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RESEARCH ARTICLE

DEMONETIZATION DRIVE IN INDIA AND ITS SOCIO-CULTURAL IMPLICATIONS.

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Abstract

One decision and every walk of life is deeply affected. Now life will never remain the same; the fake life, fake culture and fake currency is gone. It is affect the all shades of life. The black money plays an instrumental role in the lives of almost every section of the society in India. The black money occupies an indispensable position and it is extremely relevant at and every stage of life ranging from given gifts to all occasion or festivals, donation at school, transfer, postings in the services, bribery in recruitment, promotion, wedding of children, purchase of properties, jewelry, railway tickets, sanctioning of loans, tenders, filling of nominations, contesting elections etc. For a long term gain the short-term disruption and inconvenience and inevitable. It will pose a great challenge to our patience, resilience and character as well. This is history in making and we have to change our gears. In fact, changing of gears does not mean enhancing the speed. The gears can be change only brought by coordinated efforts at every level of management and participation.

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Introduction:-

Maximum all Indians were watching T.V. on 8th November 2016 when in the evening news spread that Prime Minister Mr. Narendra Modi was about to address the at 8p.m., no one had any idea what it was all about. After all, the first such address to the nation in his more than two years of rule, made everyone sit up and take notice. Either during the day Prime Minister had a meeting with the three services chiefs and Mr. Ajit Doval (Present National Security Advisor to P.M) in tow, so media was quick to speculate that, in view of the unabated heavy firing on the LOC and Kashmir by Pakistan terrorist attack. With media, everyone was expecting some major announcement in regard to national security and take some strong steps against Pakistani terrorism after a successful surgical strike. But Prime Minister was much more focused on the menace of black money and had come out with something that would have a deep and long-lasting impact on the country's economy. Like all, me was shocked too when P.M. announced 500 and 1000 would not remain legal tender from today's mid night after four hours they were and would be reduced to just a worthless piece of paper. He said,. " I said to my husband – "ये सब आज पाकिस्तान के खिलाफ कुछ करने के लिए मिले थे या घर के अंदर ही सर्जिकल स्ट्राइक करने के लिए, हो गया बम बिस्फोट". And after that every thing changed for we all Indians. Common people run towards petrol pumps and daily needs shops. But everyone was welcoming this news. Next day morning something different for every one and all media mechanism print, electronic or social media started their TRP and humors game. "America is counting votes as India is counting notes." The announcement not only astonished the people of India but it also stole the thunder of the most waited USA presidential election. The news got attention in the almost all daily newspaper of International arena.

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New York Times- “Chaos as Millions in India Crowd Banks to Exchange Currency”

China Daily- “Indians run out of patience as banks & ATMs run out of cash, post-demonetization”

BBC- “Modi’s money medicine: kill or cure?”

The mass media is really become much powerful and in many ways they are influencing the government.

After one month, this country is in an uproar. While this is not the first time that India has attempted to demonetize in a professed bid to tackle the issue of the black money in the country, unlike the last time under Prime Minister Morarji Desai in 1978, this time Reserve Bank of India’s Governor Urjit Patel is in full support of the decision and has called it a bold move that “addresses the growing menace of fake Indian currency notes.”

It was momentous decision that sent shock waves down the whole system-as it was intended to do. The late evening announcement, and the narrow window offered before the order was to take effect, meant just about everybody was caught off-guard. Many wondered whether his move to bolster economy would pay off. But, in one fell swoop, P.M. Modi had sought to burnish his image as a decisive leader- a man given to big ideas and bold strokes – something that made him hero of the middle class with a massive electoral mandate two and half years ago. Significantly, the initiative comes only a few months before crucial assembly polls in Uttar Pradesh & Punjab, where huge amounts of illicit funds are believed to be in circulation. Sources close to the government let on that the demonetization policy-pitched as a ‘surgical strike against black money, corruption, and fake currency noted that fund terror.

Background:-

In the post –Bretton Woods world, government’s control over the supply of currency notes, has become a tool in the hands of government to control inflationary pressure by increasing or decreasing the supply of currency notes. The issues of currency notes itself was very important human invention, which monetized the world and facilitated the trade. But every good thing brings some evils with it.

For the last few years it was being observed the new currency notes issued by the RBI and infused into the banking system of the country were neither coming back to banks nor circulating in the economy. This indicated that people were hoarding currency notes as black money i.e. unaccounted and untaxed money. Due to the increase of black money in the economy government was suffering losses on following fronts:

1. Use of black money in the elections there by harming the very fundamental process of democracy undermining in the long term. Even student’s elections in universities and colleges are becoming prestigious and crossing limit of money.
2. Use of black money for funding of terror activities. After the announcement of demonetization media didn’t hype any terror activities in Kashmir. Humors spread in social media that all pelletters are busy with exchange currency.
3. Use of black money as bribes, resulting into influence of policy decisions as well leading to generation of further unaccounted money.
4. Losing track of the movement of money from one hand to another, there by facilitating unlawful and criminal activities.
5. Enabling the unscrupulous *Hawala* operators to take the wealth out of the country.
6. While black money fled out of the country or was stored in stashes, government has to resort to borrowing from World Bank and other international institutions and pay interest on it.
7. Fake currency trade has been haunting Indian securities establishment as well as economic intelligence agencies for a long time. The agencies believe that the fake Indian currency printed in Pakistan and bought through couriers via Bangkok, Kathmandu and Dhaka airports to fund terror activities on Indian soil.
8. The Political parties are spending huge unaccounted money in elections. This becomes mother of corruption. It also affects the quality governance and breed crony capitalism.

In the light of above factors, this step was a logical step waiting to be taken. Corruption, black money and terrorism are the factors that hinder the development of the economy and peace of the country. Since BJP government committed to development, these steps were considered necessary. A major economic reform was also needed, to increase the confidence of the global business community that India was open for business.

