**TOPIC:** EXPLORING THE IMPERATIVE OF THE CBN NAIRA REDESIGN POLICY IN CURBING BANDITRY IN NIGERIA.

**CHAPTER ONE**

**INTRODUCTION**

**1.1 Background to the Study**

Banditry has emerged as a significant security challenge in Nigeria, particularly in the northern regions of the country. Criminal elements, often referred to as "bandits," have been involved in a wide range of illicit activities, including kidnappings, cattle rustling, and attacks on communities. These activities have not only disrupted the socio-economic fabric of affected areas but also posed a threat to national stability. Banditry means occurrence or prevalence of armed robbery or violent crimes. It involves the use of force, or threat to that effect, to intimidate a person with the intent to rob, rape or kill. Banditry is a crime against persons. It has been a common genre of crime, as well as cause violence in contemporary societies (Nigeria Watch, 2011).

The prevalence of banditry in Nigeria appears to have been high and rising over the years, it has been a complex and multifaceted issue. It is closely linked to various factors, including economic disparities, weak governance structures, and regional conflicts (Adebayo, 2019). Banditry in Nigeria often manifests as cattle rustling, kidnapping for ransom, and attacks on communities, particularly in the northern and central regions. These criminal activities have led to significant loss of lives, property, and a sense of insecurity among citizens. One of the most immediate and concerning impacts of banditry in Nigeria is the loss of lives and property. These criminal activities have resulted in a significant loss of human lives and have left communities traumatized (Nigeria Watch, 2011). Kidnappings, in particular, have become a pervasive issue, with individuals, including schoolchildren, being abducted for ransom. This has not only caused emotional distress for families but has also disrupted education in some regions. Economically, the consequences of banditry are profound. Cattle rustling, for example, has not only deprived herders of their livelihoods but has also disrupted the cattle-rearing industry, a significant economic activity in many parts of Nigeria. Additionally, the insecurity caused by banditry has deterred investments and economic development in affected regions, contributing to a cycle of poverty and unemployment

Furthermore, the prevalence of banditry has strained government resources and infrastructure. Funds that could be allocated to development projects and social services are redirected towards security and law enforcement efforts to combat banditry. This diversion of resources limits the government's ability to address pressing issues such as education, healthcare, and infrastructure development. The psychological impact of banditry should not be underestimated. Communities living in constant fear of attacks experience a heightened sense of insecurity. This fear erodes trust in the government's ability to protect its citizens, undermining social cohesion and the sense of national unity.

One of the key driving factors behind the surge in banditry has been the economic motivation for criminal activities. High levels of unemployment, poverty, and lack of economic opportunities in certain regions of Nigeria have created an environment conducive to the recruitment and sustenance of criminal gangs (Adebayo, 2019). These gangs often resort to banditry as a means of survival, exploiting the vulnerability of local populations.

The Central Bank of Nigeria is the central bank and apex monetary authority of Nigeria established by the CBN Act of 1958 and commenced operations on 1 July 1959. The major regulatory objectives of the bank as stated in the CBN Act are to: maintain the external reserves of the country, promote monetary stability and a sound financial environment, and act as a banker of last resort and financial adviser to the federal government (Central Bank of Nigeria, n.d.). The Central Bank of Nigeria (CBN) plays a crucial role in the country's financial and economic policies, including the design and management of its currency, the naira. Currency redesign has been recognized as a potential tool for addressing security concerns, as it can affect the ability of criminals to use counterfeit money and launder illicit funds (CBN, 2020).

One notable example of currency redesign in Nigeria is the introduction of polymer banknotes. These banknotes were introduced with advanced security features, making them more resistant to counterfeiting (Smith, 2017). The goal was to ensure the public's confidence in the Naira by minimizing the circulation of counterfeit currency. Moreover, the redesign of currency notes often incorporates modern security technologies, such as holograms, security threads, and watermarks, which can make it more difficult for criminal organizations to produce counterfeit money. These security features act as a deterrent to counterfeiters and can disrupt the financial activities of criminal groups involved in banditry and other illicit activities.

The recent announcement by the Governor of the central Bank of Nigeria, Godwin Emefiele, regarding the introduction of new Nara notes, on October 26, 2022, announced that new Naira notes would be introduced to replace the current 200, 500, and 1,000 Naira notes. Emefiele said the redesign will take effect from Thursday, December 15, 2022.He also said that existing notes would seize to be regarded as legal tender by January 31, 2023. The CBN Governor cited money hoarding, inflation, counterfeiting and to deal with the growingkidnapping and ransom industry as major reasons for its unusual decision (Dr. Sam Amadi & Victor Opatola, 2022).

Furthermore, the CBN acknowledged that about N2.73 trillion of the N3.23 trillion currency in circulation in Nigeria, is outside the bank vaults. This is about 85% of the total money in circulation (CBN, 2022). Also, the Naira is not as secured as it ought to be, as it is easier to counterfeit theN500 and N1000 denominations (Dr. Sam Amadi & Victor Opatola, 2022).

The Central Bank of Nigeria plays a pivotal role in currency management and redesign, with a focus on enhancing security features to deter counterfeiters and disrupt the financial infrastructure of criminal organizations. The CBN's currency redesign policy is a multifaceted approach that aligns with broader efforts to address security challenges like banditry in Nigeria.

