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RESEARCH ARTICLE

The Nigerian Central Bank Digital Currency: Implications for Financial Inclusion and Financial Stability

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Abstract

In 2021 the Central Bank of Nigeria (CBN) introduced a central bank digital currency (CBDC) called "e-Naira". A digital currency is money or money-like asset stored on a digital platform. CBDCs are seen to provide solutions to a lot of economic and financial problems in many countries including Nigeria in areas of financial inclusion and alternative payment platform. The major objective of this study was to ascertain the effects of e-Naira on financial inclusion and financial stability. This study relied on primary data; data was collected using questionnaire survey from 120 Nigerians. An expert sampling method which is a form purposive sampling technique was adopted. Findings from the study provided evidence that the e-Naira will improve financial inclusion and financial stability and can also serve as an effective tool to achieve the objectives of monetary policies. Also, the study provided evidence that the CBDC in Nigeria can complement the existing electronic payments platforms, and it would have helped in the last currency redesign program in Nigeria. Public awareness is critical in the adoption and usage of CBDCs. Therefore, the study recommends there should be intense campaigns to raise awareness on the usage of e-Naira, especially in the rural areas where most people are financially excluded. In addition, the study recommends that CBN must ensure the stability of value of the local currency as well as guarantee impeccable and smooth technology and security for the e-Naira.

Keywords: E-Naira, Central Bank, Digital Currency, Nigeria, Financial Inclusion, Financial Stability.

1. Introduction

A digital currency is a money-like asset stored on a digital platform. It is also known as electronic currency, electronic money or digital money Digitalization is reshaping economic activities globally thereby reducing the role of cash and introducing new digital forms of money (Mancini-Griffoli et at.,2018). In October 2021 the Central Bank of Nigeria (CBN) introduced a central bank digital currency (CBDC) " e-Naira" , making it the world's third digital currency backed by a central bank. The CBN clarified that the e-Naira is not a crypto currency (Abdullahi,2021). The Bahamas was the first country to launch a CBDC called the "Sand dollar" in May 2020. Sweden officially launched e-Krona, the world's second CBDC (Tong & Jiayou 2021).

Claessens et.al (2024) noted that CBDCs have begun to be seen as a solution to a broad range of economic and financial problems and that many central banks have started to explore the possibility of CBDCs introducing CBDC in their countries. About 80 percent of central banks around the world are also conducting pilot tests in launching one form of the other CBDCs (Auer et.al,2022; Nguyen & Nasir 2023; Ozili, 2021). The distributed ledger technology used by CBDCs is disruptive and it will enable new payments solutions. Ozili (2021) stated that the debates about CBDCs on the global scene arose because of the rapid rise

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in use of private crypto currencies. The widespread use of crypto currencies by the populace has made governments realize the need to introduce fiat central bank digital currencies (Tong & Jiayou 2021;Ward& Rochemont,2019).

Public awareness is critical and will lead to the usage of CBDC. It is therefore an important determinant of the success of any CBDC. There are several indicators for measuring awareness. These include basic knowledge of the digital currency, using the digital currency as an investment and savings outlet and the usage of the digital currency as a payment platform (Amarta &Latifah 2023). All these indicators are important in examining how the digital currency affects financial inclusion and financial stability. From a consumer perspective, a purchase decision that prioritizes quality can be seen from awareness and can also minimize the occurrence of incorrect decisions regarding economic issues and financial issues (Amarta &Latifah 2023). The features that can lead to the acceptability and success of any CBDC will be the traceability of transactions, flexibility, security, limits, and interest earning capacity.

The Nigerian economy is still significantly cash-based and the introduction of the CBDC is expected to bring about adoption to digital forms of monetary interactions. Ree (2023) noted that the introduction of the digital currency is expected to change the way Nigerians access the financial system and enhance the efficiency of payment systems in Nigeria. Therefore, there is the need for awareness of the functionality of the digital currency. This is because lack of awareness of digital currency uses will hamper the adoption and use of the digital currency. Therefore, awareness is a fundamental and important factor that will determine the success of digital currency adoption by citizens.

Financial inclusion is one of the key drivers and advantages of issuing a CBDC in Nigeria (Ogunride,2023). Financial literacy and awareness are a basic need for society and panacea for financial inclusion. Hence financial inclusion can be driven by a high level of financial literacy.

