

**SOCIOLOGICAL IMPACTS OF NAIRA REDESIGN ON THE  
PERFORMANCE OF SMALL BUSINESSES IN OGUN STATE**

**EGBON, ANJOLA HELEN  
(16BG020280)**

**JULY, 2024**

**SOCIOLOGICAL IMPACTS OF NAIRA REDESIGN ON THE  
PERFORMANCE OF SMALL BUSINESSES IN OGUN STATE**

**BY**

**EGBON, ANJOLA HELEN  
(16BG020280)  
B.Sc Sociology, Covenant University**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF  
POSTGRADUATE STUDIES IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE AWARD OF THE MASTER OF SCIENCE  
(M.Sc) DEGREE IN SOCIOLOGY IN THE DEPARTMENT OF  
SOCIOLOGY, COLLEGE OF MANAGEMENT AND SOCIAL  
SCIENCES, COVENANT UNIVERSITY, OTA, OGUN STATE**

**JULY, 2024**

## **ACCEPTANCE**

This is to attest that this dissertation is accepted in partial fulfilment of the requirements for the award of the degree of Master of Science (M.Sc) in the Department of Sociology, College of Management and Social Sciences, Covenant University, Ota, Nigeria and has been accepted by the School of Postgraduate Studies, Covenant University, Ota, Ogun state.

**Miss Adefunke F. Oyinloye**  
**(Secretary, School of Postgraduate Studies)**

**Signature and Date**

**Prof. Akan B. Williams**  
**(Dean, School of Postgraduate Studies)**

**Signature and Date**

## **DECLARATION**

I, **EGBON, ANJOLA HELEN (16BG020280)**, declare that this dissertation was carried out by me under the supervision of Dr. Mercy E. Adebayo, in the Department of Sociology, College of Management and Social Sciences, Covenant University, Ota, Ogun State, Nigeria. I attest that this dissertation has not been presented, either wholly or partially for the award of any degree elsewhere. All sources of scholarly information used in this research work were duly acknowledged.

**EGBON, ANJOLA HELEN**

**Signature and Date**

## CERTIFICATION

We certify that this dissertation titled “**SOCIOLOGICAL IMPACTS OF NAIRA REDESIGN ON THE PERFORMANCE OF SMALL BUSINESSES IN OGUN STATE**” is an original research work carried out by **EGBON, ANJOLA HELEN (16BG020280)** in the Department of Sociology, College of Management and Social Sciences, Covenant University, Ota, Ogun State, Nigeria under the supervision of Dr. Mercy Adebayo. This dissertation has met the required standard for the award of Master of Science (M.Sc) in Sociology.

**Dr. Mercy E. Adebayo**  
(Supervisor)



**Signature and Date**

**Dr. Jegede E. Ajibade**  
(Head of Department)



**Signature and Date**

**Prof. Ayodele S. Jegede**  
(External Examiner)



**Signature and Date**

**Prof. Akan B. Williams**  
(Dean, School of Postgraduate Studies)

**Signature and Date**

## **DEDICATION**

I dedicate this dissertation to God Almighty my Creator, my Father, my Source of Strength and my Help in all times and seasons. I dedicate this work to my parents, Mr Kunle Egbon and Mrs Grace Egbon who guided me with words and provided for all my needs. You are highly appreciated. I also dedicate it to myself for all the hard work and sleepless nights I put into this dissertation.

## **ACKNOWLEDGEMENTS**

The successful completion of this dissertation was not solely attributed to my efforts. I would like to take this opportunity to extend my sincere appreciation to all individuals who have made valuable contributions throughout this journey. I acknowledge the Alpha and Omega for His faithfulness in my journey and every phase of my life. To the one who does all things well for me and has granted me success in all ways, to Him alone be all the Glory.

