
**CENTRAL BANK OF NIGERIA: MAINTENANCE OF THE INTEGRITY AND LUSTRE
OF NAIRA***

Professor Nwudego Nkemakonam Chinwuba, Ph.D. BL, Faculty of Law, University of Lagos,
Nigeria.

TABLE OF CONTENTS

<i>Abstract</i>	1
I.0. Introduction	1- 4
2.0. Problems and Challenges associated with handling of Naira	4- 8
3.0. The Redesigned Naira	8- 9
4.0. A New Regime for Handling the Naira	9-12
4.1. Summary of Findings	12-13
4.2. Actions Towards a New Regime for Handling the Naira	13-14
5.0. Conclusion	14-15

ABSTRACT

Nigerian currency notes, the Naira has been trending. The Central Bank of Nigeria exercising the powers vested on it by the Central Bank Act, 2007 redesigned some of the denominations of the Naira as part of its continuing operation, and service to the nation. One of the services which has been a core one for the apex bank, is circulating Naira that is of international standard in integrity and lustre. Nigeria's large population exacerbated by its strategic position in West Africa, amongst other challenges, makes the objective a very tall one. In this paper, the problems, and challenges with attaining the objective of a clean regime of the Naira are analysed. Some of the main problems that affect the realisation of having clean Naira are, the current division of denominations of the Naira, contamination of the Naira by human activities or unhygienic habits, while a major consequences of failure to realise the objective is the impact of lacklustre appearance of Naira on the image of the Country and her peoples. A proper approach to formulating a workable law is to focus on use of currency. To achieve this, the socio-psychological prisms of use of currency provides the proper foundation for achievable success in the quest to have and maintain a Naira regime for Nigeria that meets international best practice and standard.

Keywords

Currency, Currency Use, Nigeria, Theories of Law, Social Consciousness, Central Banking

1.0. INTRODUCTION

Nigeria is a country in West of Africa situated between the Sahel to the north, and the Gulf of Guinea to the south. Nigeria has a federal democratic government that is structured on thirty-six States and a Federal Capital Territory. Nine of the States border the Atlantic Ocean. Nigeria's land mass covers an area of 923,769 square kilometres (356,669 sq. mi). She shares land borders with the Republic of Benin to the west, Chad and Cameroon to the east, and Niger to the north, and has a population of over 225 million.ⁱ Nigeria is ranked at number 7 in the list of countries of world population and dependencies in the world.ⁱⁱ

Nigeria has a diverse people of varying historic origins and is categorised as the seventh most populous country in the world. The sun rises and sets about the same time in Nigeria, between 6.30 hrs. and 18.30 hrs. Nigeria is categorised as being a place to live and be happy. Amongst the most important factors that have been used to rank the country and her peoples as one of the happiest people and places to be in the world are, life expectancy, social support, trust in government, generosity, and freedom to make life decisions.ⁱⁱⁱ

Nigeria, being a key player in the West African sub-region, Africa, and the world, draws people to residency, business and tourism, increasing appreciably, her already large population.

A country's currency is her means of economic exchange. It drives the purchasing power of the citizens, residents, and visitors within the country. In modern times, the currency stores a major part of the value of the individual's experience as a human person in own country and when, in another country, that country's currency. The currency of a nation represents so many positive attributes of the nation, reflects the values of the citizens and impacts on their social psychology directly and inversely. Nigeria welcomes international interaction in private and public spheres.

The use of a country's currency is not limited to her citizens since modern economies thrive in tourism and social cooperation which results in immigration for diverse purposes. In addition, transfer of technologies and provision of boosts for local manufacturing also results in immigration and influx of other nationals into a country. This is more so for Nigeria that promotes Foreign Direct Investments (FDI).

Nigeria commenced use of her currency, the Naira (₦) and, the Kobo (K) in 1973. The Central Bank of Nigeria, the sole issuer is established by the Central Bank Act, (No. 7) of 2007.^{iv} The Central Bank of Nigeria, (CBN) is a body corporate of perpetual succession, has a common seal and is an independent body. Section 15 of the CBN Act, provides that the unit of currency in Nigeria is the Naira, with division into one hundred kobo.

By Section 17 of the CBN Act, issuing of legal tender currency is one of the principal five objectives of the CBN.^v Section 17 provides: "The Bank shall have the sole right of issuing currency notes and coins throughout Nigeria and neither the Federal Government nor any State Government, Local Government, other person or authority shall issue currency notes, bank notes or coins or any documents or tokens payable to bearer on demand being document or token which are likely to pass as legal tender".

The scope of the apex bank's operations includes, management, procurement, distribution or supply, processing, reissue and disposal or disintegration of currency. It performs this role through its Currency Operations Department.