Financial inclusion programs should create access to financial services where they are non-existent. Financial Stability is a panacea for economic growth in Nigeria and it is important to examine the possible impact of the Nigerian digital currency on financial stability. The main argument for the introduction of CBDC is that CBDCs offers an efficient and effective method for implementing helicopter-money responses from the government during economic downturn like the Covid 19 pandemic and in facilitating other socially orientated government-to-person monetary transfers (Amarta and Latifah 2023).

The discussion and debates regarding e-Naira in Nigeria is relatively new from theoretical and empirical views however questions will arise about the economic and social consequences of the e-Naira in Nigeria. Bijlsma et al. (2023) also stated that little is known about public awareness of CBDCs generally. In Nigeria, the collective effects of reduction in the use of cash through financial inclusion programs as well as the fiscal and economic policies of the central bank makes it imperative to measure the impact of the digital currency on financial inclusion, financial stability and monetary policies effectiveness. The complicated logistics around the distribution of cash in the economy proved that there is the need for a direct monetary link between the government and the governed, thus strengthening the case for CBDCs. Ferrari et al. (2022) noted that because of competition from innovative payment solutions developed by the private digital currency providers, CBDCs have received immense attention in both policy makers and the academia. The practicality of CBDCs as a direct substitution for the current payment system is still being assessed by many countries (CBN,2022). In an economy as large and as informal as Nigeria, the effect of the e-Naira on financial inclusion and financial stability is yet to be known This study seeks to contribute to the emerging literature on central bank digital currencies.

2. Literature Review

2.1 Conceptual Review

2.1.1 Central Bank Digital Currency

The central bank digital currency (CBDC) provides a payment instrument with similar attributes as physical cash. A CBDC is a fiat currency in electronic form issued by central bank (Esoimeme, 2021). CBDC is a new form of central bank money i.e. it is a central bank liability, denominated in an existing unit of account, which serves both as a medium of exchange and a store of value (Chaum & Moser, 2021;Ree; 2023;Ogunrinde 2023). A CBDC is an electronic fiat liability of a central bank used for payment settlement and can serve as a store of value (Saito & Iwamura, 2019). Fiat money, in the form of notes and coins, gets its value because the central bank makes a legal tender, which requires all people and firms within the country to accept it as a means of payment.

Adam Smith posited that money is characterized by the three key roles it plays in the economy: as a unit of account, i.e. the basis of economic activity, a means of exchange to make payments; and a store of value i.e. to transfer purchasing power over time (Chaum & Moser 2021.The CBDCs therefore provides a universal means of exchange for the digital economy because they can play all the major roles of money (Chaum & Moser 2021). The e-Naira is the digital replica of Nigeria's naira paper currency, with the same face value, which means one e-Naira would be equal to one Naira in paper form (Akanbi,2023). The e-naira is cryptographically created and cannot be counterfeited and is exclusively issued by the CBN with an inbuilt security architecture.

Chaum and Moser (2021) stated that CBDC has four key properties: issuer (central bank); form (digital) ; accessibility (widely or restricted); and technology (token-or account based). CBDC offers several advantages because it offers convenience, efficiency, stability and accessibility of retail payment (Ward & Rochemont, 2019). CBDC is superior to electronic payments platforms offered by commercial banks, its fiat money i.e. backed by a central bank(Ward& Rochemont,2019). Mancini-Griffoli et al. (2018) opined that the effect of CBDCs will depend on its design and country-specific uniqueness.

2.2 Financial Inclusion

Ifeanyi (2021) described financial inclusion as the access and use of available financial services such as credit, savings and payments at a low-cost a by high number of people in a country. Financial inclusion means access to any form of formal financial services (Ozturk &Ullah 2022). Financial inclusion can also be seen as the means of bringing the unbanked segment of society, particularly adults, to have access to basic financial services (Ozili et.al.,2023b). Financial inclusion can be seen as access to financial products and services to improve the livelihood of citizens in a country (Ogunrinde 2023). The contribution of financial inclusion in finance was highlighted by the McKinnon–Shaw hypothesis (Ozili et.al., 2023a). The theory postulated that through the financial sector more savings mobilization can be achieved, i.e. more savings will lead to an increase in lending which in turn will stimulate growth in the economy. Many governments in developing countries are aggressively embracing financial technology to help improve financial inclusion to reduce poverty (Ediagbonya & Tioluwani.2023). Ogunrinde (2023) stated that financial inclusion brings about significant benefits by creating and aggregation of savings and investable funds that can be used to create wealth.

