Analysis of the impact of naira redesign policy on micro scale enterprises in three selected Northwest States, Nigeria: A Wilcoxon Signed-Rank Test Approach

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Abstract

This study examined the impact of Naira redesign policy on micro scale enterprises in three selected north-west states, Nigeria, as well as the major problems linked with implementation of the policy. Primary data were collected through structured questionnaires and interviews. A multi-stage sampling approach was used to select 990 owners of micro scale enterprises from 18 local government areas across Kaduna, Kano, and Katsina states. Descriptive statistics, along with Shapiro-Wilk and Kolmogorov-Smirnov tests for normality, Wilcoxon signed-rank test, and Cohen's guideline were employed to analyze the data. The socio-economic characteristics revealed that the majority of respondents were male (81%), married (69.80%) and had some level of education. However, a significant portion (86.26%) did not belong to any relevant business association, and 62.93% had no access to credit, with the few who did relying mostly on informal sources. Most were engaged in businesses related to the buying and selling of foodstuff, snacks and drinks. The results indicated that micro-enterprise owners experienced declines in sales, employment, income and consumption expenditure by -28.27%, -35.13%, -33.85%, and -30.23%, respectively, due to the policy. Major problems included the shortage of new Naira notes, poor financial internet services and rise in cost of doing business. The null hypothesis (H_0) was rejected, concluding that the introduction and implementation of the Naira redesign policy significantly impacted the activities and wellbeing of micro-enterprises in the study area. The study recommends comprehensive orientation of citizens about potential policies prior to implementation, the provision of efficient and reliable financial internet services, imposing severe penalties on those who misuse policies for personal gain and extending the period for swapping old and new Naira notes.

Keywords: Consumption expenditure, Employment, Naira redesign policy, Micro enterprises

1. Introduction

In Nigeria, the private sector encompasses a diverse array of businesses, varying in size, industry, ownership, workforce, and technology utilization. When crafting national policies aimed at promoting private sector expansion, it's crucial to customize these policies to meet the distinct needs of each type of enterprise. Non-farm micro, small, and medium enterprises (MSMEs) hold significant importance in Nigeria's economy, particularly in job creation, accounting for over a quarter of total employment. Moreover, they contribute substantially to the country's Gross Domestic Product (GDP), making up

approximately 20% of it. Conversely, although large enterprises are fewer in number, they wield a disproportionately substantial impact on GDP due to their capital-intensive nature and focus on export-oriented activities relative to MSMEs **(National Policy on MSMEs, 2020).**

As per the World Bank's (2021) findings, micro, small, and medium enterprises (MSMEs) globally typically constitute about 40% of a nation's GDP, employ over 50% of the workforce, make up 90% of all businesses, and contend with an annual financing gap of $5.2 trillion. Similarly, a report from the Bank of Industry in 2021

revealed that Nigeria boasts around 41 million MSMEs. These enterprises play a vital role in Nigeria's economy, contributing 48% to the national GDP, representing 96% of all businesses, constituting 90% of establishments in the manufacturing and industrial sectors, employing 84% of the workforce, and accounting for 7% of the country's total exports. Government policies developed over the years have addressed various sectors of the economy, with significant implications for the advancement of micro, small, and medium enterprises (MSMEs). When crafting new policies specifically aimed at MSMEs, it is crucial to take into account the ramifications of these existing policies (National Policy on MSMEs, 2020).

Nigeria faces significant challenges in human capital development, ranking 150 out of 157 countries in the 2020 Human Capital Index by the World Bank. These challenges include reducing reliance on oil exports, diversifying sources of foreign exchange, addressing infrastructure deficits, strengthening institutions, improving governance, and enhancing public financial management systems. High levels of inequality, both in income distribution and access to opportunities, hinder poverty alleviation efforts. Limited employment opportunities contribute to elevated poverty rates, regional disparities, and social unrest. Additionally, inflationary pressures from 2020 to 2022 have further exacerbated poverty levels (World Bank, 2023). According to the Nigeria Multidimensional Poverty Index (2022), approximately 46.4% of Nigeria's population is experiencing multidimensional poverty. Moreover, an additional 19.2% of the population, equivalent to 37.6 million individuals, are considered at risk of multidimensional poverty. Recent data from the National Bureau of Statistics' household survey for 2018-19 indicates that a significant portion of Nigeria's population, approximately 40%, or 82.9 million people, live at or below the poverty threshold.

