work. The formula is given as:

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

Where N - population size
 n - Sample size
 1 - Unity or constant factor
 e - Level of error or significance

In this study, the target population is 163, 200 and the level of tolerable error (error margin) is 3%. The level of significance (e) is:

$$\frac{3}{100} = 0.03$$

Using the formula, we will have;

$$\begin{aligned} n &= \frac{163,200}{1+163,200(0.03)^2} \\ n &= \frac{163,200}{1+163,200 (0.0009)} \\ n &= \frac{163,200}{1+146.88} \\ n &= \frac{163,200}{147.88} \\ n &= 1,103.5975 \\ &= 1,104 \end{aligned}$$

∴ The sample size was 1,104.

The sampling technique involved simple random sampling technique to select six political wards for the study using the fish bowl with replacement method. Since the population of each political ward is not known, it was not possible to use proportional sampling method to distribute the sample. The sample size of 1,104 was therefore divided equally among the 6 selected political wards. This therefore justifies the reason for the selection of six out of the eleven political wards in the area. The summary of the distribution is shown in Table 1.

Table 1: Sample size distribution among the six selected political wards in Itu LGA

Wards	Sample size	Percentage (%)
Oku Iboku	184	16.67
East Itam I	184	16.67
East Itam III	184	16.67
East Itam IV	184	16.67
West Itam I	184	16.67
West Itam III	184	16.67
Total	1, 104	100.00*

**Could not add up to 100% because of rounding up*

In order to identify respondents in the selected political wards, the Primary Health Care Centre (PHCC) household list in each of the political wards was relied upon. Each PHCC has a list of households in its ward which is used for immunization purpose; each house in the ward therefore has a number. The household list in the PHCC was used as a sample universe. Simple random sampling technique was used to select and identify the household using the following systematic random sampling fomula:

$$n = \frac{Xn}{Ss}$$

where n= Required sample

Xn= Total number of houses in the ward

Ss= Sample size for the ward

The PHCC had different number of registered household in each of the selected wards and the number of randomly selected household was derived thus:

$$N = \frac{\text{number of registered household}}{\text{sample size in the ward}}$$

The following was derived

Table 2: Data collection procedure across the six selected political wards in Itu LGA

Selected wards	Number of registered household in the ward	Sample size	Randomly selected household number
Oku Iboku	653	184	3.54
East Itam I	724	184	3.93
East Itam III	564	184	3.06
East Itam IV	688	184	3.73
West Itam I	745	184	4.04
West Itam III	789	184	4.28

Based on this, every 4th house in the PHCC list was selected in Oku Iboku, East Itam I, East Itam IV, West Itam I and West Itam III while every 3rd house was selected in East Itam III. This selection was done until the required 184 respondents were reached in each of the selected political wards. The village name and the house number on the PHCC list were used to identify the respondents and administer questionnaire on the household heads while an in-depth interview was conducted on the each of the village heads (Ete Idung) and village councilors, where respondents were drawn from. In all, 12 village heads and 6 councilors were interviewed.

Instruments of Data Collection

Data for the study were collected through the use of questionnaire and interview guide. The questionnaire was both structured and unstructured. The structured questions elicited responses that were measured on both nominal and 5-point likert scale, while the unstructured questions gave respondents opportunity to give unwritten answers. The questionnaire consisted of 5 sections, viz: Section A elicited responses on socio-demographic background of the respondents, Section B dealt with effect of Naira redesign policy on household livelihood, Section C elicited responses related to the Naira redesign policy and household economic activities and Section D dealt on the effect of Naira redesign policy on social activities of the household. The last section (E) elicited

responses on coping strategies of households due to effect of Naira redesign policy. All questions were administered on household heads, while each of the village heads (Ete Idung) where respondents are located were granted in-depth interview. The instruments adopted for the collection of data for analysis in this study were a structured questionnaire and an interview guide. The interview guide drew questions from the questionnaire but gave opportunities that enabled the interviewer to probe further into responses given by the interviewee.