A CBDC like the e-Naira brings about the possibility of financial inclusion for the people that are financially excluded (Ifeanyi,2021). As Africa's largest economy with a population of about 210 million people, approximately 40 percent are financially excluded representing 80 million people (Ifeanyi ,2021). A CBDC could expand the efficiency and safety of both retail and large- value payment systems. (Ree, 2023; Ward & Rochemont 2019). The central banks globally recognizing the importance of digital payments systems in achieving financial inclusion have enlarged their regulatory roles to include addressing payment system problems of citizens through digital payment innovations. The e-Naira is anticipated as a better means of making financial transactions like savings and payments. It is obvious that CBDCs will be the crucial tool in the future digital economy and countries with the technology will have a competitive advantage (Ahmed et.al, 2022)

2.3 Financial Stability

Financial stability is the absence of system-wide risk in the financial market; it demonstrates the resilience of the financial system to any form of stress**.** Financial stability is a condition where a country can thwart external imbalances in the financial markets. It is a situation in which the financial system can withstand the internal and external shocks. Financial stability remains the core objective of central banking across the world (Nguyen & Nasir 2023).

A CBDC provides a safer currency for transactions and deposits than those transacted with DMBs which has some element of risk (Dyson& Hodgson 2016). These risks became higher during the financial crisis as customers can choose to hold cash instead of CBDC. A CBDC would offer an alternative and lower risk option for risk averse customers (Ahmed et.al ,2022; Williamson,2021). This is the reason that they push for co-existence of cash and CBDC (Agur& Ariccia 2021). Dyson and Hodgson (2016) argue that "digital cash can be used as a tool to increase aggregate demand by making 'helicopter drops' of newly created digital cash to all citizens, making it easier to meet the monetary policy target of price stability.

Since the e-Naira is noninterest in nature it is not likely there will be a significant shifting away of funds from the traditional deposit money banks (DMB) and other financial service products like savings and deposit accounts. This is because banks deposits have an edge over e-Naira as a store of value since they can offer interest to savers. However, in times of economic vulnerability and perception of unsafe financial institutions there could be the issue of "flight to safety" which will increase in the demand of e-Naira as it viewed as safer deposit. This shift from traditional deposit product will lead to disintermediation which can disrupt the financial systems (Agur 2018; Davoodalhosseini,2021). Davoodalhosseini (2021) noted that digital currency could potentially make it easier and faster to resolve a troubled financial institution. This is because the central bank can pay the depositors with e-Naira thereby reducing the contagion effect and reducing the possibility of bank run. Nabilou (2020) opined that functional similarities between crypto currencies and CBDCs can potentially pose several challenges to central banks in financial stability. It can challenge the central bank's statutory and sole responsibility of price stability and operator of payment systems.

3. Empirical Literature Review

Akpan and Umaru (2024) using survey method of data collection and adopting a structural equation model provide evidence that the e- Naira has a positive and significant influence on financial inclusion in Nigeria. Amarta and Latifah (2023) analyzed the influence of public understanding of financial literacy and community readiness on the use of CBDC using the Millennial Generation born in 1986-1995 and the Generation Z from 1996-2005.The results of this study indicated that there is a positive association between understanding financial literacy and the readiness for the use CBDC.

Bijlsma, et al (2023) using data of Dutch consumers provided evidence the Dutch public are willing open both current and savings CBDC account if a CBDC is introduced in Holland. The study also confirmed that consumers perceive CBDC as different accounts offered by traditional banks and CBDC usage is positively related to respondents' knowledge of CBDC and trust in the central bank. These results suggest that central banks can improve consumers' use of CBDC through the interest rate incentive and the security and privacy features.

Nguyen and Nasir (2023) using data from 1176 banks operating from 86 different countries from 2010 to 2021 constructed CBDC adoption index. The main results reveal that the adoption of CBDC contributes to financial stability in these countries. Also bank size, capital base, strategy, funding sources and local investment also contribute positively to financial stability.

Akanbi (2023) adopted a qualitative methodology through literature review and content analysis to assess the economic implications of the introduction of the e-Naira in Nigeria. The study concluded that the e-Naira is expected to be a panacea for accelerated economic growth, accelerating financial inclusion and improving monetary policy effectiveness, as well as to ensure cheaper and faster remittance inflow and better tax collection. Sunday and James (2023) investigated the influence of the introduction e-Naira financial inclusion, with a specific focus on lecturers and students in colleges of Education in Kano State Nigeria. The study's findings showed that e-Naira does not significantly affect the access to financial services for lecturers and students in the Colleges. The study recommends an aggressive awareness campaign be conducted by the central bank and other stakeholders.