According to the National Poverty Reduction with Growth Strategy (NPRGS) (2021), the national poverty line has been established at N137,430.00. Individuals living in households where the annual consumption expenditures per capita are below this threshold are considered poor by national standards. Analysis of the data reveals that 72 percent of those in extreme poverty are located in the North East, North West, and North Central regions, while the remaining 28 percent reside in the Southern regions. In the North East, poverty is predominantly influenced by violent conflicts linked to Boko-Haram insurgent activities. Conversely, in the North West and North Central regions, poverty is attributed to various factors such as criminal violence, banditry, conflicts between farmers and herders, and communal violence.

In 2021, Nigeria, the largest emerging economy in Sub-Saharan Africa, saw a significant rise in its GDP growth rate, reaching 3.4% compared to 1.92% in 2020 (Olurounbi, 2022). This growth can be largely attributed to the pivotal role played by micro, small, and medium enterprises (MSMEs). These enterprises comprised 96.90% of all businesses, contributed 46.31% to GDP, and employed 87.90% of the total workforce in 2020 (National Bureau of Statistics, 2021). The importance of MSMEs in driving economic growth is widely recognized, as they enhance industrial output and contribute to the overall well-being of the population. Micro-businesses, in particular, play a significant role in employment generation and private sector output in virtually every economy (Atinuke and Abayomi, 2019).

According to statistics, over 80% of the currency in circulation is located outside commercial banks' reserves. A robust Central Bank is characterized by the credibility of its local currency, the

efficiency of its distribution, and its effectiveness in implementing monetary policies. We believe that by redesigning the N200, N500, and N1000 banknotes, we can reduce the costs associated with cash management, decrease the overall volume of physical currency, deter counterfeiting, and promote the adoption of digital and electronic transactions. Emefiele emphasized that the CBN remains committed to policies aimed at prioritizing the welfare of the people and positively impacting various sectors of the economy (Onyesi, 2022).

In the light of the aforementioned paragraphs, this paper attempts to examine the impact of Naira redesign policy on micro scale enterprises in some selected north-west states, Nigeria. Specifically, the study describes the socio-economic characteristics of owners of micro scale enterprises, as well as the major problems linked with implementation of the policy in the study area.

2. Literature Review
Conceptual Review
Nano, Micro, Small and Medium Enterprises

Internationally, there is no standard definition for terms like nano, micro, and medium-scale enterprises. These definitions differ from one country to another and are relative to the size of the enterprise being considered (Organization for Economic Cooperation and Development, 2017). However, the classification of a business as nano, micro, small, or medium typically depends on factors like the number of employees, assets, sales, and the amount of loans associated with the enterprise (World Bank, 2019). According to the United Nations Department of Economic and Social Affairs (UNDESA, 2019), Micro, Small, and Medium Enterprises (MSMEs) are defined based on the number of employees as follows: micro enterprises typically have 1 to 9 employees, small enterprises range

from 10 to 49 employees, and medium-sized enterprises have 50 to 249 employees. However, it's worth noting that the specific definitions of MSMEs can vary from one country to another, taking into account factors such as turnover and assets, in addition to the number of employees. MSMEs play a crucial role in any economy as they are the primary creators of new jobs in many nations, driving innovation and sustainability within the private sector. In emerging markets, there are approximately 365-445 million MSMEs, with around 25-30 million classified as formal SMEs, 55-70 million as formal micro-enterprises, and 285-345 million as informal enterprises.