**1.2 Statement of the Problem**

Banditry has emerged as a grave and multifaceted security challenge in Nigeria, particularly in the northern regions of the country. This criminal phenomenon, characterized by armed robberies, kidnappings, cattle rustling, and attacks on communities, poses a significant threat to the nation's stability, socio-economic well-being, and the safety of its citizens. The prevalence of banditry in Nigeria has been on the rise, leading to profound consequences for individuals, communities, and the country as a whole.

The problem at hand is the intricate nexus between banditry and its underlying causes, including economic disparities, weak governance structures, and regional conflicts. These drivers have created an environment conducive to the growth and sustenance of criminal gangs engaging in banditry as a means of survival. High levels of unemployment, poverty, and limited economic opportunities in certain regions have fueled the recruitment of individuals into these criminal networks, perpetuating the cycle of violence.

Furthermore, the impact of banditry extends beyond immediate physical harm. It results in significant loss of lives and property, traumatizes communities, disrupts education, and hampers economic development. The diversion of government resources and infrastructure towards security and law enforcement efforts to combat banditry exacerbates the strain on essential services such as education, healthcare, and infrastructure development. The resulting erosion of trust in the government's ability to protect its citizens further undermines social cohesion and national unity.

In response to this critical challenge, the Central Bank of Nigeria (CBN) has initiated currency redesign policies as a potential tool to address security concerns associated with banditry. The CBN's aim is to enhance the security features of the Naira, making it more resilient to counterfeiting and illegal financial activities by criminal organizations involved in banditry.

However, the effectiveness of the CBN's currency redesign policy in curbing banditry remains an area of exploration. Questions arise regarding the direct impact of currency redesign on mitigating the security challenges posed by banditry and whether this approach can address the underlying socio-economic factors driving individuals into criminal activities.

This study seeks to critically investigate the relationship between currency redesign by the CBN and its potential to curb banditry in Nigeria. By examining the efficacy of this policy in disrupting the financial infrastructure of criminal organizations, deterring counterfeit money circulation, and promoting socio-economic development, this research aims to provide valuable insights into innovative solutions for addressing the complex issue of banditry in Nigeria.

**1.3 Aim and Objectives of the Study**

The primary aim of this study is to examine the potential impact of the Central Bank of Nigeria's currency redesign policy in mitigating the security challenges posed by banditry in Nigeria. Specific objectives are To:

1. Evaluate the effectiveness of the Naira Redesign as a tool for disrupting the financial infrastructure of criminal organizations involved in banditry.
2. Analyze currency redesign's role in addressing socio-economic factors driving criminal activity, especially in high-banditry regions.
3. Evaluate the overall impact of the Central Bank of Nigeria's currency redesign policy on enhancing security, socio-economic development, and public confidence in the Naira, with the goal of promoting stability and reducing the prevalence of banditry in Nigeria.

**1.4 Research Questions**

1. How effective is the Naira Redesign as a tool for disrupting the financial infrastructure of criminal organizations involved in banditry?
2. What role does currency redesign play in addressing socio-economic factors that drive criminal activity, particularly in regions with high levels of banditry?
3. What is the overall impact of the Central Bank of Nigeria's currency redesign policy on enhancing security, promoting socio-economic development, and fostering public confidence in the Naira, with the goal of reducing the prevalence of banditry in Nigeria?

**1.5 Research Preposition**

1. The redesign of the Nigerian Naira can effectively disrupt the financial infrastructure of criminal organizations engaged in banditry and also reducing the circulation of counterfeit money.
2. Currency redesign, as implemented by the Central Bank of Nigeria, plays a significant role in addressing the socio-economic factors that drive individuals into criminal activities, particularly in regions with high levels of banditry.
3. The Central Bank of Nigeria's currency redesign policy has a substantial overall impact on enhancing security, promoting socio-economic development, and instilling public confidence in the Naira, with the potential to reduce the prevalence of banditry in Nigeria.

**1.6 Significance of the Study**

The significance of this study lies in its potential to provide valuable insights into the role of currency redesign, as implemented by the Central Bank of Nigeria, in addressing the pressing issue of banditry. By evaluating the effectiveness of currency redesign in disrupting criminal financial networks, analyzing its impact on socio-economic factors driving criminal activity, and assessing its overall influence on security and public confidence, this research can inform policymakers, the CBN, and stakeholders about the utility of currency redesign as a tool in the fight against banditry. Ultimately, the findings have the potential to guide evidence-based policies and interventions aimed at promoting stability, reducing criminality, and fostering socio-economic development in Nigeria's high-banditry regions.

**1.7 Scope of the Study**

The study will focus on the impact of the recent redesign of the Naira currency on the rate of banditry in Nigeria. It will explore the connection between currency redesign and criminal activities, specifically focusing on banditry. The study will focus on the period following the redesign of the Naira currency and its impact on the rate of banditry in Nigeria. The precise timeframe for this examination will be determined based on the accessibility of pertinent data.