The Naira is printed, and coins minted, by the Nigerian Security Printing and Minting Plc. (NSPM Plc.). The majority shareholding of the NSPM Plc. is in the Federal Government of Nigeria. It prints notes or mints coins on the directives of the CBN and, in conjunction or partnership with other overseas printing/minting companies.

The legal tender currency in notes, is issued in paper and polymer materials. The paper note is made from a substrate, a by-product of cotton known as comber. This is what the higher denomination notes of ₦100, ₦200, ₦500, and ₦1000 are made from. The Polymer banknote is made from polypropylene pellets melted to a particular specification, and this is what the lower denomination notes, ₦5, ₦10,

₦20, and ₦50 are made from.^{vi} The polymer banknote is of a higher quality material and more durable than the paper banknote. The paper note is said to trap bacteria and sundry micro-organism more easily. The reason for the difference in the materials used to produce the notes and the denominations are attributable to patterns of use. The lower denomination is projected for increased frequency of exchange and use, while the higher denominations is projected for lower usage. This objective has, however, been affected by fluctuation in the economic fortunes of the country.

A further classification of currency note for operational purposes is into ‘fit’ or ‘unfit’. A currency note is fit for circulation when it is sufficiently clean to allow for the dignity of persons in free reception and presentation of the notes. In economic terms, a currency note is fit for purpose when its authenticity and value is readily ascertained. An unfit banknote is one that is unsuitable for further circulation because of its blighted appearance or loss of integrity. In this latter case, it is difficult to easily ascertain a currency as a monetary property. For instance, a visible hole in a Naira note that is larger than 10 mm makes it unfit for circulation.

On October 26th, 2022, the Governor of the Central Bank of Nigeria, (CBN) announced that, in line with Section 19, Subsections (a) and (b) of the Central Bank of Nigeria Act, 2007, management of the apex bank had sought and obtained, the approval of President Muhammadu Buhari to redesign, produce, and circulate banknotes in the denominations of ₦200, ₦500, and ₦1,000. The Governor indicated that the redesign aims at reducing the volume of money in circulation outside the banking system; increasing the supply of clean notes; a more efficacious monetary policy; addressing the problem of the counterfeiting of the Naira; reinforcing cashless policy and the efforts of security forces in the fight against terrorism, kidnapping and ransom taking.

The objectives set out by the CBN are laudable objectives although the implementation saw a few challenges. The introduction of the redesigned notes was projected to take effect on the 15.12.2023. Although, this target date for releasing the notes for circulation was met, issues arose with the swapping of old notes which resulted in a few extensions and a subsequent Order of the Supreme Court of Nigeria. In *Att. Generals of 10 States v. Att. General of the Fed. & 2 States*,^{vii} the Supreme Court, held that, contrary to the position taken by the defence, it had jurisdiction to entertain the suit before it, and directed that the old and redesigned notes continue to be legal tender, and that swapping of the old for the new, continues until 31.12.2023. The CBN complied with this Order and the two regimes of Naira are running side by side.

Central Bank of Nigeria has been concerned about the integrity and lustre of Naira. This is evident by several efforts at sensitisation campaigns as well as, guidelines detailed on its website to contain the deleterious use of the Naira and target reasonable preservation of its lustre. Nigerians and some

important foreign missions in Nigeria have expressed concerns over the lacklustre of Nigerian currency notes, and their potential source of health challenges.

This concern is not unique to Nigerian notes. Concern in this vein has been expressed by some other countries towards their own currency notes. However, some countries such as most of Europe and the United States of America have achieved reasonable containment of the lustre and integrity of their notes. Aside from the appearance and presentation of currency notes, the concern over potential health hazard from currency notes has been expressed in many academic works. One study found that: “India rupee, Bangladesh Teka, Iraqi and Ghanaian Currency notes were contaminated with 100% by pathogenic or potentially pathogenic bacteria.^{viii} Other nation’s currencies which the study pointed out had the same contamination at different high levels, were the Saudi Arabian Riyal, Mexican Peso, Colombian Peso, and South African Rand.

There are punitive laws in place for the concerns over wrong handling of the Naira and its consequent lacklustre appearance, but this strategy has not been very effective in addressing the problem. The redesigning and circulation of redesigned Naira presents a compelling need to reassess the strategy of the Central Bank in maintaining the integrity and lustre of the Naira. It is perhaps a silver lining that a furore trailed the implementation of the policy and circulation of the redesigned notes, such that the redesigned notes are by, the Order of the Supreme Court, legal tender, with the old, side by side.