When formulating national policies, businesses can be classified based on various factors such as size, sector, organizational structure, number of employees, technology use, and geographical location. These factors are interrelated in complex ways, and grasping their connections is crucial for understanding the characteristics, performance, challenges, and barriers encountered by enterprises. Size is frequently the most practical criterion for classification from a policy and planning perspective (SMEDAN, 2015). *These enterprises are defined within the context of Nigeria as follows:*

Nano-enterprises

Nano-enterprises, also known as nano-businesses, are typically operated by a single individual without any documented history of employing staff. They fall under the Micro category, which includes enterprises with just one employee (often with family members serving as informal workers) and generating revenue of less than N1 million (Federal Ministry of Industry, Trade and Investment, 2020). Nano-businesses encompass a wide array of solo entrepreneurs and home-based ventures, such as makeup artists, event planners, battery chargers, independent delivery riders, vendors, call centre agents, fashion designers, vulcanizers, dry

cleaners, corner shop proprietors, individual retail merchants, repair technicians, painters, business centre operators, and market traders, among others. Despite their significant contribution to the economy, nano-businesses are often overlooked. However, they are unlikely to meet the criteria established by the Small and Medium Enterprises Development Agency (SMEDAN) for micro-businesses, which constitutes the lowest classification category (Olubiyi, 2021).

Micro-enterprises

Micro enterprises in Nigeria are typically defined as businesses that employ between 3 to 9 individuals and have an annual turnover ranging from N3 million to less than N25 million. They represent the most prevalent type of enterprise in the country, comprising a significant majority with a total of 38,413,420 out of 39,654,385 MSMEs as of 2020 (National Bureau of Statistics, 2021; Small and Medium Enterprise Development Agency, 2021). According to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2015), micro enterprises are characterized by total assets (excluding land and buildings) that do not exceed five million Naira, and they typically employ no more than ten workers. These businesses are often managed by a single proprietor with assistance primarily from unpaid family members, occasional paid employees, and apprentices. Micro enterprises generally operate with limited technological and skill resources and produce low levels of output. They are commonly found in sectors such as wholesale and retail trade, household goods, vehicle repair, agriculture, accommodation, transportation, storage, arts, entertainment, and recreation.

Small enterprises

Small enterprises in Nigeria are typically defined as businesses that have a workforce ranging from 10 to 49 employees and achieve a turnover that exceeds N25 million but falls below N100 million. This definition is supported by sources such as the National Bureau of Statistics (2021) and the Small and Medium Enterprise Development Agency (2021). According to SMEDAN (2015), small enterprises are further characterized as businesses whose total assets, excluding land and buildings, range from above five million Naira but do not exceed fifty million Naira. Additionally, these enterprises employ a workforce of more than ten but do not exceed forty-nine employees. Small enterprises are often organized and represented by professional and trade associations.

Medium enterprises

Medium enterprises in Nigeria are typically described as businesses with a workforce ranging from 50 to 199 employees and generate a turnover exceeding N100 million but less than N1 billion. This definition aligns with sources such as the National Bureau of Statistics (2021) and the Small and Medium Enterprise Development Agency (2021). According to SMEDAN (2015), medium enterprises are further characterized by total assets, excluding land and buildings, ranging from above fifty million Naira to not exceeding five hundred million Naira. Additionally, they employ a total workforce ranging from 50 to 199 employees. These enterprises are often concentrated in specific sectors such as manufacturing, transportation, information and communication technology, agro & agro-allied, and oil & gas. They typically demonstrate a relatively high level of organization and connectivity within their respective industries.

The contribution of these enterprises to employment generation, income distribution, and the overall economic growth of Nigeria is indisputable and compelling (National Bureau of Statistics, 2021). The updated classification of MSMEs in Nigeria, as outlined in the revised National Micro, Small, and Medium-Scale Enterprise Policy (2021-2025), an enterprise is classified as nano if

it employs 1 or 2 workers and has an annual turnover of less than 3 million Naira. A micro-enterprise is characterized by employing 3 to 9 workers and having an annual turnover ranging from 3 to less than 25 million Naira. Conversely, a small enterprise encompasses businesses with 10 to 49 employees and an annual turnover between 25 to less than 100 million Naira, while a medium-sized enterprise includes those with 50 to 199 employees and an annual turnover ranging from 100 to less than 1,000 million Naira.