**1.8 Limitations of the Study**

This study acknowledges several limitations that may impact the depth and generalizability of its findings. Firstly, the study relies heavily on available data, and the accuracy and completeness of this data are subject to potential limitations. Data on banditry incidents, currency redesign impacts, and related socio-economic factors may be incomplete or subject to reporting biases, which could affect the comprehensiveness of the analysis.

Secondly, the study's scope is limited to the specific context of Nigeria and may not be directly applicable to other regions or countries facing similar security challenges. Banditry's drivers and dynamics can vary significantly across different contexts, and caution should be exercised in extending the findings beyond Nigeria.

Thirdly, due to distance barriers and logistical constraints, the researcher was unable to conduct in-person interviews or surveys in the regions highly affected by banditry to gather the perspectives of individuals directly impacted by the policy. This limitation may result in a partial understanding of the local perceptions and experiences related to currency redesign and its effects on banditry.

Additionally, the study faces the challenge of a lack of comprehensive and standardized record-keeping on the internet regarding banditry cases in Nigeria. The absence of proper statistics, such as the total number of people killed by banditry or the frequency and locations of banditry attacks, hinders the ability to conduct a robust quantitative analysis.

1.7 Operational definition of Terms

1. **Naira redesign:** The term “Naira redesign” refers to the process of revising the design of Nigeria’s currency, the Naira. This redesign involves changes to the physical appearance of the currency, such as its color, size, and security features, as well as changes to its denomination. The purpose of a currency redesign is typically to improve its security, prevent counterfeiting, and ensure that the currency remains up-to-date and easily recognizable.
2. **Banditry:** Banditry is used to describe organized criminal activities involving armed groups or individuals engaged in acts of violence, including but not limited to armed robbery, kidnappings for ransom, cattle rustling, and attacks on communities. It is characterized by the use of force, threats, or intimidation to commit criminal acts.
3. **Socio-economic Factors:** Socio-economic factors encompass a range of elements that influence individuals' economic and social well-being. In this study, socio-economic factors specifically refer to conditions such as unemployment, poverty, limited economic opportunities, and regional disparities that can motivate individuals to engage in criminal activities, including banditry.
4. **High-Banditry Regions:** High-banditry regions are geographical areas within Nigeria where the incidence of banditry, as defined in this study, is notably prevalent. These regions typically experience a higher frequency of banditry-related criminal activities compared to other parts of the country.
5. **Crime reduction:** Crime reduction refers to the reduction in the number or frequency of criminal acts in a specific geographic area or population. The goal of crime reduction initiatives is to create safer communities and reduce the negative impacts of crime on individuals, families, and businesses.
6. **Security Infrastructure:** Security infrastructure pertains to the systems, measures, and strategies employed by authorities, including law enforcement agencies, to maintain law and order, protect citizens, and combat criminal activities such as banditry.
7. **Public safety:** Public safety refers to the measures taken to ensure the well-being and security of individuals, communities, and society as a whole. Public safety encompasses a wide range of initiatives and practices designed to prevent harm, reduce risk, and protect people from harm.
8. **Policy making:** Policy making refers to the process by which decisions are made and rules are established that guide the actions of individuals, organizations, or governments. Policy making involves the formulation, implementation, and evaluation of policies that address specific problems or issues.
9. **Public Confidence:** Public confidence refers to the level of trust and belief that citizens have in the Naira currency, the Central Bank of Nigeria, and the effectiveness of currency redesign policies in ensuring the security and stability of the national currency.

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**CHAPTER TWO  
LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

**Introduction**

In this chapter, we delve into the rich tapestry of literature and theoretical foundations that underpin our exploration of the imperative of the Central Bank of Nigeria's naira redesign policy in curbing banditry within the nation. Banditry, with its multifaceted dimensions, has emerged as a significant security challenge in Nigeria, particularly in the northern regions of the country. The study is driven by the understanding that addressing this complex issue requires a comprehensive examination of the factors and strategies at play.

**2.1 Literature Review**

**2.1.1 Historical Overview of Banditry in Nigeria**

Banditry in Nigeria has a long and complex history, with various forms of criminal activities involving armed groups or individuals perpetrating violence and crime. Understanding this historical context is essential for comprehending the contemporary challenges posed by banditry.

The roots of banditry in Nigeria can be traced back to pre-colonial and colonial eras, with different regions experiencing varying degrees of criminal activities. In pre-colonial times, certain groups engaged in cattle rustling and inter-communal conflicts over resources, which could be considered early forms of banditry (Makwin, 2015).

During the colonial period, Nigeria witnessed significant socio-economic changes, including the introduction of cash crops and a shift from subsistence farming to wage labor. These transitions, while beneficial in some ways, also brought about economic disparities and inequalities, particularly between rural and urban areas. It was during this period that banditry began to manifest in more organized and systematic ways.

The post-independence era in Nigeria saw the persistence and evolution of banditry. Criminal activities, including armed robbery, kidnapping, and attacks on communities, continued to plague various regions of the country. Economic disparities, political instability, and regional conflicts further fueled these criminal activities (Adebayo, 2019).

One significant historical event that exacerbated banditry in Nigeria was the Nigerian Civil War (1967-1970). The war not only led to economic disruptions but also contributed to the proliferation of small arms and armed groups. After the war, some of these armed groups evolved into criminal gangs engaged in banditry, taking advantage of the availability of weapons and the breakdown of law and order (Makwin, 2015).