My appreciation also goes to the Chancellor of Covenant University, Dr. David Oyedepo, the pioneer of the vision that birthed this great institution, of which we have been blessed beneficiaries. I appreciate the Vice Chancellor of Covenant University, Prof. Abiodun H. Adebayo for his commitment to Covenant University's vision of raising a new generation of leaders. I equally appreciate the registrar of Covenant University, Mrs. Regina Daniels. I equally appreciate the effort of our Dean of Post Graduate School, Prof. Akan B. Williams, for the relentless motivation, admonishment, and showing us the topmost top is achievable. I sincerely appreciate the Sub-Dean of Post Graduate School, Dr. Hezekiah Falola who has been supportive and welcoming.

To my amazing Head of Department Dr. Jegede E Ajibade, who has always be pushing me for the best I truly cannot appreciate you enough, thank you for always being a Father figure and being understanding I sincerely thank you so much. To my supportive, patient, loving and understanding supervisor like no other in the person of Dr. Mercy E. Adebayo, I highly appreciate your help throughout my dissertation, I appreciate your words of encouragement and support. Thank you for your advice, mentorship, corrections, reassurance and belief in me. I am more than grateful for the relationship that has established from this Ma.

My appreciation also goes to all Faculty and Staff of Sociology Department, Covenant University for their diverse contributions and support: Prof. David Imhonopi, Prof. Tayo George Dr. Mathew Eghahrevba, Dr. Tolulope Allo, Dr.Christiana Adetunde, Dr. Olawale Olonode and Mr. Amos Olore. I say thank you.

I also want to appreciate my loving family for their unconditional love and unwavering support throughout my academic journey. Their financial and emotional assistance played a crucial role in my successful completion of this study.

I also want to appreciate every respondents who helped me to fill my questionnaire even in their busy schedule because they were the one who made this dissertation possible and objective, I really appreciate them.



# TABLE OF CONTENTS

<b>CONTENTS</b>	<b>PAGES</b>
<b>COVER PAGE</b>	<b>i</b>
<b>TITLE PAGE</b>	<b>ii</b>
<b>ACCEPTANCE</b>	<b>iii</b>
<b>DECLARATION</b>	<b>iv</b>
<b>CERTIFICATION</b>	<b>v</b>
<b>DEDICATION</b>	<b>vi</b>
<b>ACKNOWLEDGEMENTS</b>	<b>vii</b>
<b>TABLE OF CONTENTS</b>	<b>ix</b>
<b>LIST OF TABLES</b>	<b>xii</b>
<b>ABSTRACT</b>	<b>xiii</b>
<b>CHAPTER ONE: INTRODUCTION</b>	<b>1</b>
1.1 Background to the Study	1
1.2 Statement of Problem	3
1.3 Research Questions	5
1.4 Objectives of the Study	6
1.5 Significance of the Study	6
1.6 Research Hypothesis	8
1.7 Justification	8
<b>CHAPTER TWO: LITERATURE REVIEW</b>	<b>10</b>
2.0 Preamble	10
2.1 Conceptual Review	10
2.1.1 Currency Redesign	10
2.1.2 Naira Redesign	11
Outcomes of the Naira Redesign Policy	14
Benefits of the New Naira Redesign Policy	16
Challenges Encountered During Implementation of Naira Redesign Policy	18

2.1.3 Cashless Policy	20
2.1.4 Components of Cashless Policy	23
Online Electronic Cash System	23
Electronic Cheque System	24
Online Credit Card Payment System	24
2.1.5 Micro Small Medium Enterprise (MSME)	25
i. Challenges of MSMEs in Nigeria	28
2.1.7 Effect of the Naira Redesign on Micro Small Medium Enterprise	30
2.2 Theoretical Review	31
2.2.1 Functionalist Theory	31
2.2.2 Conflict Theory	33
2.3 Empirical Review	36
2.3.1 Relationship between Naira Redesign and MSME Performance	36
2.3.2 Relationship between Naira Redesign and wellbeing of SME owners	39
2.3.3 Relationship between Naira Redesign and Current Challenges	40
2.3.4 Relationship between Coping Mechanism of SME and Naira Redesign and Cashless Policy	42
2.4 Literature gap	44
<b>CHAPTER THREE: METHODOLOGY</b>	<b>47</b>
3.0 Preamble	47
3.1 Research Design	47
3.2 Study Area	47
3.3 Population of the Study	48
3.4 Sample Size Determination	48
3.5 Sampling Techniques	49
3.6 Research Instruments	49
3.7 Validity of Research Instruments	50
3.9 Method of Data Presentation and Analysis	50
3.10 Ethical Consideration	51