Empirical Review

Anthony, Kashim, Emmanuel, and Ibrahim (2020) conducted a study to investigate the influence of government policy and insecurity factors on the productivity of small and medium enterprises (SMEs) in Nigeria. Utilizing multinomial logistic regression, the researchers discovered that the prevalence of multiple taxation by the government resulted in escalated costs for SMEs, as evidenced by the variable "Hikes in product price" with a statistical significance of $X2 = 6.163$ and $p<0.05$. This escalation in costs had a significantly adverse effect on the productivity of SMEs. Moreover, government initiatives aimed at fostering SME growth were deemed ineffective in substantially enhancing their productivity within the nation. Additionally, the study concluded that insecurity did not notably diminish SME productivity in Nigeria. Consequently, the research highlights the considerable detriment posed by multiple taxation to SME productivity in the country and underscores the necessity for more meticulously tailored policy interventions.

In a study conducted by Michael (2022), the impact of the Central Bank of Nigeria's (CBN) monetary policies on the viability of Nigerian SMEs was examined. The findings revealed that while higher lending interest rates were associated with a decline in SME growth, factors such as money supply, commercial bank loans, advances, and bank reserves showed a positive correlation with SME growth. The study concluded that the effectiveness of monetary policy plays a crucial role in determining the success of SMEs in Nigeria, highlighting the importance of these factors for the survival of SMEs in the Nigerian economy. Ndife and Egungwu (2022) undertook a study focusing on the relationship between financial deepening and the performance of small and medium-scale enterprises (SMEs) in Nigeria. The results indicated several positive and significant effects: an increase in money supply relative to the gross domestic product positively affected retail trading; a rise in credit to the private sector as a ratio of GDP also had a positive impact on retail trading; market capitalization as a ratio of GDP showed a positive influence on retail trading, and greater financial savings as a ratio of GDP positively affected retail trading. In conclusion, the research demonstrated that financial deepening has a beneficial impact on retail trading within the Nigerian context.

Akinbode and Imhonopi (2019) conducted an evaluation of the contribution made by micro, small, and medium enterprises (MSMEs) to employment generation in Kwara State, Nigeria. Their findings revealed that MSMEs in Kwara State faced challenges in generating sufficient employment due to limited growth and inconsistent government policies affecting the sector. Abubakar (2015) conducted a study examining the impact of economic factors on the performance of small-scale businesses (SSBs) in Kano and Sokoto states. The study utilized multivariate discriminant analysis and multiple regression techniques to assess performance levels and determine the significance of economic factors. The results indicated that SSBs in these states exhibited low performance, influenced by economic factors. The study recommended that the government should create a conducive business environment by providing infrastructure, financial

assistance, and implementing policies favourable to SSBs.

Research Hypothesis

The study puts forward the following hypothesis:

H_o: The Naira redesign policy has no significant impact on micro scale enterprises in the study area (P>0.05)

H_1: The Naira redesign policy has significant impact on micro scale enterprises in the study area (P≤0.05)

3. Methodology

Population of the study

This refers to all forms of micro scale businesses in the study area. This comprises business activities, such as foodstuff, fruits & vegetable, bakery & restaurant, snacks & drinks, animal husbandry and non-food enterprises.

Sampling technique

Multi-stage sampling technique was employed in this study. In stage I, Kaduna, Katsina and Kano were selected purposively. This is because, they are sharing boundaries, have similar ecosystem, produce common crops and livestock and also engage in similar micro scale businesses. In stage II, Kaduna North, Kano South and Katsina South zones were