Throughout Nigeria's history, different regions have experienced banditry to varying extents. The northern and central regions of Nigeria, in particular, have been hotspots for banditry-related activities, including cattle rustling and armed attacks on communities. This historical overview demonstrates that banditry in Nigeria is not a recent phenomenon but has deep-seated historical roots. The factors driving banditry have evolved over time, but economic disparities, regional conflicts, and political instability have consistently played a significant role in its perpetuation.

The relationship between economic factors and banditry in Nigeria is a complex and multifaceted one. This section delves into the intricate dynamics of economic disparities, poverty, unemployment, and their connection to the prevalence of banditry. Empirical studies and theories are employed to shed light on this relationship.

**2.1.2 The Concept of Banditry**

Conceptually the term banditry which is inferred from the word bandit, implies an unlawful armed group that terrorizes people and takes possession of their properties. In other words, bandits are a group of criminals who utilize weapons to carry out assaults against individuals to steal, rob, kidnap, or murder them. In this regard, banditry refers to an organized crime that includes kidnapping, armed robbery, murder, rape, cattle theft, and abuse of environmental assets (Akinyetun, 2022; Brenner, 2021). To Eyikomisan et al. (2021), banditry can encompass a range of criminal activities, including those affiliated with various non-ethnic and ethnic factors. For example, many of the recent large-scale outfitted assaults are suspected to have been carried out by Fulani raiders.

Banditry is an organized crime whereby criminals take arms and ammunition against defenceless people (Babamgida, 2021)**.** In recent times, banditry has been a major security concern for the well-meaning Nigerians. Banditry exists in different dimensions. These include kidnapping, armed-robbery, theft and other violent crimes.

According to Okoli and Okpaleke (2014), banditry refers to cases of armed robbery or related violent crimes such as kidnapping, cattle rustling, and raids in villages or markets. It involves the use of force, or the threat to that end, to intimidate someone or a group of people to pillage, rape, or kill (Okoli & Okpaleke 2014).

Banditry is a serious security challenge that undermines peace and stability of contemporary Nigerian society. The following violent and organised crimes are grouped under banditry (Abdul-rashhed, 2021**).** The daily reports on banditry on print and electronic media are worrisome. The bandits have the effrontery to release the video clips of victims on the internet. This calls for condemnation of present approach to end banditry. There is a political dimension to banditry, political opposition has capitalized on the present insecurity to call on the Mr. President to resign. The agitators may constitute threats to national security with the ways they are expressing their school of thoughts. The high-profile criminalities committed by bandits poses serious threats to national security (Cunningham, 2017). They invade households and gang-raped female folks in the presence of their fathers or husbands. Banditry has scared away farmers from farmlands. The educational system in the Northern Nigeria is in shambles on account of banditry. The bandits unleash terror of different degrees on their victims. The public utilities like rail tracks are not spared by bandits. In places such as Kaduna, Zamfara, Yobe, Niger, Kogi and Benue, banditry is a daily occurrence (Mohammed, Umar, Olaleye. Pelemo, Ahmed, Mohammed, & Umar, 2021).

On the other hand, Hassan (2021) refers to bandits as criminal gangs that have terrorized Nigeria’s rural areas, especially in the northwest and north-central regions of Nigeria. They have killed, kidnapped, forced people out of their homes, and taunted the authorities with their hardheartedness. Villages are often attacked by bandit gangs on motorcycles, who shoot all the young men they can find on the assumption that they are members of local vigilante groups and after that, they often take livestock and other valuable items away with them (Hassan, 2021).

**2.1.3 Economic Factors and Banditry in Nigeria**

Economic disparities, characterized by significant gaps in income and wealth distribution, have long been recognized as a contributing factor to banditry in Nigeria. These disparities are often regional, with certain areas of the country enjoying economic prosperity while others struggle with poverty and underdevelopment (Onuoha, 2019).

Empirical evidence suggests that regions marked by pronounced economic disparities tend to experience higher rates of banditry. In many cases, individuals and communities on the fringes of economic prosperity may resort to banditry as a means of survival and wealth accumulation, particularly when legitimate economic opportunities are scarce (Ibrahim, 2020).

Poverty is a critical driver of banditry in Nigeria. Individuals living in impoverished conditions are more susceptible to recruitment by criminal gangs engaged in banditry-related activities. Desperation, coupled with limited access to basic necessities and economic opportunities, can push individuals toward criminal behavior (Ibrahim, 2020).

Studies have shown that banditry disproportionately affects regions with high poverty rates. Kidnappings for ransom, cattle rustling, and armed attacks on communities often target economically vulnerable areas, exacerbating the cycle of poverty and insecurity (Adebayo, 2019).

Unemployment, particularly among young people, is a significant catalyst for banditry. The lack of employment opportunities can lead to frustration and disillusionment, making young individuals susceptible to recruitment by criminal gangs. Banditry offers financial incentives and a sense of belonging to those who feel marginalized by the formal job market (Ibrahim, 2020).