Obianwu and Okwor (2023) provided an expository analysis of the e-Naira: they stated that like the physical Naira the e Naira is same as physical cash. The study concluded that the e-Naira can lead to disintermediate banking, and it can enable the central bank enhanced surveillance capacity.

Akindipe,et al (2023) using survey method examined the evolution and understanding of the e-Naira and its impact on the Nigeria economy. The result of the study showed that the level of awareness, understanding, and receptiveness is low in Nigeria. The study concluded that e-Naira initiative has gained awareness and usage beyond the initial wave of early adopters regarding market receptivity.

Ogunrinde (2023) using correlational quantitative method provided evidence that e-Naira has a positive impact on financial inclusion in Nigeria. The study concluded that the e-Naira can bring down transaction costs and improve the number of banked members of the population in Nigeria

Ozili (2023a) concluded that e-Naira can increase financial inclusion by simplifying the process of opening accounts and offering low-cost financial products as well as consumer education and advocacy. The study also stated that introducing interest-bearing e-Naira and using offline channels will improve the propensity of the e-Naira to accelerate financial literacy in Nigeria.

Ozili(2023 b) adopting a literature review and content analysis methodology concluded that CBDC is a liability of the central bank and it has cash-like attributes. Also, CBDCs can be used to increase financial inclusion monetary policy and to enhance digital payments efficiency.

Banerjee and Sinha (2023) in their study used regression analysis to measure the effect of CBDC on financial inclusion using data from India between 2011 and 2020.The result showed that CBDCs provides benefits and drawback in India on financial inclusion drive.

Chen and Siklos (2022) provided evidence on CBDC impact on financial stability and inflation. The study adopted a methodology that involves using the historical behaviour of the velocity of circulation of currency underpinned by McCallum's policy rule using cross-country data. The research concluded CBDCs introduction resulted to higher level of inflation and there was presence of financial stability risk.

Tan (2022) provided evidence that shows that CBDCs in developing countries have the potential to financially include their huge unbanked people and decrease bank disintermediate risks. The study concluded that CBDCs can increase bank deposits from unbanked population by incentivizing the opening of bank accounts through CBDCs. This innovation will drive deposits from the unbanked population. The study suggested that the usage of CBDCs will influence the ability to increase credit access and decrease credit-risk information asymmetry between lenders and borrowers thereby enhancing financial intermediation.

Auer et.al (2022) in their study stated that CBDCs if properly designed will improve the fiat central bank money capacities with technology. If properly designed CBDCs can maintain the core features of fiat money of finality, liquidity, and integrity. This will be the basis of an improved digital payment system to achieve central bank's objective to offer a general means of exchange for the digital economy. The study further suggested that based on empirical research CBDCs are not created with the intention to disintermediate the financial sector by offering a universal store of value.

Banet and Lebeau (2022) empirically investigated the impact of CBDCs on financial inclusion and bank funding capacity. The inference drawn from this study was that CBDCs help to improve financial inclusion than traditional bank deposits with limited disintermediation effect. Fáykiss and Szombati (2022) in Hungary concluded that CBDC has huge potential to improve the financial inclusion but requires the central bank to be careful when venturing into CBDC.

Fernández-Villaverde et.al (2021) examined the effect of CDBC on disintermediation. The result from the study showed that during panic, there was evidence that the central bank attracts deposits away from the commercial banking sector. The study concluded that the public internalizes the features of CBDC as fiat money and recognizes the central bank as the sole issuer of fiat money. This perception and the run to safety can endanger maturity transformation and causes disintermediation.

Lee et al. (2021) using China's CBDC as case study proposes different types of enablers for mass adoption and successful implementation of CBDC. The study stated that CBDC will be the main driver in the future financial inclusion strategy. The study concluded that only countries that are conversant with technology will have a competitive advantage. Also, countries with good CBDC are likely to have a competitive edge in the global digitalization process.

Andolfatto (2021) investigated the impact of CBDC on financial inclusion and financial stability in the in the United States. The study concluded that the introduction of interest-bearing CBDC increases financial inclusion and reduces the need for cash. Also, interest-bearing CBDCs do have a negative impact on financial stability because of disintermediation. The study further provides evidence that CBDCs expands the deposit base of banks because of the competition effect which makes banks expand their depositor base by offering higher interest rate to attract more deposits.