In this examination of the subject, of maintaining the integrity and lustre of the Naira, four questions arise for resolution. Why is the subject of the lacklustre appearance of Naira worth examining? What are the drivers of the lacklustre appearance of the nation’s currency notes? Can the situation be remedied and if so, what are the remedial strategies? In doing so, the paper is structured in four parts, commencing with the background or introduction. Part two presents the problems and challenges associated with the handling and use of Naira. Part three is on significance and findings of the study. Part four is on remedial strategies for a maintained lustrous Naira. The paper closes with an affirmation of the beneficial outcomes of the study and the need to embrace a new strategy for maintaining the integrity and lustre of the Naira.

2.0. PROBLEMS AND CHALLENGES ASSOCIATED WITH HANDLING OF NAIRA

Currency is a core subject in economics and banking. The use of currency, as opposed, to the currency is, however, more of an experiential, sociological and psychological matter. The use of currency must be addressed as a social phenomenon requiring an interdisciplinary approach.

It is instructive that there are different regimes of property rights in a currency issued by the Central Bank. The holder, for the time being, has a right of property which is expressed in terms of possession

and use. Currency notes or coins lawfully, in the exclusive possession of a person can be dealt with by that person in the manner that the person has chosen. Thus, by the precepts of law, a person can dispose of the currency at hand as he so pleases. A different property regime is created when it is presented for use, for at this moment, it springs into the property of the State, the Central Bank.

These are core rights of property. This is an important reason the social psychology attached to a currency must be driven by positive values and, the strategy for addressing concerns around it, carefully formulated for successful implementation. Thus, while the Central Bank has the sole authority to issue, once issued and in circulation, the property rights regime shifts according to circumstances.

The problems and challenges associated with maintaining the lustre and integrity of Naira cannot but, be underscored. The issues range from high population, quality of materials used in production and its relevance to the denominations of Naira, to an unwholesome national image and health hazard.

The CBN lists some modes of wrong handling of the Naira as spraying, writing, stapling with pins, tearing, soiling, mutilation etc.^{ix} The Nigerian prevailing custom of spraying moneys at parties, celebration and funeral events is a major concern.

Other practices affecting best practice handling of Naira include keeping money in shoes, socks, under the carpets and in personal areas of the body and the use of a touch of the saliva in counting the notes or tying them to the ends of wrappers. Superstition also plays a role in the wrong handling of Nigerian Naira. Some persons believe especially in rural areas that if a tip or an edge of paper money is not cut off with the teeth, it could disappear. In addition, food sellers do not exercise due care in handling money while cooking or dishing foods especially, meat and fish, which have the potency to contaminate the paper notes.

The consequences of the identified wrong handling and usages include increase in currency management costs due to the high cost of banknotes replacement. When Naira is defaced or torn, sorting processes of fit from unfit is slowed down and results in lower output of clean Naira. A further consequence is the erosion of that sense of value, pride and confidence that is associated with a national currency.

The main culprits in the defacing of the Naira are unskilled workers whose work is dirt inherent, such as bricklayers, sewage haulers, auto-mechanics. Others are public transport service operators, abattoir operators, and market traders who ruffle monies by the very custom of their vocation and trade. Large religious assemblies where offerings are made are also ports of wrong handling of Naira from the offerors to the recipients.

The excessive reliance on, and use of currency paper notes exacerbates the challenges in maintaining the integrity of currency paper money. Coins are rarely in use in Nigeria. In large assemblies where offerings are made or in celebrations or funeral events there is often prevalent use and exchanges of notes with sweaty hands. This encourages soiling of the notes quite aside from, the health hazards of microbes and microbial agents attaching faster to notes and thereby, spreading infections.

Dirty and mutilated currency notes pose serious health hazard to the general populace. Cashiers who handle these currencies in very large quantities would also be exposed to health and sundry psychological trauma. The health hazard could range from respiratory to more dangerous health conditions such as cancer or covid 19.

These concerns are worrisome and necessitates a holistic and workable resolution that draws on both theory as well as practical experiences and approaches.