Research has indicated that areas with high youth unemployment rates are more likely to witness a surge in banditry-related activities. Young people who lack prospects for legitimate employment may turn to criminality as an alternative source of income and social identity (Adebayo, 2019).

**2.1.4 Security Implications of Banditry**

Banditry has had a profound impact on Nigerian communities, particularly those in the northern regions where it has been most prevalent. Communities affected by banditry often endure a state of perpetual fear and insecurity, with residents living in constant dread of attacks (Mustapha, 2020). The violence perpetrated by bandits, including kidnappings, killings, and property destruction, has led to the displacement of thousands of people, causing a humanitarian crisis in the affected areas (Ibrahim, 2019).

Additionally, the economic consequences of banditry cannot be overstated. Bandits frequently engage in the extortion of local businesses, demanding protection money or imposing illegal taxes, which hinders economic development in these regions (Umar, 2018). As a result, communities that were already marginalized face further economic challenges, exacerbating poverty and underdevelopment.

The security challenges posed by banditry have strained law enforcement agencies in Nigeria. Police and other security forces are often ill-equipped to combat well-armed and organized bandit groups, leading to a high attrition rate among security personnel (Ajayi, 2021). Moreover, the endemic corruption within law enforcement agencies has allowed some bandit groups to operate with impunity, as they are protected by corrupt officials (Mustapha, 2020).

The diversion of law enforcement resources to address banditry has also hindered the ability of these agencies to address other security threats, such as insurgency and terrorism. This diversion of resources weakens the overall security apparatus of the nation and undermines its capacity to respond effectively to various security challenges.

Banditry poses a significant threat to Nigeria's national stability. The spread of banditry has created a climate of insecurity that undermines social cohesion and trust in the government's ability to protect its citizens (Ibrahim, 2019). This erosion of trust can lead to social unrest and even political instability.

Furthermore, the proliferation of small arms and light weapons, often used by bandits, poses a long-term threat to national security. These weapons can easily fall into the hands of other criminal or terrorist groups, aggravating existing security challenges (Ajayi, 2021). The insecurity generated by banditry also hampers economic growth and foreign investment, further destabilizing the country (Umar, 2018).

**2.1.5 The History of Currency Introduction and Redesign in Nigeria**

During the pre-colonial era, different cultures used a variety of items as means of exchange. These included cowries, manilas, beads, bottles and salt amongst others. The first major currency issue in Nigeria was undertaken following the colonial ordinance of 1880 which introduced the Shillings and Pence as the legal tender currency in British West Africa (Banuso, 2012). The units of coins managed by the Bank of England were one shilling, one penny, 1/2 penny and 1/10 penny and were distributed by a private bank, the Bank for British West Africa till 1912 (Onakoya, 2013).

From 1912 to 1959, the West African Currency Board (WACB) issued the first set of banknotes (insert hyperlink) and coins in Nigeria, Ghana, Sierra Leone and the Gambia. The highest banknote denomination was one pound, while the one shilling coin was the highest coin denomination (Collier, 2016).

On 1st July, 1959 the Central Bank of Nigeria (CBN) issued Nigerian currency banknotes, while the WACB-issued banknotes and coins were withdrawn. It was not until 1st July, 1962 that the currency was changed to reflect the country’s republican status. The banknotes which bore the inscription, ’FEDERATION OF NIGERIA‘, now had, ‘FEDERAL REPUBLIC OF NIGERIA’, inscribed at the top  (Collier, 2016). The notes were again changed in 1968 following the misuse of the currency banknotes during the civil war.

Sequel to the decision by the government to change from the metric to decimal, the name of the Nigerian currency was changed in January, 1973. The major unit of currency which used to be £1 ceased to exist and the one naira which was equivalent to ten shillings became the major unit, while the minor unit was called the kobo; hundreds of which made one naira (Shodeinde, 2018).

On 11th February 1977, a new banknote with the value of twenty naira (₦20) was issued. It was the highest denomination introduced at the time as a result of the growth of the economy; the preference for cash transactions and the need for convenience (Shodeinde, 2018).

The banknote was the first in Nigeria to bear the portrait of a prominent Nigerian citizen, the late Head of State, General Murtala Ramat Muhammed (1938-1976) who was the torch bearer of the Nigerian Revolution in July, 1975. The note was issued on the 1st anniversary of his assassination as a fitting tribute to a most illustrious son of Nigeria. He was declared a national hero on 1st October 1978 (Obikili, 2013).

On 2nd July, 1979, new currency banknotes of three denominations, namely ₦1, ₦5 and ₦10 were introduced. These notes were of the same size i.e. 151 X 78 mm as the ₦20 note issued on 11th February, 1977. In order to facilitate identification, distinctive colours were used for the various denominations (Nwali, 2016). The notes bore the portraits of three eminent Nigerians, who were declared national heroes on 1st October 1978. The engravings at the back of the notes reflected various cultural aspects of the country.

In April 1984, the colour of all the banknotes in circulation were changed with the exception of the 50 Kobo banknote to arrest the currency trafficking prevalent at the time. In 1991, the 50K and ₦1 were both coined (Nwali, 2016). In response to the expansion in economic activities and to facilitate an efficient payments system, the ₦100, ₦200, ₦500 and ₦1000 banknotes were introduced in December 1999, November 2000, April 2001 and October 2005 respectively.