Reliability of the Study

For the purpose of reliability, a test-retest of the instrument was done. The questionnaire was randomly administered to 50 household in West Itam II. The first test was done three weeks before the second test. After the two tests, the results were correlated using the Pearson Product Moment Correlation (PPMC) and it resulted in a coefficient of 0.72. This was considered high enough to indicate internal consistency and as such, the validity of the instrument was established. However, West Itam II did not participate in the main study.

Method of Data Analysis

Respondents' personal information was presented using the simple percentage while thematic analysis was deployed to analyzed data collected qualitatively. Responses from interview were transcribed and presented in themes according to the objectives of the study. These responses were grouped in similar and dissimilar categories for each of the questions. After which, data were analyzed thematically and used to back-up quantitative findings.

Ethical Considerations

The respondents were clearly briefed before their participation in the research. They were also told that they can decide not to participate at any time. Efforts were also made to ensure that participants got involved in the research freely without any form of guile, coercion or inducements. Again, it was ensured that data fabrication and falsification were completely eschewed during data gathering, data presentation and data analysis.

3. Results and Discussion

Table 3: Distribution of Respondents by Socio-Demographic Characteristics; (N=1,104)

Variables	Frequency	Percentage	\bar{X}	SD
Gender				
Male	578	52.36		
Female	526	47.64		
Age bracket				
18-27	107	9.69	43.62	9.11
28-37	189	17.12		
38-47	395	35.77		
48-57	304	27.54		
58+	109	9.88		

Highest educational qualification

FSLC	211	19.11
SSCE	557	50.45
ND/NCE	68	6.16
BSc/HND/Higher	268	24.28

LGA of origin

Itu	977	88.50
Ikot Ekpene	24	2.17
Uyo	13	1.18
Etinan	27	2.45
Abak	24	2.17
Ibiono	23	2.08
Non-Akwa Ibom	16	1.45

Religion

Christianity	1088	98.55
Islam	04	0.36
ATR	12	1.09

Occupation

Not employed	64	5.80
Student	132	11.96
Business	356	32.24
Farmer	367	33.24
Artisan	64	5.80
Civil/Public servant	121	10.96

Marital Status

Single	181	16.39
Married	702	63.59
Divorced/Separated	67	6.07
Widowed	154	13.95

How much was your estimated monthly income before the

Naira redesign	162	14.67	38,116	23,481
policy?	181	16.40		
(in Naira)	126	11.41		
1,000- 10,000	104	9.42		
10,001-20,000	157	14.22		
21,001-30,000	107	9.69		
30,001-40,000	133	12.05		
40,001-50,000	134	12.14		
50,001-60,000				
60,001-70,000				

Table 3 is a summary of the socio-demographic characteristics of respondents. It shows that 578 participants (52.36%) in the study were males while 526 participants (47.64%) were females. Although the study area is patrilineal and is headed by men, during the administration of questionnaire, many male household heads were not available to respond to the questionnaire. It was therefore the wives that attended to the research. The ages of the respondents were categorized into five groups. The mean age of respondents was 43.62 years with a standard deviation of 9.11 years. 107 of them (9.69%) were between ages 18 and 27, 189 persons (17.12%) were between the age of 28 and 37 while 395 participants (35.77%) were between the age bracket of 38 and 47. In addition, the study had 304 participants (27.54%) between the ages of 48 and 57 as well as 109 participants (9.88%) who were 58 years old and above. In terms of academic attainment, 211 participants (19.11%) possessed the First School Leaving Certificate as their highest educational qualification while 557 participants (50.45%) possessed the SSCE certificate; 68 participants (6.16%) had National Diploma (ND) and National Certificate on Education (NCE) while 268 participants (24.28%) held a BSc or its equivalent. The distribution indicated that apart from 88% of respondents that hail from Itu Local Government Area, others in the study are indigenes of Ikot Ekpene (2.17%), Uyo (1.18%), Etinan (2.45%), Abak (2.17%), Ibiono (2.08%) and non Akwa Ibom State residents (1.45%). Again over 95% of participants (1088) were adherents of Christianity while pockets of participants were Muslims (0.36%) and African Traditional Religion (1.09%).