Chaum and Moser (2021) proposed a token-based system distributed ledger technology for CBDCs. This will improve and preserve transaction privacy and conform with regulatory requirements. If the CBDCs have these features, it will increase the level of protection against systemic privacy risk. Thus, CDBCs would not be exposed to monetary policy or financial stability risk and therefore would replicate physical cash rather than bank deposits.

Gopane (2019) provided empirical evidence that CBDCs are positively associated with financial inclusion. The study further reported evidence of inequalities as there was presence of disproportionate impact on financial inclusion caused by age. The study also reported that when the income gap worsens, financial inclusion deteriorates at a higher level for the poor than for the rich. The study concludes that

CBDCs will be susceptible to the inheritable e-burdens of digital inequalities.

Nhavira (2019) reviewed literature on CBDC to determine whether CBDC can expand financial inclusion and stop illicit financial flows in Africa.The study posited that the twin problem of poverty and inequality has led to many counties in Africa to pursue financial inclusion policies. The study concluded that the enhancement of financial inclusion and illicit financial flows will be based on resolving the problems leading to financial exclusion in the first place.

Bindseil (2019) concluded that CBDC represents a disruptive change in the financial systems. The use of CBDC will depend on household's preferences in different countries. The study posited that in progressive countries the use of digital currency is falling and adoption of CBDC will be faster since digitalization is now a norm thus CBDC will more acceptable.

Engert and Fung (2017) stated that CBDC might enhance financial inclusion in developing economies. The study concluded that financial inclusion is a major problem in most developed economies. Therefore, the impact of CBDC on financial inclusion is limited in these countries.

4. Methodology

The study adopted a quantitative approach where the researchers collect and interpret findings using descriptive and inferential statistics. The research relied on primary data; data was collected using questionnaire survey to get view of Nigerians. This study adopted an expert sampling method which is a form purposive sampling technique. An expert sampling technique is used when the research requires individuals with a high level of knowledge about a particular subject (Zafar, et al 2015). The experts were selected based on a demonstrable skill set and level of experience possessed. Zafar, et al (2015) noted this type of sampling technique is helpful when there is a lack of observational proof and when investigating new areas of research.

Online surveys were used to collect the data from the respondents and responses were gotten from 120 Nigerians from different fields. Kasomo (2006) stated that this method is relatively cheap to collect data because it involves only preparing the questionnaire and sending it to the respondents.

As with other non-probability sampling techniques, purposive sampling is prone to bias because the selection of the sample units depends on the researcher's subjective judgment. The study identified Nigerians who work in different segments of the economy who have knowledge about the e-Naira financial inclusion and financial stability as sample units. There was no a priori established hypothesis; the study merely sought the opinions of Nigerians with regards to CBDC (e-Naira) financial inclusion and financial stability.

5. Data Presentation, Analysis and Discussion

After collecting answers from our survey, we proceeded with the analysis of the results to answer our research problem.

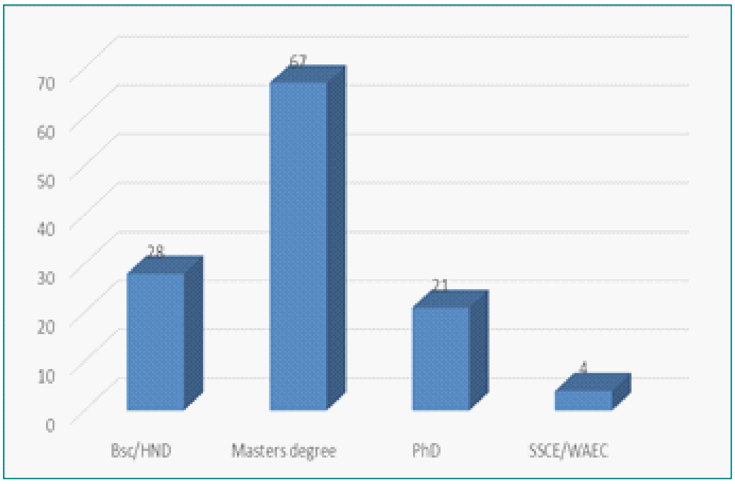

Figure 1. *Academic Qualification of Respondents Source : Authors Compilation 2024*

Figure 1 shows the breakdown of the academic qualifications of the respondents. The result showed that 67 respondents, which represents 56 % of the respondents have master's degree, and 21 respondents which represent 18 % have doctorate degrees, this shows the strong academic qualifications of the respondents. While 28 respondents, which represents 23% of the respondents, have a first degree or equivalent. Only 4 respondents, which indicate only 3 % have secondary school certificate.