also selected purposively and respectively for the same reasons. In stage III, six Local Government Areas (LGAs) each from the selected states zones were randomly selected. In the last stage, fifty five owners of micro-scale enterprises were randomly selected from each local government area. This represents a total sample size of 990 of owners of micro-scale enterprises using Multistage Nonfinite Population (MNP) sampling technique also known as n-omega (nω) as pioneered by Louangrath (2014), since the population is large in the study area.
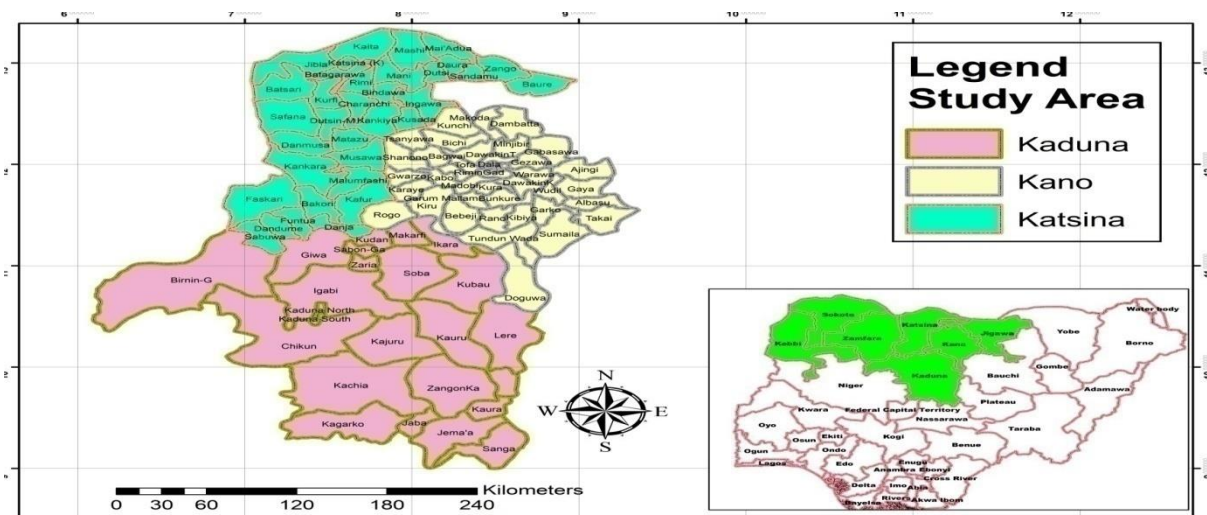
Unit of Analysis

This refers to the individual owners of all forms of micro scale businesses in the study area. The study examines the impact of the Naira redesign policy on each individual enterprise, considering factors such as changes in sale/work delivered, employment, income and consumption expenditure of the owners of micro scale enterprises in the study area.

Method of data collection

A survey method was used with well-structured questionnaires administered among the owners of micro-scale enterprises in the study area.

Figure 1: Map of northwest Nigeria, showing the study area

Analytical Techniques

The objectives of this study were achieved using the following tools of analysis: (i) Descriptive Statistics, (ii) Shapiro-Wilk and Kolmogorov-Smirnov tests for normality, (iii) Wilcoxon signed-rank test and (iv) Cohen (1988) guideline for determining size of an effect.

Descriptive statistics

It was employed to have summary description of the data collected in the study area. It involved the use of tables, charts, figures, percentages, maximums, minimums, averages, range, standard deviation, coefficient of variation among others.

Shapiro-Wilk and Kolmogorov-Smirnov tests

Both the Shapiro-Wilk and Kolmogorov-Smirnov tests were utilized to evaluate normality. The Shapiro-Wilk test, known for its sensitivity in detecting deviations from normality, was particularly suitable for this study due to its effectiveness, especially with larger sample sizes.

Wilcoxon signed-rank test

In this study, the Wilcoxon signed-rank test, a non-parametric statistical method, was utilized to analyze and compare the means of two sets of paired samples. This test was chosen due to its robustness and independence from assumptions about data distribution. Specifically, it was applied to evaluate paired samples from micro enterprises, both of which demonstrated non-normal distributions. By employing the Wilcoxon signed-rank test in this manner, the study was able to accurately determine the differences between these paired samples.

Cohen (1988) guideline

In 1988, Jacob Cohen introduced a set of criteria known as Cohen's d for evaluating the size of an effect in statistical analyses. These criteria offer guidelines for determining the importance of an effect in statistical analysis and have become widely used in the fields of social and behavioural sciences. Cohen's formula, as outlined in his work, is expressed as follows*:*

$$d = \frac{z}{\sqrt{n}}$$

Where:

z = z-statistic from the Wilcoxon signed-rank test

n = sample size

d = the standardized mean difference between pre and post Naira redesign policy Cohen (1988) suggested the following criteria for interpreting the size of an effect:

> **Small:** $d = 0.2$
> **Medium:** $d = 0.5$
> **Large:** $d = 0.8$

4. Results and Discussion

Socio-Economic Characteristics of owners of micro scale enterprises

Table 1 illustrates the socio-economic attributes of microenterprise owners as observed in the study. The results reveal that around 81% of microenterprise owners were male, with an average age of 40 years. Moreover, approximately 69.80% of them were married, and the average household size was 6 individuals. This suggests that a significant portion of the owners of micro enterprises are responsible for providing for their dependents, such as spouses and children. Additionally, due to the cultural and religious context of the study area, women typically observe purdah and therefore have limited involvement in managing most enterprises in the study area. The results also highlight a notable involvement of young individuals in microenterprise activities in the study area. Nearly half of the respondents (49.19%) had completed only secondary education, while the smallest percentage (29.19%) had attained tertiary education. This indicates that a majority of the owners of micro enterprises are literate. It was also discovered that most of the owners of micro enterprises have prior experience in operating businesses, with an average business experience of approximately 8

years. This finding aligns with the research conducted by Hussaini, Oladimeji, Sanni and Abdulrahman (2019), Aruwayo, Ahmed and Muhammad (2019), Sulaiman, Magaji and Abdullahi (2018) as well as Osuafor and Nwankwo (2017).

The data further reveals that the vast majority of microenterprise owners (86.26%) were not affiliated with any relevant business cooperative society or association. Being a member of such groups is widely acknowledged to offer various benefits, including access to valuable information for enhancing productivity, opportunities to acquire inputs at lower costs, exposure to innovative business practices and updates on market trends. These advantages typically lead to improved efficiency, increased productivity and ultimately, higher profitability. Therefore, it appears that most respondents in the study area did not have the chance to leverage these benefits associated with

cooperative membership. Moreover, the findings indicate that approximately 63% of business owners lacked access to credit, and for those who did, it mainly originated from informal sources in the study area. This suggests that obtaining credit to expand business operations was highly restricted and challenging. This situation could be attributed to the relatively low level of education among many respondents, which likely limited their access to formal credit sources, as well as their lack of affiliation with any relevant cooperative society or association where they could receive guidance on accessing credit facilities in the study area. This is consistent with the findings of Girei, Saingbe, Ohen, and Umar (2018), who conducted a study on the economics of small-scale maize production in Toto LGA of Nasarawa state and found that 56% of respondents had no access to loans in the study area.

Table 1: Socio-economic characteristics of the micro-enterprise owners

Variable	Range	Freq	%	Mean	Max	Min	CV
Gender:	Male	799	80.71				
	Female	191	19.29				
Age:	20-30	18	1.82	39.55	64	28	28.35
	31-40	295	29.80				
	41-50	367	37.07				
	51-60	253	25.56				
	Above 60	57	5.76				
Marital Status:	Single	76	7.68				
	Married	691	69.80				
	Others	223	22.53				
Household Size:	Less than 5	172	17.37	6.39	22	2	33.48
	5 – 10	713	72.02				
	Above 10	105	10.61				
Educational Level:	Informal	71	7.17				
	Primary	143	14.44				
	Secondary	487	49.19				
	Tertiary	289	29.19				
Business Experience:	0 – 5	96	9.70	8.47	28	4	22.62
	6 – 10	267	26.97				
	11 – 15	359	36.26				

	Above 15	268	27.07				
Membership of Association:	Member	136	13.74				
	Non-Member	854	86.26				
Years of Membership (n = 136):	Less than 5	21	15.44	6.91	11	2	14.83
	5 – 10	103	75.74				
	Above 10	12	8.82				
Access to Credit:	Yes Credit	367	37.07				
	No Credit	623	62.93				
Source(s) of Credit (n = 367):	Informal sources	208	56.68				
	Commercial banks	93	25.34				
	Gov credit scheme	34	9.26				
	NGOs	19	5.18				
	Others	13	3.54				

Micro Enterprises according to Business Clusters

The results presented in Table 2 of the findings indicate that the owners of micro enterprises in the study area were categorized into six clusters based on their business activities: (i) foodstuff enterprises, which accounted for 26.97% of the respondents, (ii) fruits & vegetable enterprises, comprising 6.36%, (iii) bakery & restaurant enterprises, representing 7.17%, (iv) snacks and drinks enterprises, comprising 10.61%, (v) animal husbandry enterprises, with a share of 9.19% and (vi) non-food enterprises, making up 39.70%. This suggests that most microenterprise owners were engaged in trading activities involving non-food products, with foodstuff trading being the second most common business type in the study area.