On 28th February 2007, as part of the economic reforms, ₦20 was issued for the first time in a polymer substrate, while the ₦50, ₦10 and ₦5 banknotes; as well as ₦1 and 50K coins were reissued in new designs, and the ₦2 coin was introduced (Modebe, 2011).

On 30th September 2009 the redesigned ₦50, ₦10 and ₦5 banknotes were converted to polymer substrate following the successful performance of the ₦20 (polymer) banknote. Thus, all lower denomination banknotes were now printed in the polymer substrate (Abubakar, 2014). Finally, the CBN, as part of its contribution towards the celebration of the nation’s 50th anniversary of Nigeria’s Independence and 100 years of its existence as a nation, issued the ₦50 Commemorative polymer banknote on 29th September 2010; and the N100 Commemorative banknote on 19th December 2014 respectively.

**2.1.6 Effects of adopting the policy of currency redesign on the Nigerian economy overtime**

From the available statistic, prior to the introduction of the N20 naira note in 1973, the country was experiencing a high inflation rate which stood at 5.40% in 1973. Immediately after the introduction of this currency the country witnessed a drastic decrease in the rate of inflation. As at 1978, the inflation rate stood at 15.09% while in 1991 the inflation rate fell further to 13.01%, indicating a positive impact of such policy on the Nigerian economy (CBN, 2020). However, the inflation rate rose to 17.8%in 1999 which call for the introduction of new currency denomination since money is the measure of value. In October 1984, the currency was re-modified by coloring. At the end of that year the inflation rate stood at 17.86%, higher than previous years. Nevertheless, the rate fell to 5.72% in 1986 (Tade, 2022).

However, when the Structural Adjustment Programmed (SAP) was introduced same year and after the inflation rate doing this period. In 1988 and 1989 the inflation rate stood at 54.51% and 50.47% respectively. This called for another introduction of new currency denomination and as a result the N50 note was introduced in 1991 (Emeike, 2019). Unlike previous experience of the country, this policy did not yield a desirable result or the impact of this policy on the economy was not as expected. For after the introduction of the new currency, the inflation rate sky rocketed to 72.84% in 1995.

During the period 1992 to 1995, of around (57.08%-72.84%) the country experienced high inflation rate which has never occurred in the history of the country Three years after, the N100, N200 and N500 naira was introduced in November 1999, November 2000 and April 2001 respectively (Ofi, 2018). Immediately after the introduction of these currencies, the inflation rate which was single digit in 2000 (6.94) became double digit throughout the period 2001 to 2005.

This further attracted the adoption of policy restructuring in October 12, 2005 and this gave birth to the N1000 note or led to the introduction of the N1000 note. The resulting effect of this on inflation rate is that it turned into a single digit in 2006 and 2007 (8.24 and 5.36 respectively) (Ofi, 2018) but became double digit ever since, even between the period 2008, 2010 till date as shown in the below diagram which shows how inflationary induced the policy.

**2.1.7 Potential benefits and drawbacks of currency redesign in curbing banditry in Nigeria**

Currency redesign is a policy that involves the introduction of new currency notes and coins, and the withdrawal of old ones. It is often implemented to combat counterfeiting, black money, and other criminal activities. Currency redesign has also been used as a tool to curb banditry in Nigeria.

Currency redesign can have a number of potential benefits in curbing banditry. First, it can disrupt the operations of bandit groups, which often rely on large amounts of cash to fund their activities. Second, it can reduce the demand for ransom payments, as it can make it more difficult for bandits to collect and use ransom payments. Third, it can increase public confidence in the government, which can encourage people to cooperate with law enforcement agencies in combating banditry (Adebayo, 2019; Collier, 2016; Ibrahim, 2020; Mustapha, 2020; Umar, 2018).

However, currency redesign also has some potential drawbacks. First, it can be a costly exercise, especially in a country like Nigeria with a large population. Second, it can be inconvenient for the public, especially those who have difficulty accessing banking services. Third, there is a risk that corrupt officials could exploit currency redesign to enrich themselves. Fourth, currency redesign may not be effective in curbing banditry if it is not implemented properly or if it is not accompanied by other measures to address the root causes of banditry, such as poverty, unemployment, and inequality (Adebayo, 2019; Collier, 2016; Ibrahim, 2020; Mustapha, 2020; Umar, 2018).

Overall, currency redesign can be a useful tool for curbing banditry in Nigeria. However, it is important to weigh the potential benefits and drawbacks of this policy before implementing it. Additionally, currency redesign should be implemented in conjunction with other measures to address the root causes of banditry.

**2.1.8 The evidence on the effectiveness of currency redesign in curbing banditry in Nigeria and other countries**

The evidence on the effectiveness of currency redesign in curbing banditry is mixed. Some studies have found that currency redesign can lead to a short-term reduction in banditry, while others have found that it has no long-term impact.

In Nigeria, there is limited evidence on the effectiveness of currency redesign in curbing banditry. One study found that the currency redesign of 1984 led to a decrease in banditry in the short term (Adebayo, 2019). However, the study also found that the decrease in banditry was not sustained in the long term.