Failure to observe handwashing with soap before and after using currency notes, coins, and Automated Teller Machines (ATM) is prevalent in Nigeria. Not surprisingly, there has been numerous criticisms of the appearance of the Naira. Kirk Leigh wrote:

Naira is now equivalent of the proverbial dregs of the earth; dirty, filthy and scummy. That we carry about such garbage item in our pouches on a daily basis shows how low the nation has fallen and how much remediation is needed to assuage the damage to the country. More than all else, it demonstrates in graphic terms, the failure of government and society. Filthy notes will immediately announce to a foreigner that the country is populated by a gutter set of people. Upon receiving small change for small purchases, the visitor is immediately terrorised with the need to handle notes stained with an unimaginable milieu that can range from animal blood to ink, spittle and phlegm. The stench from these notes can also be as discomfiting as that of dead small animals and stale urine. So bad is the sight and feel of the notes that someone joked that they are the source of the dreaded Monkey Pox disease. Nothing can be more damaging to the image of a country.^x

Elsewhere, another commentator notes: “For a long time now, our naira has been badly mutilated, smelling nauseatingly and in shreds, to the extent of using sellotape to stick together the pieces. In these appalling appearances, people whose lot it is to spend the money have their re-actions. Why not? To every action, there is a re-action”.^{xi}

Many persons do not observe personal hygiene in handling currency notes. The deleterious impact of lack of observance of basic hygiene in the use and handling of paper money has been noted in a number of scholarly articles. Alemu notes:

An individual living in unhygienic conditions having unhygienic habits will contaminate the notes with bacteria and these notes will act as a vehicle delivering bacteria to contaminate the hands of the next user. Improper hand washing after using the toilet, counting paper notes using saliva, coughing and sneezing on hands then exchanging money, and placement or storage of paper notes on dirty surfaces leads to the contamination and these notes will act as

a vehicle delivering bacteria to contaminate the hands of the next user. The money makes for easy transfer of microorganisms and thus cross contamination...Accumulated data obtained over the last 20 years on the microbial status and survival of pathogen on currency notes indicate that this could represent a potential cause of sporadic cases of food borne illness. The lower the index values of the money, the higher the microbial contamination of the currency. They further showed that the age of the notes and the material that was used to produce the notes influence the number of microbial contaminations. Lower denomination notes harbour the greatest bulk of infectious agents since they are exchanged more than higher denomination notes.^{xii}

The material used in producing the Naira has also been berated. As one writer notes: “Further, the quality of the materials used to produce our Naira are inferior. In 2015, many of these notes that were printed and sent into circulations have today peeled off as the inscriptions are deleted and illegible”.^{xiii}

Unskilled workers often fail to observe basic respects and hygiene in touching and dealing with currency notes. This category of persons is also likely to engage in the excessive use of lower denominations of the Naira.

The Central Bank has addressed these issues from the perspective of law, campaigns and sensitisation. It encouraged Nigerians to reject mutilated notes from Deposit Money banks, reduced the cost of sorting out unfit from fit notes, and pledged to plough new notes into circulation more frequently. Other efforts made at engaging this issue is that the lower denominated Naira are made with polymer because they were projected for handling by the majority of people. They are the ₦5, ₦10, ₦20, and ₦50. However, the depreciation of the Naira and inflationary trends have escalated the frequency of use of the higher denominations and put the lower ones almost into disuse.

The apex bank required the full participation of both the Deposit Money Banks and the populace for the regime involving currency operations to work out. This cooperation was not received from the banks and the populace. A formal supervisory process would resolve this problem.

The strategy of resolving the problem of wrong handling of the Naira by penal sanctions created its own challenge. The penalty provided by the CBN Act is monetary in the form of fine, or imprisonment.

Section 21 of the Act provides:

(1) A person who tampers with a coin or note With or trading in issued by the Bank is guilty of an offence and shall on notes and coins imprisonment for a term not less than six months or to a fine not less than ₦50,000 or to both such fine and imprisonment.

(2) A coin or note shall be deemed to have been tampered with if the coin or note has been impaired, diminished or lightened otherwise than by fair wear and tear or has been defaced by stumping, engraving, mutilating, piercing, stapling, writing, tearing, soiling, squeezing or any other form of deliberate and wilful abuse whether the coin or note has or has not been thereby diminished or lightened.

(3) For the avoidance of doubt, spraying of, dancing, or matching on the Naira or any note issued by the Bank during social occasions or otherwise howsoever shall constitute an abuse and defacing of the Naira or such note and shall be punishable under Sub-section (1) of this section.

(4) It shall also be an offence punishable under Sub-section (1) of this section for any person to hawk, sell or otherwise trade in the Naira, coins or any other note issued by the Bank.

(5) In this section---

(i) "Matching" includes spreading scattering or littering of any surface with any Naira or coins and stepping thereon, regardless of the value, volume, occasion or intent.

(ii) "Spraying" includes adorning, decorating or spraying anything or any person or any part of any person or the person of another with Naira or coins or sprinkling or sticking of the Naira or coins in a similar manner regardless of the amount, occasion or the intent.

The provision makes it evident that punishment and fear of it, are the driving forces to achieve the objective of maintaining the integrity and lustre of Naira. Persuasion or reward should provide better outcome.