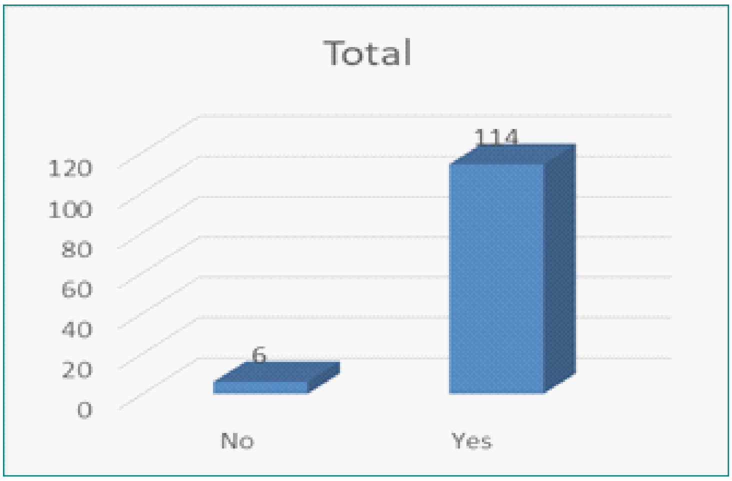

Figure 2. *Level of Awareness*

The level of awareness amongst respondents is shown in Figure 2. 114 respondents, which represents 95% of respondents are aware of the introduction of the e-naira while only 5% are not aware of the CBDC in Nigeria. The level of awareness is directly related to the level of education of respondents.

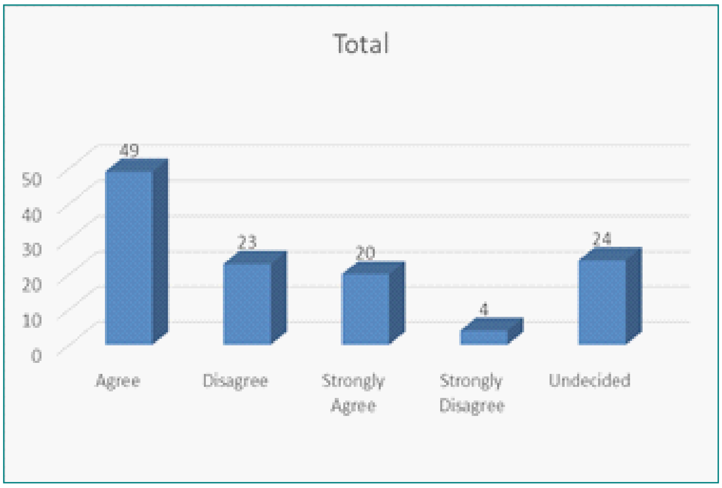

Figure 3. *e-naira and financial inclusion Source: Authors Compilation 2024*

As illustrated in Figure 4, 49 respondents (40%) agree that e-Naira will improve the financial inclusion and (17%) strongly agree. While 23 respondents (20%) disagree that that e-Naira will improve the financial inclusion in Nigeria. Also, 4 respondents (3%) strongly disagree and 24 (20%) are undecided. The (agree and strongly agree represents 57 % who agree that e-Naira will improve the financial inclusion. This supports assertion of Akpan & Umaru 2024; Engert & Fung 2017; Fáykiss and Szombati 2022; Gopane 2019; Ogunrinde 2023; Lee et al.2021;Tan 2022).