In the aspect of occupation, 64 respondents (5.80%) were unemployed, 132 (11.96%) were still students and 356 participants (32.24%) were business people. Also, 367 (33.24%) were farmers, 64 (5.80%) were artisans and 121 participants (10.96%) work for the government as civil/public servants. As regards marital status, 181 participants (16.39%) were single, 702 participants (63.59%) were married, 67 participants (6.07%) were either divorced or separated 154 participants (13.95%) were widows/widowers. The monthly estimation of income of respondents was categorized into eight groups. Analysis indicates a mean income of N38,118 (Std. deviation = 23,481.00). About 162 participants (14.67%) earned between N1,000 and N10,000 monthly, 181 participants (16.40%) earned an estimated monthly wage of between N10,100 and N20,000 while 126 participants (11.41%) earned between N21,100 and N30,000. In addition, 104 participants (9.42%) earned between N30,100 and N40,000, 157 participants (14.22%) earned between N40,100 and N50,000 and 107 participants (9.69%) earned between N50,100 and N60,000. Data also showed that 133 participants (12.05%) earned between N60,100 and N70,000 while 134 participants (12.14%) earned an estimated monthly wage of N70,100 and above. Although the mean income was above the National Minimum Wage of N30,000.00, the standard deviation of N23,481.00 suggests that many respondents lived below the minimum wage in the study area.

4.1 *Effects of Cash Scarcity on Household Livelihood*

As part of the study, respondents were asked to rate the extent to which the currencies redesign policy affected the livelihood of the family generally. The effect was operationalized to include the ease with which they got money to meet the basic needs of the children, travelling during the period and the constraints that faced them. The summary of respondents' ratings using a 5-point Likert scale is presented in Table 4.

Table 4: Respondents' rating of effects of cash scarcity on household livelihood

S/N	Statements	Ratings						
		SD	D	UD	A	SA	\bar{X}	SD
a.	Getting money was very difficult for me	08	18	09	575	494	4.42	1.36
b.	I could pay for my children's needs	427	482	38	97	60	2.02	1.20
c.	It was difficult to buy things in the markets	58	169	19	492	366	3.85	1.19
d.	I could travel easily during the period	537	345	27	91	104	1.98	1.30
e.	I went out daily to the bank to find cash	289	271	18	299	227	2.11	1.54
f.	The ATM in my LGA was not functioning	09	81	04	332	678	4.44	0.89
g.	My family and I used to buy money from PoS/Transfers	10	14	06	407	667	4.55	0.67

Source: Computed from field data using SPSS version 28

As shown in Table 4, accessing money was indeed difficult. It received a high mean rating of 4.42, suggesting that money was only available to very few households. Although opinion differs as indicated by the wide standard deviation of 1.36, the fact that money was indeed scarce is confirmed by the observation that only few families were able to meet the needs of their children (Mean= 2.02; Std deviation=1.20). Due to the unavailability of money in many households, family members had curtailed travelling (Mean= 1.98; Std. deviation=1.30). Lack of availability of money also affected selling and buying transactions in the market. The difficulties associated with transaction in the market was rated very high (Mean= 3.85; Std dev. = 19). It was futile going to the bank to look for cash (mean=2.91; std. dev.= 1.54). This may have been attributed to long queues and the findings that the automated teller machines (ATMs) were no longer dispensing cash (mean=4.44; std. dev.= 0.89). In order to get money to meet household needs, people resorted to buying money from point of service (PoS) operators. It was common to use Naira to buy Naira and in the process, Nigerians went through economic exploitation that further exacerbated their poverty. The buying of money from PoS agents received a high mean score of 4.55 with a standard deviation of 0.67, which suggested convergence of opinion among the respondents that participated in this study. Interaction during the

interview session with participants yielded responses that supported the quantitative findings. The summary is presented below:

How was your feeding routine during the time of the cash crunch?