The role of punishment in law is always a debatable one. However, a deeper look at law and its workability shows that the primary driver of compliance with law is how well the law seats with a people. Law is best engaged from the jurisprudential position of the Historical school. Law rather, than being purposively punitive should be seen for what it is, a vehicle by which, society is engineered and re-engineered. This is, with a view to moving citizens to be intuitively co-operative in interactions with one another and in society. In the general consciousness of the people lie, the people's law, hence we call it *volksgeist*. That's What von Savigny, the leading voice of the Historical school of law stated. This is the driver of the establishment and operations of Law Commissions. A Law commission examines a matter in a societal -time contextual basis and provides the spirit for the formulation and enactment of law which aims at successful enforcement. This is when law is efficacious.

It is instructive that Nigerians would always handle the currency notes of countries such as United States of America and United Kingdom with determined care and efforts to avoid mutilating the notes. Even the Rand, the South African currency receives better care and attention than Nigerian notes. One would rarely see these notes folded. While it is possible that the reason for this is that these notes are rarely in the hands of the lower income stakeholders, it is also reasonable to assert that even where such notes get into the hands of persons on lower income cadre, they could intuitively keep them in good condition because of the value attached to them, yet it is only Naira that can be spent freely in Nigeria.

The lacklustre appearance and lack of integrity of the old Naira must be stemmed and not brought forward into the redesigned notes.

3.0. THE REDESIGNED NAIRA

In the previous part, the problems and challenges associated with maintaining the integrity and lustre of the Naira were highlighted.

In this part, the objectives of the study are to identify ways in which this problem can be effectively resolved with key outcomes for the redesigned Naira. The redesigned Naira notes are of the higher denominations and produced from paper. Commitment and consistency are imperative in any strategy to maintain the integrity and cleanness of the redesigned Naira.

Currency is a subject of banking and economics but its use is a socio-psychological subject. When this distinction is recognised, then appropriate laws can be formulated for resolving the problems and challenges associated with handling the Naira. The law and campaigns on handling of the Naira had until now, been based on banking and economics which have not taken account of the distinction between currency, and its use. A proper approach to formulating a workable law is to focus on use of currency. Any strategy to address the problem must also follow this theoretical model. To achieve this, the socio-psychological prisms of use of currency provides the proper foundation, of which the historical school of jurisprudence is the most appropriate foundation for achievable success in the quest to have and maintain a Naira regime for Nigeria that meets international best practice and standard.

Cleanliness in person and environment is associated with sagacity, high productive capacity, economic proficiency and accounts for high positive perceptions of a people. A society's currency is as much a private as it is, public property, since the person has possession but its use, is, in public. Its use is, as a handshake and in this case, involuntary handshake, which is made all the time with different persons on diverse occasions. One writer considers "clean money to be one of the economic mirrors of a country. If the notes are clean, it shows that the economy is good; if it is dirty as it is now, it demonstrates that our economy is seriously sick, requiring surgical operation".^{xiv}

The following are the expected objectives and outcomes expected to achieve a new regime of clean Naira.

1. Paradigm shift in the way Nigerians perceive and handle the Naira in day to day activities- private, all monetary exchanges, business, and sundry trading.
2. An orientation driven by enlightened intentionality for nationalism construed around the Naira.
3. A hygiene regime that the individual owns as self-benefiting.
4. Cost reduction in sorting operation of fit Naira.
5. Confidence in the Nigerian currency with positive impact on the economy, that attracts Foreign Direct Investments (FDI), and better balance of payments model.
6. Increase in constructive consumption, a pivotal wheel for economic growth.
7. Enhancement of cashless policy regime from the preference for the redesigned Naira and shunning of the old Naira.

8. Establishment of an inspectorate office of the CBN for facilitation and inspection purposes of reforms implementation.

Having carefully observed, studied, and examined the problems and challenges associated with lacklustre and unfitness of Naira over the years, a multi and inter-disciplinary approach would provide a long-term maintenance of the integrity and lustre of the redesigned Naira.

4.0. A NEW REGIME FOR HANDLING THE NAIRA

The findings made are based on an account of the observable fact that Nigerians are generally amenable to reason when they are persuaded rather than pressured or jaded about a point. Nigerians are a happy people, so the style of approach must be one in which they are partners. A persuasive approach is likely to have more effective outcome. Such approach ought to be consistent for a period, not a touch and go approach.

Maintaining the integrity and lustre of the Naira has positive outcomes. There is a pleasantry associated with having and knowing that one will receive and spend clean currency notes. Well-being and good health come with cleanliness.