There is more evidence on the effectiveness of currency redesign in curbing banditry in other countries. For example, a study in India found that the currency redesign of 2016 led to a decrease in robbery and kidnapping (Gupta & Kumar, 2020). The study attributed this decrease to the fact that the currency redesign made it more difficult for bandits to use and launder stolen cash.

Another study in Colombia found that the currency redesign of 2015 led to a decrease in kidnapping (Restrepo, 2019). The study attributed this decrease to the fact that the currency redesign made it more difficult for kidnappers to collect and use ransom payments.

The evidence on the effectiveness of currency redesign in curbing banditry is mixed. There is limited evidence from Nigeria, but more evidence from other countries suggests that currency redesign can lead to a short-term decrease in banditry. However, it is important to note that currency redesign is not a silver bullet for curbing banditry. It is important to implement currency redesign in conjunction with other measures to address the root causes of banditry, such as poverty, unemployment, and inequality.

**2.2 Theoretical Framework**

In this section, we present the theoretical framework that underpins this research project. The selection of the theoretical framework is crucial for guiding the study and providing a conceptual basis for understanding the phenomenon under investigation. The Situational Action Theory (SAT) has been chosen as the main theory and Opportunity Reduction Theory as the supporting theory. Below, we provide an overview of each theory, discuss their recent advancements, and explain the rationale behind their selection.

**2.2.1 Situational Action Theory (SAT)**

Situational Action Theory (SAT) is a general, dynamic and mechanism-based theory of crime and its causes that analyses crime as moral actions. SAT proposes to explain all kinds of acts crime (hence, *general*), stresses the importance of analysing the person-environment interaction and its changes (hence, *dynamic*), and focuses on identifying key basic explanatory processes involved in crime causation (Centre for Analytic Criminology, n.d.).

SAT was developed to overcome the generally observed fragmentation and poor integration of key criminological insights and provide a comprehensive theoretical framework to analyse crime and its causes (Wikström, 2004; Wikström, 2017:504-509). SAT was initially developed during the late 1990s and early 2000s. The first outline of the theory in English was published in 2004 and it have since been further advanced, extended and refined over the last 15-years (e.g., Wikström, 2004; 2005; 2006; 2010; 2011; 2017; Wikström et al, 2012:3-43; Wikström & Treiber, 2018).

The choice of Situational Action Theory (SAT) as the main theoretical framework for this project work was deliberate and grounded in its strong linkage and relevance to the research objectives and the phenomenon under investigation. Several key factors contributed to the selection of SAT.

SAT places a central focus on situational factors as determinants of criminal behavior. In our research project, we aim to understand the impact of specific situational factors on criminal actions. SAT's emphasis on how individuals respond to situational opportunities aligns with our research goal of analyzing the influence of contextual variables on criminal decision-making.

SAT provides a holistic understanding of criminal behavior by considering both individual and situational factors. It acknowledges that criminal actions result from the interplay between individuals' propensity for criminal behavior and their exposure to criminal opportunities. This comprehensive approach is essential for our research, which seeks to unravel the complexities of criminal actions in specific contexts.

SAT has shown adaptability to evolving forms of criminal behavior and contemporary challenges. Recent advancements in SAT have extended its applicability to various domains, including cybercrime and technology-related offenses (Piquero et al., 2020). This adaptability is crucial for addressing modern crime phenomena, which often involve situational elements influenced by technology and environmental factors.

SAT has practical implications for crime prevention and intervention strategies. By understanding how situational factors can be manipulated to reduce criminal opportunities, SAT offers insights into designing effective crime prevention measures. This aligns with our research interest in exploring practical interventions to mitigate specific criminal activities.

SAT is a well-established theory in the field of criminology, supported by a substantial body of empirical research. Its credibility and recognition within the academic community make it a solid foundation for our research project.

**2.2.2 Opportunity Reduction Theory**

Opportunity Reduction Theory, as proposed by Clarke (1995), centers on the idea that changes in the environment and situational factors can have a significant impact on crime rates (Clarke, 1995). This theory suggests that by altering the situational characteristics of a setting, potential offenders can be discouraged, and opportunities for criminal activities can be reduced. Opportunity Reduction Theory highlights the importance of crime prevention through environmental design and situational crime prevention strategies.

Opportunity Reduction theory was chosen as a supporting theory for this research work as it has strong alignment with the research objectives and its relevance to the phenomenon which is under investigation. The Opportunity Reduction Theory, as developed by Clarke (1995), places a central emphasis on the role of environmental and situational factors in influencing criminal opportunities. This theory posits that by modifying the environment and situational characteristics, the potential for criminal activities can be reduced. Our research project is centered on understanding the impact of specific situational interventions on criminal opportunities. Therefore, Opportunity Reduction Theory offers a direct and relevant framework for analyzing the influence of environmental changes on the phenomenon under investigation.

One of the strengths of Opportunity Reduction Theory is its practical orientation. It highlights the potential for crime prevention through environmental design and situational crime prevention strategies. Given that our research aims to assess the effectiveness of situational interventions in reducing criminal opportunities, the practical insights provided by this theory are invaluable. It offers a framework for understanding how changes in the environment can deter criminal behavior, aligning with our research interest in exploring practical interventions to mitigate specific criminal activities.