“It really reduced; sometimes, we ate once and a few times, we had nothing to eat all day. The Naira cash crunch brought hardship and increased the poverty of many people including ours”

(33 years; female civil servant)

Another participant contributes thus:

“My family had to settle for the most basic meals and many times, we had only a single meal most days. We had to adjust because money was completely out of circulation; moreover, the prices of goods had largely inflated” **(29 years old; married; male)**

Another participant shares thus:

“It was a very trying time. We hardly ate; it really impoverished our household. We couldn’t even see garri to sip; prices of things had badly increased and cash was out of the system. We were thinking of survival but it was difficult”
(48 years old; business man; male)

Findings from in-depth interviews tend to support the ones derived from the questionnaire. For instance, when respondents were asked if it was possible for them to access cash during the Naira redesign period, the responses were a resounding “no.” At West Itam III, a community leader and village head argued thus:

For where? Nothing like that O. I couldn’t access the new notes;
They were not even available and the old ones were not accepted by customers either. The few cash I was able to get was gotten bought from POS agents at very high rates. I had those old ones but I could not use them to purchase anything
(Male, Eteidung, 53 years old)

Another participant added thus:

The money (new notes) was not available; I think I saw it only once or so.
Most of my transactions were through the POS but it was difficult to purchase items with meager sums. Nobody was accepting the old notes anymore at some point, so it became useless. I think I overpaid
For many goods just to get rid of them
(Oku Iboku, Male, Eteidung, 55 years)

In the absence of the new notes, the banks had started giving out the low denomination notes, like N10, N50 and N100 that were not outlawed by the redesign policy. But the notes were not only stuffy but dirty and most of them mutilated. They had previously been returned to the bank to be burnt. Respondents were unanimous in their observations:

In the absence of the new notes, I relied on a friend who worked
in the bank to get old fifty and hundred Naira notes.
We had to manage them but it was not enough.
(Male, 43 years, East Itam I)

The new notes were not available even at banks. The few that were in

circulation were sold by money agents at very high prices; many of us could not afford it. As for the old notes, I had none at all but I could not also have access to the new ones
(46 years old; female councilor, East Itam I)

4.2 Effects of Naira Redesign on Household Economic Activities

As part of the study, respondents were asked to indicate the effect of the Naira redesign policy on their daily economic activities during the cash crunch. In this study, household economic activities were operationalized to include trading business, farming, fishing, private school operation, and small scale businesses like barbing salon, tailoring, football viewing centre, restaurant and beer parlour operation as well as daily income businesses like motorcycling, tricycling (keke Napep) and taxi driving business. Respondents were asked to indicate how lack of availability of cash affected these businesses due to Naira redesign policy. The summary of their responses is shown in Table 5.

Table 5: Respondents' experiences with economic activities during the Naira redesign policy in Itu LGA, Akwa Ibom State, N=1104 (%)

S/N	Experience on economic activity	Responses
1	Could not continue with Farming	546 (49.46)
2	Could not continue with School activities	356 (32.25)
3	Could not continue with Fishing activities	24 (2.17)
4	Could not continue with barbing salon activities	139 (12.59)
5	Could not continue with Viewing Centre Business	242 (21.92)
6	Could not continue with Transportation business	653 (59.15)