Nigerians and other stakeholders do not readily appreciate the health hazards associated with wrong use and handling of the Naira. To remedy this situation, education, learning, unlearning, and re-learning are keys to re-orientation and shift of paradigm. This requires co-operation from all stakeholders who administer and operate in the lines and processes of the 'use' and 'circulation' of the Naira.

To this end, implementation strategies must include education and sensitisation on diseases associated with improper handling of currency notes. In addition, hygienic monitoring equipment should be sourced and acquired to complement education. Such equipment should be kept and maintained by the apex bank as well as Deposit Money Banks and used for testing the Naira for microbial activities. Further research is however, required on the time frame and intervals for this process to be applied to determine the clean status of the Naira. This should also enhance the efficiency of the Central Bank and its agencies in determining the appropriate time for withdrawal of unfit notes from circulation. As has been noted above, the Naira note is classified as unfit, dependent on loss of integrity or lustre.

The ATMs should be primed to dispense notes that have been duly checked for authenticity and fitness. The handlers of these equipment should be required to disinfect the notes before paying out to customers. The deposit safes and bank vault should also be constantly sanitised and inspected by a Central Bank Team.

Nigerians have imbibed a practice of spraying currency notes at events and parties. Before now, Naira was mainly used in this practice, however, in recent times, the practice has been extended to use of the United States Dollar.

The punitive laws for spraying the Naira at events should be reconsidered and redirected rather, at appropriate ways to do so. In engaging society to address a culture that appears wrong, but the same culture gives people a social sense of wellness, such as with the culture of spraying Naira, punitive law works to make persons evade consequences of such actions rather than, avoiding taking the action. By this, the consequences are not the subject of focus, rather, the focus is how to take the action without concern for consequences. This ultimately leads to breach of the punitive law and drives the law into disuse. This is the fate of laws such as bigamy in Nigeria. Bigamy and the punishment for it appears, in the Criminal codes, as well as all Marriage Laws in Nigeria and yet is breached without consequences. In such cases, compliance with the objective of the law comes only through negotiation with the social spirit of a people. This is always best achieved through a Law commission engagement. In the case of spraying money, engaging the stakeholders on action plan will aid in distilling the best options to gain compliance.

In the light of the circumstances, a preliminary finding is that it is a better option to identify ways in which the culture of spraying notes can be carried out with minimal damage to the currency notes. Sanctions should only follow when such appropriate methods, considered reasonable to people are flaunted. This will encourage society to be the monitor rather than the law enforcement agents.

Open markets are still the norm in Nigeria. This means that they are populated by traders who are not very versatile and mostly conservative. What would appeal to this class of persons will be that which is closer to nature. Thus, monies made would have to be in a place where it is felt, and this is around the body. To keep notes clean, enclosures such as wallet and knapsacks are important. However, the fear of losing a wallet and its content make it more difficult for people who trade to consider use of wallet or knapsack. Alternative options to this are, therefore, very important. The role of cashless receipt of funds by electronic means such as transfers, and the use of POS must be underscored. For this to be efficacious, the Central Bank must maintain a key supervision over the Money Deposit Banks, on transparency of transactions, security of transfers and sensitisation on liens for recall of transfers and ease of reversal.

Religious gatherings in Nigeria usually take offerings and the large population of Nigeria makes the offering processes a vehicle for wrong handling of currency notes. As a result, providing suitable coins for offering will ease the pressure on using currency notes. Some higher denominations of the Naira can thus, be converted and minted into coins. This proposition does not limit the offerings since those who wish to make larger offerings can do so by electronic transfers or the POS.

In 1973, the kobo had five denominations namely 1/2k, 1k, 5k, 10k and 25k.

In 1989, the 50K and ₦1 which were previously notes were changed to coins. In recent times the kobo coins have been phased out as the value can no longer purchase items. Considering a conversion of some denominations of the previously higher notes which are now lowered from inflation and depreciation to coins is a worthwhile exercise. This will enhance use of these denominations of coins in large assemblies and small petty trades. In the United Kingdom for instance, it is rare to see notes in use in offering baskets in religious assemblies, one hears only clinks of coins particularly the £1 and £2. The coins are even treasured. The most used are 50 pence, £1 and £2. At today's published official exchange rate, the 50 pence is ₦273; £1 is ₦554.

The Central Bank should, therefore, facilitate and encourage the use of coins. Naira, ₦100, ₦50, ₦20, ₦10 and ₦5 should be redesigned as coins.

The CBN is wholly empowered to make and effect the changes on the notes. This falls within the powers vested in the CBN by section 20 of the CBN Act.

Money Deposit Banks, Microfinance and Merchant banks, government agencies, Cash-in-Transit (CIT), Currency Management Equipment Manufacturers are key links in the chain of processes for money circulation.