Opportunity Reduction Theory is adaptable to contemporary challenges in crime prevention. Recent advancements in this theory have expanded its applicability to various forms of crime, including cybercrime and technology-related offenses. In an era where crime has evolved in response to technological advancements, the theory's adaptability to modern crime phenomena is particularly relevant to our research, which seeks to address evolving criminal opportunities influenced by technology and situational elements (Johnson et al., 2019).

Opportunity Reduction Theory is a well-established framework in the field of criminology, supported by extensive empirical research. Its credibility and recognition within the academic community make it a robust foundation for our research project.

SAT and opportunity reduction theory are two relevant theoretical perspectives that can be used to explain the relationship between currency redesign and banditry in Nigeria. SAT suggests that currency redesign can reduce banditry by making it more difficult for bandits to find opportunities to engage in banditry, and by making it easier for law enforcement to monitor and control banditry. Opportunity reduction theory suggests that currency redesign can reduce banditry by making it more difficult for bandits to obtain and use cash.

These two theories have been advanced in recent years to incorporate insights from other disciplines, and to better understand the complex factors that influence criminal behavior.

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**CHAPTER THREE**

**RESEARCH METHODOLOGY**

**3.1 Introduction**

This chapter delves into the methodology utilized in our research study, which is dedicated to examining the imperative of the CBN Naira redesign policy in curbing banditry in Nigeria. This chapter provides a detailed overview of the research design, methods of data collection, sample of study and sampling procedures, tools for data collection, and methods of data presentation and analysis. Through the comprehensive elucidation of our research methodology, the primary objective of this chapter is to establish the robustness, credibility, and dependability of the findings we derive in this study.

**3.2 Research Design**

A research design encompasses a plan, structure, and strategy devised to investigate research questions or problems systematically (Kothari, 2004). This study utilizes a qualitative research design to investigate the phenomenon under study. Qualitative research is an approach that seeks to understand and explore complex social phenomena by collecting and analyzing non-numerical data. It aims to capture the richness and depth of human experiences, perspectives, and behaviors. This research design aligns with the interpretive and holistic nature of qualitative research, as described by Creswell (2013), which emphasizes understanding social phenomena in their natural settings and capturing the depth and complexity of human experiences.

The qualitative research design is particularly well-suited to this project because it enables a comprehensive exploration of the intricate relationship between currency redesign and banditry in Nigeria. It provides the flexibility to delve into the subjective experiences, motivations, and perceptions of individuals involved in or affected by banditry, as well as to uncover the contextual factors that influence criminal behavior. This research design allows for in-depth content analysis, focus groups, and ethnographic approaches to gather rich, qualitative data.

Given the complexity and multifaceted nature of banditry, a qualitative research design allows for a holistic understanding of the phenomenon. By engaging with narratives and stories, it can capture the lived experiences of both perpetrators and victims, shedding light on the underlying factors driving criminal activities. Additionally, qualitative research offers the opportunity to explore emergent themes and unexpected findings, which can contribute to a more nuanced and insightful analysis.

**3.3 Method of Data Collection/Tools**

The data collection method adopted in this study is secondary data collection. Secondary data refers to information that has been previously collected and recorded by someone else for purposes other than the current research (Saunders et al., 2019). In this case, the researcher utilized existing texts, literature, journals, earlier publications, dictionaries, and encyclopedias as sources of secondary data.

The tools used for collecting these secondary data sources included conducting a comprehensive review and analysis of relevant texts, literature, journals, and publications related to the research topic. These sources provide valuable insights, theoretical frameworks, empirical evidence, and historical context necessary for addressing the research questions and objectives.

By employing secondary data collection methods, the researcher benefited from the vast amount of information and knowledge already available, which significantly contributed to the depth and breadth of the study. It allowed for a comprehensive examination of previous research findings, scholarly debates, relating to the topic exploring the imperative of the CBN naira redesign policy in curbing banditry in Nigeria.

It is important to note that secondary data collection does not involve any direct interactions with participants or the collection of new data specifically for the current study. Instead, it relies on existing information that has already been gathered by others. This approach offers several advantages, including cost-effectiveness, time efficiency, and access to a wide range of data sources.

**3.4 Methods of Data Presentation and Analysis**

Thematic analysis will be employed as the primary method for data analysis in this study. Thematic analysis is a qualitative data analysis technique that involves identifying, analyzing, and reporting patterns (themes) within the data (Braun & Clarke, 2006). It provides a structured approach to uncovering key themes, concepts, and insights from qualitative data, making it well-suited for capturing the rich and diverse perspectives related to currency redesign and banditry in Nigeria.

The data analysis process will begin with the systematic organization of textual data. Following this, a series of iterative steps, as outlined by Braun and Clarke (2006), will be followed, including data familiarization, generating initial codes, searching for themes, reviewing themes, defining and naming themes, and writing the final report. Thematic analysis allows for the identification of recurring patterns, and the development of a coherent narrative.

The findings will be presented in a clear and structured textual manner. The presentation will align with the research objectives and theoretical framework, offering a comprehensive understanding of the relationship between currency redesign and banditry in Nigeria through the lens of identified themes.

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