Source: Computed from field data using SPSS version 28

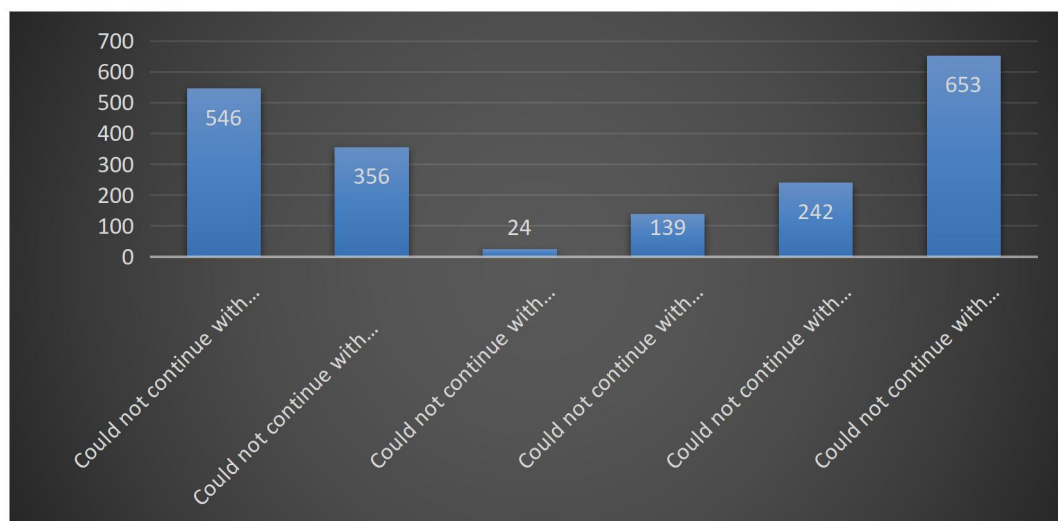


Fig. 1: Bar Chart showing the effect of Naira Redesign Policy on economic activities of households in Itu LGA

The effect on transportation business was felt by about 59.15% of the respondents. This was followed by farming activities (49.46%). It is possible that in the absence of money to buy food items for the household, many farmers could not sell their farm produces. In many instances too, farming was abandoned by farmers to look for other sources of livelihood that can generate money to buy other household needs. About 32% of the respondents reported inability to continue with other school businesses, while those who operated viewing centre businesses and barbing salons were unable to continue smoothly with them. The adverse impact of the Naira redesign policy on fishing (2.17%) appears minimal, but this is due to the fact that fishing is not a major occupation of the people in the study. However, even if it were, the consumables used by fishermen were not seriously affected by the cash crunch. The canoe requires no petrol and in many instances, repairing of the fishing nets was within the reach of the fishermen. Table 5 is further illustrated with a bar chart (fig. 1) to demonstrate that transportation and farming businesses were the household economic activities that were principally affected during the cash crunch attributed to the Naira redesign policy. The effect of fishing activities was quite minimal when compared to operations of viewing centres and barbing salons.

Interactions during the interview session with community leaders yielded responses that supported the quantitative findings. For instance, one respondent from East Itam explained the following about the Naira redesign policy:

“Yes, it did; greatly. My barbing salon business was not moving again as it used to move. As the breadwinner I found it very difficult to feed my family because of unavailability of cash to buy food stuffs”

(53 years old; male; business man)

Another participant added thus:

“Honestly, it was very difficult for us (my family) at the time.

My family went through a lot because I could find enough money from my keke to take care of them as I should. Patronage on my business was so low and we had to change our feeding pattern”

(42 years old; business man)

Another participant contributed thus:

“I view football matches (Premier League and Champions League)

But it really affected my family because people were no longer coming To watch match. We charge N150 for each match but people were not coming Again because they said they don’t have cash to pay. Patronage was very low. My family suffered hunger, food shortage and I myself went through several psychological problems; I was so unstable at the time”

(46 years old; business woman)

4.3 Effects of Naira Redesign on Social Activities of Household in Itu LGA, Akwa Ibom State

In order to assess the effect of the Naira redesign policy on household social activities, respondents were asked to rate the effect on a 5-point Likert scale.

The summary in table 6 indicated weekly church attendant was adversely affected. Given a mean score of 4.55 and a consensus standard deviation that was less than one, the result suggests poorly church attendants that may not be unconnected with lack of money to give offerings, pay tithe and sow seeds in the church. This was followed by lack of money to pay school fees and drop children at schools daily with the usual provisions and meal.