<b>CHAPTER FOUR: DATA ANALYSIS AND DISCUSSION</b>	<b>52</b>
4.1 Preamble	52
4.2 Data Presentation and Analysis	52
4.3 Descriptive Statistics for Demographic Data	53
4.4 Inferential Statistics	55
4.4.1 How did the Naira Redesign impact the Business Performance of MSME?	55
4.4.2 What are the Effects of Naira redesign on the well-being of Owners of MSMEs?	58
4.4.3 Investigating the Aftermath Effect of Naira Redesign on MSME	61
4.4.4 What are the Coping Mechanisms of Owners of MSME Deployed?	64
4.5 Discussion of Result	66
<b>CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION</b>	<b>70</b>
5.0 Preamble	70
5.1 Summary of the Finding	70
5.2 Conclusion	73
5.3 Recommendation	73
5.4 Contribution to Knowledge	75
5.5 Limitation of Study	75
5.6 Areas for Further Research	76
<b>REFERENCES</b>	<b>77</b>
<b>APPENDIX 1</b>	<b>86</b>
<b>QUESTIONNAIRE</b>	<b>86</b>

## LIST OF TABLES

CONTENTS	PAGES
Table 1: Summary of Questionnaire Administered .....	52
Table 2: Demographic Data .....	53
Table 3: Frequency of the impacts of Naira Redesign on the Business Performance of MSME .....	55
Table 4: One-Sample Test for the Impact of Naira Redesign on the Business Performance of MSMEs.....	57
Table 5: Frequency of Effects of Naira redesign on the well-being of Owners of MSMEs .....	58
Table 6: One-Sample Test for Effects of Naira redesign on the well-being of Owners of MSMEs .....	59
Table 7: Frequency of Aftermath Effect of Naira Redesign on MSME.....	61
Table 8: One-Sample Test for Aftermath Effects of Naira Design on MSME .....	62
Table 9: Frequency of Coping Mechanism Owners of MSME Deployed .....	64
Table 10: One Sample Test of Coping Mechanism Owners of MSME Deployed .....	65

## **ABSTRACT**

This study examined sociological impacts of naira redesign on the performance of small businesses in Ogun state. The redesign of the Naira presented economic challenges for micro-businesses, many businesses suffered from depleted capital and financial hardship, and low sales resulted in low income affecting their family and well-being in the long run. This study focused on Ado-Odo LGA which helped in the geographical imbalance in the study of how naira redesign has affected MSMEs.

A descriptive research design was used in this study with the use of a questionnaire in the collection of data from owners of MSMEs in Ado Odo Ota LGA. Data was collected from 314 MSME owners across various communities in Ado-Odo Ota LGA, like Sango, Iju, Atan, and Ota. The Covenant University Research Ethics Committee (CUREC) in Nigeria has awarded ethical authorization, guaranteeing compliance with moral norms.

Micro, Small, and Medium Enterprises (MSMEs) in the Ado-Odo Ota Local Government Area revealed that the Naira redesign initiative had a negative impact on MSMEs, especially those with limited access to electronic payment methods. According to the research, it is recommended that MSMEs prioritize the development of digital literacy in order to maintain competitiveness in the digital age. Furthermore, it strongly advocates for the government to involve MSMEs in the development and implementation of policies.

In conclusion, the naira redesign policy, intended to move towards a cashless economy and enhance the currency's security, inadvertently exacerbated the challenges faced by MSMEs.

***Keywords: Naira redesign, Micro Small and Medium scale Enterprises, Central Bank of Nigeria, Ado-Odo Ota LGA.***