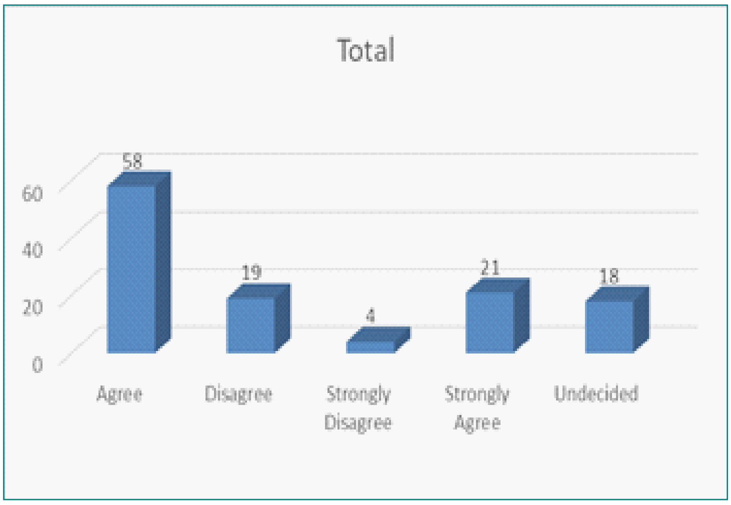

Figure 4. *e naira and financial stability*

As displayed in Figure 4 , 58(48%) of the respondents agreed that e-Naira can contribute to financial stability and 21(18 %) strongly agreed that that e-Naira will contribute to financial stability. This is in support of the findings of (Andolfatto 2021;Nguyen & Nasir 2023;Tan 2022).While, 19(16%) respondents disagree and 4(3%) strongly disagree and 18(15%) are undecided.

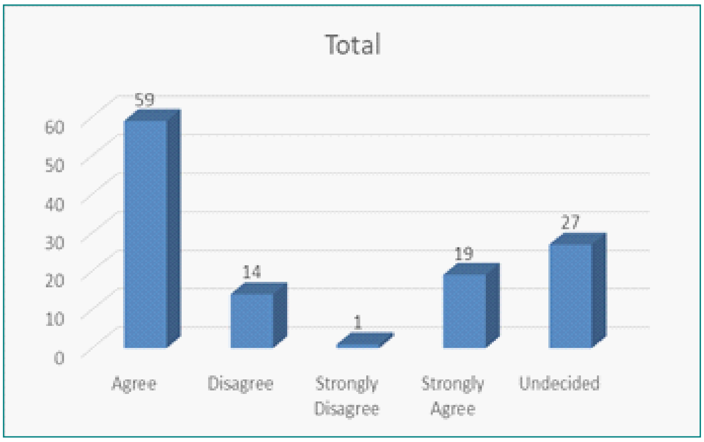

Figure 5. *Monetary Polices*

Figure 5 shows that 59(49%) agree and 19(16%) strongly agree that the e-Naira is an effective tool that can be used to improve monetary policies objectives. This is consistent with the view of Obianwu and Okwor (2023). Another 27(23%) are undecided about the effect on monetary policies. The undecided group of respondents were 27(23%). Yet a group of respondents representing 14(11.5%) disagree while 1 respondent strongly disagreed.

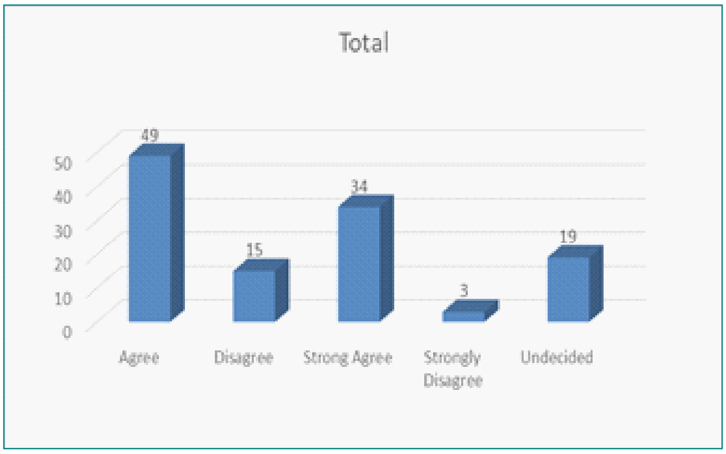

Figure 6. *Currency Redesign*

Figure 6 indicates that 49(40%) of respondents agree that e-naira can help with the currency design program of the CBN. Also 34 (28%) strongly agree that e-Naira can help with the currency design embarked upon by CBN in 2022. The CBN introduced newly designed notes in Nigeria 2022. Those respondents that are undecided disagree and strongly disagree were 19(24%)15(13%)and 3(2%) respectively