Table 2: Distribution of owners of micro enterprises according to business clusters

Business cluster		Frequency	Percentage (%)
(i) Foodstuff enterprises		267	26.97
(ii) Fruits & vegetable enterprises		63	6.36
(iii) Bakery & restaurant enterprises		71	7.17
(iv) Snacks and drinks enterprises		105	10.61
(v) Animal husbandry enterprises		91	9.19
(vi) Non-food enterprises		393	39.70
	Total	**990**	**100**

Tests of Normality

Hypotheses (Two-tailed):

H_0 : The sample belongs to a normal distribution (P>0.05)

H_1 : The sample does not belong to a normal distribution (P≤0.05)

The results presented in Table 3 indicate that none of the variables examined (sale/work, income, employment, and expenditure) followed a normal distribution based on the obtained p-values from both the Shapiro-Wilk and Kolmogorov-Smirnov tests, all of which were below 0.05. As a result, the null hypothesis of normality was rejected. Given the non-normal distribution of the data, parametric

tests were deemed inappropriate. Therefore, the study opted for a non-parametric test, namely the Wilcoxon signed-rank test, which is specifically designed to compare the means of two paired samples that do not conform to a normal distribution.

Table 3: Tests of Normality

Variable	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Sale/Work	.092	990	.000	.961	990	.000
Income	.088	990	.000	.978	990	.000
Employment	.069	990	.000	.967	990	.000
Expenditure	.142	990	.000	.886	990	.000

a. Lilliefors Significance Correction

Impact of Naira Redesign Policy on Micro Scale Enterprises

The analysis of the well-being of micro enterprises and their owners in the study area employed a pre-post analysis, detailed in Tables 4 and 5 of the research. The results indicate that during the pre-Naira redesign policy period, owners of micro enterprises in the study area generated an average total daily sales or service value of N387,680. However, this figure decreased to N278,100 in the post-policy period, representing a notable decline of 28.27% in the average total daily sales. This suggests that the Naira redesign policy had a negative impact on micro enterprises, leading to a reduction in the volume of goods and services transacted daily in the study area by approximately 28%. Moreover, this resulted in additional adverse implications: (a) The average daily income of micro enterprise owners decreased by 33.85%, dropping from ₦78,487 to ₦51,920. This indicates a negative shift in the lifestyle of the respondents;

(b) The Naira redesign policy adversely affected the employment rates of micro enterprises in the study area. On average, the number of individuals employed by these enterprises decreased by 35.13%, dropping from around 7 people to just 5 people. Hence, the policy resulted to an increase in the rate of unemployment in the study area, and

(c) Moreover, there was a 30.23% decrease in the average daily consumption expenditure, dropping from N5,673 to N3,958. This signifies a reduction in the amount of money spent by micro enterprise owners on themselves and their families due to the Naira redesign policy in the study area. Additionally, it suggests a decrease in the level of savings by these owners of micro enterprises. This is evident as respondents retained approximately 70% of their daily consumption expenditure, while earning approximately 66% of their daily income during the post-policy period.

Table 4: Impact of Naira redesign policy on micro enterprises

Variable		Micro Enterprises		
		Pre-Policy	Post-Policy	Margin (%)
Average Sale/Work (₦/day)		387,680	278,100	-28.27
	Max	563,458	311,278	
	Min	82,346	49,580	
	CV	23.82	28.17	
Average Employment (number)		7.43	4.82	-35.13
	Max	17	9	
	Min	3	1	
	CV	21.87	18.63	
Average Income (₦/day)		78,487	51,920	-33.85
	Max	123,569	87,502	
	Min	16,505	9,890	
	CV	34.03	29.50	
				-/+
Average Consumption Expenditure (₦/day)		5,673	3,958	-30.23
	Max	14,870	10,200	
	Min	4,800	3,100	
	CV	28.31	31.02	

Wilcoxon signed-rank test results

Table 5 presents the ranking of variables within micro enterprises in three categories: negative (indicating that post-policy activities were lower than pre-policy), positive (indicating that post-policy activities were higher than pre-policy), and ties (indicating that post-policy activities were equal to pre-policy). The majority of micro enterprise owners received a negative rank, indicating a decrease in their activities, including volume of sale/work, income generation, employment rate, and consumption expenditure, as a result of the Naira redesign policy in the study area.