Table 6: Respondents' ratings of effect of availability of cash due to Naira redesign policy on social activities among households in Itu LGA, Akwa Ibom State, Nigeria

S/N	Descriptions				Rating		\bar{x}	Std. D
		SA	A	UD	D	SD		
1	Cancellation of marriage ceremonies	501	338	84	92	89	3.97	1.26
2	Child dedications could not hold	501	543	107	47	172	3.56	1.30
3	Cancellation of Birthday ceremonies	352	412	78	97	164	3.63	1.39
4	Hardly give offering in church	665	409	10	12	8	4.55	0.65
5	Have money to pay school fees	514	552	7	4	27	4.38	0.75

Source: Computed from field data using SPSS version 28

The mean score was above average (4.38) with a standard deviation of 0.75, which suggests a very close convergence opinion among respondents. Marriage ceremonies were adversely affected (Mean=3.97; Std. =1.26). Other social activities that suffered cancellation were birthday parties (Mean=3.63; Std. =1.39). Many parents had to cancel child dedication (Mean= 3.56; Std. =1.30). Such cancellation may not have been unconnected with lack of money to fund entertainment and provision of clothing that such ceremonies often require. Respondents who volunteered information during interview session narrated their experiences during the period thus:

“I remember that period was by child dedication.

I had planned it very well then but sadly it was a big disappointment.

I could not have access to cash to purchase the things

I needed and the old notes in my possession were no longer acceptable

by traders. I had to settle for a very small outing with close friends and family”

(41 years old; married; male)

Another participant adds thus:

“I had to postpone by wedding; I did not want any disappointments.

Everybody was so helpless and my wedding planners had to advice

me to shift it until further notice. We moved it from February, 2023 and

we did it in July when cash was then available; I really felt bad.”

(31 years old; married; female)

A participant shares thus:

“My birthday was during the heat of that period and normally, I always

Celebrate it openly with my friends. This time, there was no cash to run it

So I abandoned the whole idea entirely. It was the first birthday I did not do” (24 years old; single student; female)

4.4 Household Coping Strategies to curb the effect of Naira Redesign Policy

In order to assess the strategies adopted by respondents to curb the effects of Naira redesign policy on their household, strategies were defined to include trade by barter, buying Naira with Naira, depending on farm crops, cutting of unnecessary expenses, postponing travelling and soliciting help from those who have. The summary of respondents rating on these strategies is shown in table 4.1.5.

Table 7: Respondents’ rating of coping strategies used during the Naira redesign policy by households in Itu LGA, Akwa Ibom State, Nigeria

S/N	Descriptions					Rating		
		SA	A	UD	D	SD	\bar{x}	Std. D
1	I adopted trade by barter	371	269	189	142	133	3.55	1.38
2	I had to buy money	783	221	9	54	37	4.50	.98
3	I depended on my farm crops	293	351	124	245	91	3.46	1.31
4	I cut off all unnecessary expenses	554	498	31	12	9	4.43	.66
5	I postponed travelling	456	532	19	18	79	4.15	1.06
6	I had to beg from those who have	567	491	15	19	12	4.43	.71

Source: Computed from field data using SPSS version 28

In terms of ranking, “using Naira to buy Naira” was the highest strategy (Mean=4.50), with a standard deviation of 0.98. The finding suggests that the need for money to spend was high and Point of Service (PoS) operators who had money charged very high interests to part with it. Both the “cutting of all unnecessary expenses” and “begging from those who have” received similar ranking (4.43 respectively), though with different standard deviation. The finding suggests that those who cut off unnecessary expenses were more than those who resorted to begging. The postponement of travelling was rated high among respondents as means of curbing the difficulties that were created by the Naira redesign policy (Mean=4.15, Std. = 1.06). Trade by barter was also an option that many households adopted (Mean=3.55; Std. = 1.38) as well as depend on only farm produce (Mean=3.46; Std. = 1.31). Oral evidences on the coping strategies adopted by people during the cash crunch include the following:

a. How did you cope during the Naira redesign policy?