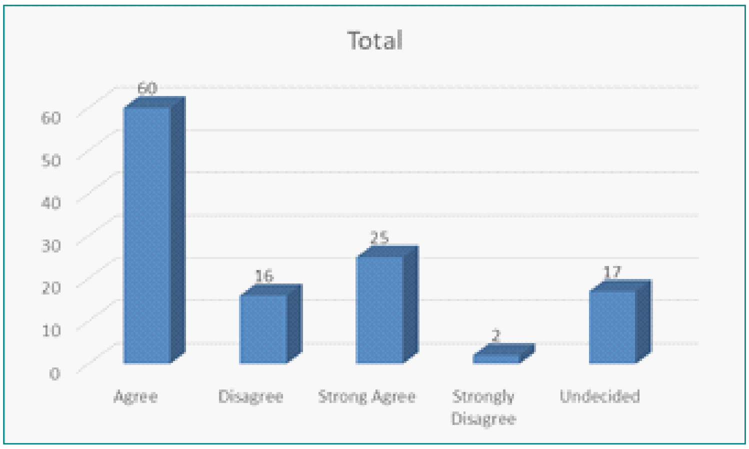

Figure 7 *Complement Existing Electronic Payment Platforms*

As displayed in Figure 7 60 (50%) respondents agreed that the e-Naira can be complement the existing electronic platform also 25 (21%) strongly agree. This is imperative because the e-Naira should enable all users to access (the unbanked, underbanked and underserved) varieties of financial services. While 16 (13%) respondents disagree, 2(1%) strongly disagree, while 17 (15%) are undecided.

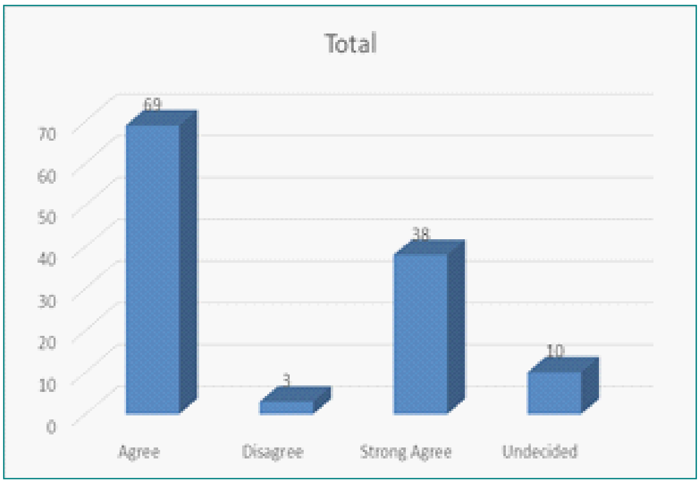

Figure 8. *E -Naira Can Be Alternative Payment Platform*

In figure 8 it can be seen that 69 (58%) respondents agree and 38 (32%) strongly agree that the e-Naira can serve as an alternative payment platform. This supports the assertion of (Bijlsma, et al. 2023; Ogunrinde 2023). From figure 9 we can see that 10(8%) are undecided, and 3 respondents 2 (2%) disagree

6. Conclusion and Recommendations

In October 2021 the Central Bank of Nigeria introduced a Central Bank Digital Currency (CBDC) e-Naira" making it the world's third digital currency backed by a central bank. CBDCs are seen to be potential solutions to a lot of economic and financial problems in many countries. It is believed that CBDC can improve financial inclusion, transform payment systems for businesses and consumers, as well as serve as a panacea for innovation for financial products and services for more efficient service provision. Also, there is the argument that CBDCs are cost-effective way for implementing helicopter-money responses and socially orientated government-to-person monetary transfers. In Nigeria, the main or primary objective of introduction of the e-Naira is enable usability of central bank money, promote financial inclusion and maintain financial stability without inhibiting monetary policy. This study relied on primary data using an expert sampling technique which is a form of judgmental sampling technique to get the views of 120 Nigerians on the impact of the CBDCs on financial inclusion and financial stability.

The studied provided evidence that CBDCs(e-Naira)will improve the financial inclusion and financial stability in Nigeria.

This study concludes, based these findings e-Naira can affect financial inclusion positively in Nigeria and it can complement the existing electronic platform, and it would have helped in the last the currency redesign program in Nigeria. Also, the study provided evidence that that the e-naira can serve as an alternative payment platform.

Therefore, we recommend that there is a need for the e-Naira enable all users to access (the unbanked, underbanked and underserved) varieties of financial services. For the digital currency to succeed, the CBN must play a crucial role of ensuring the stability of value, ensuring the elasticity of the aggregate supply of such money, and oversee the overall security of the system, thus the information technology system and security must be impeccable. Also, the study recommends that there should be intense digital and financial literacy campaigns to raise awareness, and encourage uptake and usage of e-naira, especially in the rural areas where most financially excluded people reside since the main objective should be that the CBDC (e-Naira) complements cash transactions rather than replace it.

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