The table also reveals the impact magnitude of the policy on these enterprises using the Cohen (1988) formula and guidelines for effect size. Micro enterprise owners experienced a small effect size ranging from 0.26 to 0.35, respectively. This suggests that the implementation of the Naira redesign policy has a negative impact on these enterprises in the study area.

Test of research hypothesis

The study tested the hypothesis stating that the Naira redesign policy has no significant impact on micro scale enterprises in the study. However, the results presented in Table 5 indicate that the null hypothesis (H0) should be rejected. This is because the p-values of all variables in micro enterprises were found to be less than 0.05 (p<0.05). Therefore, it can be concluded that there is indeed a significant difference between pre-policy and post-policy activities and the wellbeing of micro enterprise owners in the study area.

Table 5: Results from Wilcoxon signed-rank test of micro enterprises

Micro Enterprises	Mean		Standard Deviation		Ranks			n	Two-Tailed (α = 0.05)		r
	Pre-Policy	Post-Policy	Pre-Policy	Post-Policy	Negative	Positive	Ties		Critical Value (Z)	p-value	
Sale/Work (₦/day)	387,680	278,100	92,345.38	78,340.77	708	213	69	990	-11.569	0.000	0.26
Employment (number)	7.43	4.82	1.62	0.90	663	33	294	990	-13.794	0.000	0.31
Income (₦/day)	78,487	51,920	26,709.13	15,316.40	686	251	53	990	-12.904	0.000	0.29
Consumption Expenditure (₦/day)	5,673	3,958	1,606.03	1,227.77	672	21	297	990	-15.574	0.000	0.35

Main Problems Linked to the Naira Redesign Policy

The findings presented in Table 6 outline the key difficulties faced by micro enterprise owners as a result of the introduction of the new Naira redesign policy in the study area. These results were derived from descriptive statistical analysis as follows:

The most prevalent problem found in the study area was short supply of the new Naira notes, despite directives from the Central Bank of Nigeria (CBN) to commercial banks to ensure their distribution. This resulted in a significant scarcity of the new notes, attributed partly to political factors and the impending general elections. The second major problem stemming from the policy was poor financial internet services, making electronic transactions difficult for individuals. This led to various problems such as delays in monetary transfers,

inability to access personal bank account information and balances and transaction reversals, among others

The results from the table also highlight rise in difficulties of doing business as the third major problem. This problem made business operations somewhat challenging, resulting in fluctuating prices for goods and services. Businesses tended to charge higher prices for goods and services when payments were made through electronic transfers, while lower prices were applied for cash payments. The short period allocated for swapping between the old and new Naira notes, as well as the rise in financial fraudulence, were ranked as the fourth and fifth main problems in the study area. These challenges contributed to long queues at banks and the circulation of counterfeit Naira notes by fraudsters, exacerbating the difficulties faced by businesses and the general public.

Table 6: Main problems linked to the naira redesign policy

Problem	*Frequency	Percentage	Ranking
Short supply of the new Naira notes	772	77.98	1st
Poor financial internet services	703	71.01	2nd
Rise in difficulties of doing business	674	68.08	3rd
Short period of swapping	617	62.32	4th
Rise in financial fraudulence	358	36.16	5th

*NB: Multiple responses were allowed during the survey

5. Conclusion and Recommendations

It can be concluded that the introduction and enforcement of the new Naira redesign policy have resulted in a downturn across various activities of micro enterprises within the study area. Based on the findings, the study recommends that, governments should ensure comprehensive communication with citizens regarding any proposed policies prior to their implementation, enabling better understanding of the policy and its consequences; the provision of efficient and dependable financial internet services, particularly in rural regions, by the government and other stakeholders is crucial to facilitate electronic transactions; the government should consider issuing licenses to private individuals or entities to establish additional microfinance banks. This measure would help alleviate congestion in commercial banks and streamline financial transactions; stringent penalties should be imposed on individuals who exploit policies for personal gain, irrespective of their status. This approach would mitigate the adverse impact of such policies on the general population, and the federal government should extend the period for swapping between old and new Naira notes to at least one year, thereby easing the business environment.

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