A participant aged 24 has this to say:

“We went through a lot of stress. A lot of people did not even understand what was happening. I had to even beg to survive. We were so troubled”
(Male; Married; Farmer).

Another participant shares thus:

“I had never experienced this before; there was no money on ground and

even the old notes in my possession were rejected in the market.

It was a hopeless situation”

(Female, Public servant; 38 years)

Another participant shares thus:

“It was too difficult a time for us. The policy was too unnecessary

In the first place; I believe it was entirely political

and was influenced by the 2023 General Elections. There was nothing economic about it”

(47 years old; male, civil servant)

A businessman shares thus:

“I was so depressed and down; I could not even cope with the way

things were going. I didn’t like it; it made a lot of innocent people

to suffer without cause. That policy would had waited, people suffered unjustly for nothing. Bad policy, bad government”

(36 years old, male, business man)

b. How did you cope with the purchase of food stuff and other household needs?

A 30 year old man has this to say:

“It wasn’t easy at all. I and my household really

struggled through the period. We could not buy much of what we needed because we did not have access to cash”

(Public servant, 30 years old, male)

Another participant shares thus:

“During the period, we actually had to reduce what we ate because there was no money. We bought money at very high rates; we barely

fed once a day because things became very tough”

(46 years old, female business person)

A female student shares thus:

“In our area, the prices of food stuff and other items were different depending on your mode of payment.

Items for those who had cash to pay were cheaper than

those who wanted to use a POS or do a transfer. Old notes were totally unacceptable.”

(26 years old, female student)

The aim of this study was to assess the implications of the 2022 Naira redesign policy on household poverty in Itu Local Government Area of Akwa Ibom State. The focus was on household livelihood, economic activities, social activities and adopted coping strategies. The study found that the Naira redesign policy of 2022 exerted negative impact in all areas of assessment- family livelihood, economic activities and social activities, and by so doing, orchestrated poverty and sufferings among household members in the study area. Economically, household heads and breadwinners who were engaged in small scale businesses suffered low patronage and poor daily income. Since it

was difficult for people to travel, those whose daily income depended on motorcycle businesses (okada) hardly saw passengers to patronize them. Others like salons, public transport riders (keke and mini-buses), football viewing centres, palm wine and beer parlours as well as local restaurants suffered low patronage due to low cash flow and this affected the output and productivity of their businesses. This finding is in line with that of Tarurhor and Aruoren (2023) who found that many families and small scale businesses suffered high economic losses during the period of the cash crunch.

It was not only difficult to find money to spend but also finding money to open a new business and execution of business plans. It was a period of frustration and hardship for many households in the study area. With long queues in the bank and the inability of ATMs to dispense money, many families found it quite difficult to cope with the instrumental demands of daily living, most importantly, the purchase of food stuffs and groceries. As a coping strategy, many residents had to reduce their meal routine to once daily in order to survive the period of the crunch. Also, many families in the study area largely depended on trade by barter while others had to completely postpone every form of expenses in order to survive the period. This aligns with the findings of Owioye (2023) who found that the Naira redesign which resulted in the cash crunch deepened the gulf of poverty among many Nigerian families in both rural settlements and urban areas; as families had to design survival strategies including depending solely on their farm products. In addition, the policy incapacitated the abilities of family heads and breadwinners to efficiently implement their responsibilities as the cash crunch got even harder. For those who could not return the old notes to the bank, it was a huge frustration as no one could accept them in exchange for goods or services. Many breadwinners suffered psychological traumas like depression and frustration. This was because of family pressure and the difficulties to cope with the situation. This finding is in tandem with that of Ahmed (2023) who also found that the Naira redesign policy largely affected the abilities of heads of families to properly dispense their duty of providing for their families.