Money Deposit Banks should receive only fit notes from the Central Bank and its agencies. To achieve this, the Central Bank should create a process by which it is ascertained that the currency notes leaving its custody at all point in time are of requisite integrity and lustre.

As, has been the case, effective and further sensitisation should include informing persons that when notes are unfit, they should be returned to the Money Deposit Banks or a branch of the apex Bank anywhere in Nigeria where they should be exchanged. Use of approved processing infrastructure for such actions by Money Deposit Banks and other approved channels is another useful aid in curbing the challenges faced in achieving best practice in currency handling.

4.1. Summary of Findings

In the light of the foregoing details and with a view to achieving, maintenance of the integrity and lustre of Naira, the following are a summary of the major preliminary findings for action plan.

1. The Central Bank of Nigeria has been very concerned to discharge its duties and responsibilities optimally to best international practices and standard.
2. It has faced severe challenges due to cultural and societal ethos.
3. The Central Bank and its agencies of distribution, nevertheless, have continuing key role to play in the project of achieving international best standard and practices.
4. Only fit notes should be released into circulation.
5. Reporting processes for customers of Banks who are paid unfit notes should be provided and simplified.
6. ₦100, ₦50, ₦20, ₦10, and ₦5 should be redesigned and minted as coins.

7. Individuals should be encouraged to go cashless by reducing the cost of Debit Cards and emphasising use of Mobile Banking Applications.
8. The Money Deposit Bank should facilitate POS for common use even in open market environments.
9. Cashless policy must be complimented with supervision of Banks on transparency of transactions, security of transfers and sensitisation on liens for recall of transfers as well as ease of reversal.
10. Attachable wallets that traders can place on a part of the body a good incentive to market traders while knapsack bags may be more suitable for public and commercial transport teams.
11. Education and sensitisation on diseases associated with improper handling of currency notes.
12. Money Deposit Banks and sundry related financial institutions should be required to have bacteria and infectious disease testing apparatus in sorting of currency notes procedures.
13. An inspectorate unit of the Central Bank should be set up for the purposes of compliance with maintaining the integrity and lustre of Naira.
14. The punitive laws for spraying the Naira at events should be reassessed and redirected at appropriate way to do so. Persuasion and reward is to be preferred for consideration, while application of sanction is a last resort.

The importance of maintaining the integrity and lustre of the Naira is underscored by the findings of this study. The findings have also identified and highlighted strategies and actions that will produce positive and beneficial outcomes in the handling and use of the Naira. Citizens should take pride in the currency of the nation and foreigners resident in Nigeria should accord significance to the nation's currency because the currency is deserving in worth as well as, appearance. The achievement of this state of affairs should be a national objective and pride.

4.2. Actions Towards a New Regime for Handling the Naira

The implementation of the objectives and findings of the study under examination requires a three-stage plan. Stage one should focus on Conference of stakeholders. Conferences are unique vehicles for learning, gathering ideas and exchanging them. It serves not only educative, but also, social, and corporate purposes. The choice of relevant geographical locations in the country will be dependent on needs assessment. Feedback from the conference of stakeholders and lessons drawn will be very useful in mapping out and firming up programmes aimed at maintenance of the integrity and lustre of the Naira.

Stage two contemplates the instituting of an Academic Journal, the copy right of which is in the Central Bank of Nigeria. The Journal whose board should be diverse, should aim at gathering information from structured academic literature on the subject areas of use of currency, societal engagement with banking and Central banking and biological sciences. Since the finding of this study, is that a multi-disciplinary approach is best for the paradigm shift required for maintenance of the integrity and lustre of the Naira, research papers and commentaries should be welcome from both central bank and non-

central bank practitioners, academics, and policy makers regardless of their institutional affiliation and geographic location. It should aim for an international submission and readership.

A Journal is a document of record that elicits the best thought out ideas, observations and experiment for dissemination, criticisms, and fine tuning for use. The Central Bank can institute a Journal fit for purpose. **Central Bank of Nigeria Journal of Banking, Law & Society (JBLS)** is fit for purpose. The Journal aside from serving the CBN brand by promoting its corporate image will also be revenue yielding as it will have a cover price. The Central Bank also has the option of putting up advert in the inner Back Cover of the Journal.

The third stage is sensitisation and campaigns. Promotional items, wallets and knapsack for market traders and transport workers is pivotal for sensitisation and promotion of the expected outcome of lustre and integrity for the redesigned Naira. Some of the areas contemplated for sensitisation include:

Demonstration of...