Again, it was found that the policy also truncated the social activities of many dwellers in the study area. Persons who intended to do wedding ceremonies, birthday parties and child dedication ceremonies had to either suspend/defer the event or settle for a very subdued celebration which was against their initial intentions due to the unavailability of cash to foot the bill of expenditure. This is also aligns with the finding of Edeh (2022) who concluded that the cash crunch as occasioned by the Naira redesign policy unsettled the social activities of many Nigerians. Also, the policy affected people's attendance in church because they could not afford to pay their way to their church location and also give offertory collections, tithes and sow seeds of faith which is usually done in monetary terms in some Christian churches.

Finally, study showed that the daily and normal routine of residents could no longer be the same due to the unavailability of cash in circulation. Cost of living became unbearably high and many persons could no longer transport themselves to their destinations so they had to resort to fate and prayers as a way of renewing their hope for survival.

The summary in table 6 indicated weekly church attendant was adversely affected. Given a mean score of 4.55 and a consensus standard deviation that was less than one, the result suggests poorly church attendants that may not be unconnected with lack of money to give offerings, pay tithe and sow seeds in the church. This was followed by lack of money to pay school fees and drop children at schools daily with the usual provisions and meal. This study was undertaken to assess the implications of the year 2022 Naira redesign policy on household poverty in Itu Local Government Area of Akwa Ibom State. The study found that there is indeed a relationship between Naira redesign and household poverty. Findings show that the Naira redesign negatively affected small scale businesses and micro economy in Itu Local Government Area of Akwa Ibom State. Many small scale businesses like salons, public transport riders (keke and mini-buses), football viewing centres, palm wine and beer parlours as well as local restaurants suffered low patronage due to low cash flow and this affected the output and productivity of many businesses. In addition, findings showed that the Naira redesign policy hampered the social activities of many people in the area of study. Persons who intended to do wedding ceremonies, birthday parties and child dedication ceremonies had to either suspend or defer the event. For those who staged these events, they had to settle for a very subdued celebration which was against their initial intentions due to the unavailability of cash to foot the bill. Also, the policy affected people's attendance in churches because they could not afford to pay their way to their church location and also give offertory. Again, participants in the study largely rejected the policy and found it to have strongly benefited the interests of the bourgeoisie without considering the yearnings and interests of the poor masses. Also, the ability to purchase food stuffs and other household needs was limited and many families in the study area had to reduce their feeding routine as well as engage in trade by barter in order to cope with the situation.

In conclusion, the study has clearly brought to bear, the socio-economic implications of Naira redesign on household poverty in Itu Local Government Area, of Akwa Ibom State. The study has shown that residents in the area underwent a great deal of hardships and sufferings during the period of cash crunch sparked off by the Naira redesign policy. Many breadwinners became emotionally despaired because of their inability to meet up with their responsibilities of providing food for their families. Many families hardly fed properly while others could no longer comfortably afford the high prices of food stuffs and household groceries. Many Nigerians as shown in the study area expressed their dissatisfaction for the policy possibly due to the timing of its formation and implementation. It was however concluded that the policy did not have any economic as well as social benefits as it was intended to be believed. Due to this reason, interests of the poor masses were not given any consideration and this therefore aggravated the economic woes of many families in the study area.

Based to the findings of this study, the following recommendations are suggested:

- (a) Top-Bottom policies which do not take into consideration the opinions, peculiarities and circumstances of the people for which a programme or development project is meant for should be de-emphasized by the Central Bank

of Nigeria (CBN) as Naira remains the medium of exchange for both the rich and the poor in Nigeria.

- (b) Future Naira redesign policy should undergo slow or phase-by-phase implementation for this will combat the challenges experienced during the rapid implementation of the policy.
- (c) The Central Bank of Nigeria (CBN) should constitute a framework for the establishment of community banking system where banking services would be brought nearer to the people of the grassroots.
- (d) The people of Itu Local Government Area and rural dwellers in general should endeavour to diversify their income streams through local farming and livestock production for this can help alleviate financial stress during the period of a cash crunch. This strategy can sustain a steady supply of food for one's family and provide the opportunity for battering with neighbours while reducing over-reliance on cash.

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