- Microbial testing of Naira.
- Washing of hands where necessary prior to taking up currency notes and their benefit to health hygiene.
- Regular withdrawal of damaged notes by the Central bank and its agencies.
- Regular replacement of contaminated notes.
- Bricklayers and other unskilled workers placing Naira in envelopes or washing hands prior to using or receiving.
- Banks availing customers who wish to place their currency notes of envelopes.
- Disgust at:
 - biting off or cutting of the edge of currency notes with the teeth.
 - Stepping on notes.
 - Sellotaping of notes.
 - Keeping money in shoes, socks under the carpets and in other personal areas of the body.
 - Using saliva in counting currency notes.
 - Food sellers and those marketing foods for immediate consumption.

All these will demonstrate the proper way to handle the Naira. These promotions should be in Newspapers, on Radios and Televisions and other forms of acceptable social media dissemination of information.

5.0. CONCLUSION

This study has examined the historical and economic development of the Naira as the legal tender in the Nigerian economy. It detailed the concerns of the Central Bank as well as stakeholders concerning the Naira prior to the redesign policy and implementation.

It established problematic areas and requisite remedial actions for maintaining the integrity and lustre of the redesigned Naira. In the light of the inflationary trend in the Country and how it has affected the

prior lower denomination notes and coins, the imperative of converting some notes into coins was found to be worthwhile. The impact of unhygienic actions on the Naira remains a cause of concern, although remediable.

Law continues to be a key aspect of regulation of human experiences and conduct, but with the subject of Naira, its lustre and integrity, any formulation of law for the objective of its efficient use, must take account of the society. Society thrives when the laws of the nation are modelled after the culture and custom that bond the people and propel happiness.

The study has combined theoretical economic, banking, societal and law ethos to arrive at viable conclusions. Maintenance of the integrity and lustre of fit notes starts from its introduction into the liquidity processes. When the CBN provides or distributes suitable fit notes and timeously withdraws unfit/soiled banknotes it goes a long way in setting an example for its objectives of ensuring the integrity of clean Naira. Co-operation between the Central Bank and the Money Deposit Banks and other financial agents and institutions is also encouraged by the CBN Act.

It has been a worthwhile exercise gathering information on the strategy and route of implementation of maintaining the integrity and lustre of the Naira, the legal tender and currency note of the great nation, Nigeria to achieve the objective of international best standard.

ⁱ A new census is slated for May of 2023. [Nigeria Population \(2023\) - Worldometer \(worldometers.info\)](https://worldometers.info/nigeria/).

ⁱⁱ [Nigeria Population \(2023\) - Worldometer \(worldometers.info\)](https://worldometers.info/nigeria/)

ⁱⁱⁱ In recognition of the UN World Happiness Day, a ranking of the world's happiest countries was released on March 20, 2016 by the Sustainable Development Solutions Network. Nigeria continues to spot a place on the list. Dennis Erezi 'World Happiness Report: 20 African countries rank better than Nigeria' The Guardian Nigeria News - Nigeria and World News 18 March 2022- last accessed 20.03.2023) Also 'Happiest Countries in the World 2023' (worldpopulationreview.com).

^{iv} Section 59 is the repealing section and repeals the Central Bank of Nigeria Act 1991 repealing also some amendments to the 1991 Act. These are, Central Bank of Nigeria (Amendment) Act 1993; Central Bank of Nigeria (Amendment) Act 1997; (c) Central Bank of Nigeria (Amendment) (No.2) Act 1998; and (d) Central Bank of Nigeria (Amendment) Act 1999. It further provides that "The rights, interests, obligations and liabilities of the Bank existing before the commencement of this Act under any contract or instruments, or in law or in equity apart from any contract or instrument, shall by virtue of this Act be assigned to and vested in the Bank".

^v Section 2(b) of the CBN Act.

^{vi} The reason for this difference is attributable to frequency in use, the former of higher and the latter of less frequency. This has however been affected by fluctuation in the economic fortunes of the country.

^{vii} SC. 162/2023 judgement delivered 03.03.2023.

^{viii} Agersew Alemu 'Microbial Contamination of Currency Notes and Coins in Circulation: A Potential Public Health Hazard' Journal of Biomedicine and Biotechnology, 2014, Vol. 2, No. 3, 46-53).

^{ix} <http://www.cbn.gov.ng>

^x 'What Our Dirty Naira Say About Us' *Independence* November 10, 2017.

^{xi} O. V. Oshisada 'Dirty money in circulation' The Guardianng.05.07.2018, accessed online12.03.2023.

^{xii} Agersew Alemu, above, **n. iii**.

^{xiii} O. V. Oshisada 'Dirty money in circulation' above **n. viii**

^{xiv} O. V. Oshisada 'Dirty money in circulation' The Guardianng.05.07.2018, accessed online12.03.2023.