In this single move, the Government has attempted to tackle all the **three issues affecting the economy i.e. a parallel economy, counterfeit currency in circulation and terror financing**. There is no doubt that Prime Minister has pulled out a major coop and substantially enhanced his reputation as a strong leader. The P.M. hadn’t

been exactly idle on globalized corruption, and was continually exploring his menu of options. The P.M. also setup a Special Investigation Team (SIT) to look into the issue in his first cabinet meeting. His intentions were never in doubt but things take time. There were other elements that were key in his scheme of things. P.M. Modi talked on several occasions about promoting plastic money to pave the way for cashless transactions. The Jan-Dhan Project, The Voluntary Income Disclosure Scheme and GST – these were the part of grand plan. But perhaps ambitious voluntary disclosure scheme failed to unearth as much unaccounted money as the government had hoped for. “This might have prompted the push for demonetization. On September 2nd during TV interview, he said, “Don’t blame me if I take tough decisions after 30th September. For an economy where over 80% of transactions are in cash, this is traumatic shock. This is the first radical reform without a looming crisis. The last big reform of 1991 was in response to a foreign exchange crunch. In contrast, the economy now was growing at 7.1% and inflation was under control at 4.2%. There is no precedent in the world for an action on this scale and in these conditions. As a result there’s confusion about possible outcome of this decision.

A few things, however, are certain. It is difficult to oppose a move that attacks illegal money. Prime Minister Modi has flown with scheme on the wings of morality. Undoubtedly, the purge of black money and corruption will make a more honest nation out of us. This step has been taken as much with a view to curbing financing of terrorism through the proceeds of Fake Indian Currency Notes and use of such funds for subversive activities such as espionage, smuggling of arms, drugs and other contrabands into India, as with a view to eliminating black money, which cast a long shadow of parallel economy. One of the most important reason was to lower the cash circulation in the country, which is directly related to growing corruption in our country, as cash transactions are not likely.

After Demonetization:-

In order to implementation the decision of the government, RBI issued certain operational guidelines keeping in view the need to minimize inconvenience of the common people. Old high-denomination bank notes of aggregate value up to Rs. 4000/- could be exchanged at any bank branch or issue office of RBI provided a requisition slip as per the format specified by RBI was presented with a proof of identity. Similar services were also made available in post office. In starting the exchange process was supposed to close on 30th December 2016, it but closed earlier and people can deposit old currency in their account. Petrol pumps, gas, CNG, govt. hospitals, railways and airline booking counters, state govt. recognized dairies and ration stores and crematoriums were to accept old 500/- & 1000/- currency till 15th December 2016. However guidelines have been changed frequently depending on the changing circumstances.

As India lurches into the 2nd months of its tryst with demonetization, it has quickly evident that this is an unprecedented onslaught on the poor. The fallout of the decision of the NDA government to demonetize currency of higher denominations has been felt across all sections of people. There are concerns that it will lead to an overall economic slowdown given the acute shortage of currency for industrial and agricultural operations.

Immediate Problems:-

1. In rural economy “cash is king” and thus reduction in cash flow has hit the villagers badly. Poor penetration of Internet and low level of digital literacy are among the factors that make people depend on cash for transactions. Its impact would be on multiple spheres: agriculture, production, rural incomes, rural demand and rural credit.
2. Business has fallen from Rs. 8-10 crore earlier to just Rs. 4 crore at present. The ‘demon’ in demonetization is in the beginning. As almost 45 days passed and scenes such as this have become all too common, the country struggling to come to terms with Prime Minister Modi’s black money hunt, the biggest such since independence. Various agencies have estimated black money at roughly 20% of India’s GDP.
3. There has been apparent inconvenience to the common man initially. 8 million people every day in queue in front of banks, ATMs & post offices across the country patiently waiting to collect a fraction of what was legitimately theirs. December came and nothing changed. Considering the scale on which an entire population remained literally on its feet, which also resulted in nearly 100 deaths as a reported by media from across the country. As per Opposition parties, more than 50 people have died which can be considered as after effects of demonetization operation.
4. Economist said sectors with large exposures to cash like real estate, transport, and food could witness “downward price pressures”.
5. About 80% of the Indian working population is engaged with micro, small, enterprises and informal sectors. This sector could be adversely affected. The unintended disruption can be huge in the cash-driven economy- particularly the informal rural sector where millions of consumers and small traders rely on cash for the daily

transactions. Moreover, nearly half the population still does not have a bank account. Less than 300 million use the Internet, and therefore the overwhelming majority cannot make electronic payments.

6. It is also believed that demonetization is not a permanent solution but it is just like one shot and it will come back into the system again with full force. The demonetization does not solve the problem of the process, which created it. The system that created the black money will remain in place unless that becomes our next attention point. The biggest question is that if 13-15 crore money deposited in banks than where is black money? Might be the answer is here- after using following left out loopholes resulting into irreparable loss: –
 - Government has declared the deposits up to Rs. 2.5 lacs in normal bank accounts & up to Rs. 50000/- in Jandhan accounts without any scrutiny.
 - There are crores of accounts of various individuals in different banks. These accounts can easily be used for conversion of Black Money into White by allowing free flow of deposits below Rs. 2.5 lacs without scrutiny.
 - Our country has a population of 125 crores & if ID cards of 1% people is used than much more than the whole black money in cash can be converted by this mode only. It is pertinent to mention here that up to first 10 days there was no bar on use of one ID card in 'n' number of Banks / branches.
 - Black money can easily be deposited or used showing it Agriculture & other exempted incomes.
 - There is an increase in purchase of Gold in Tons & other costly items for cash both before & after the decision.
 - Another method of converting black money is deposits shown by Religious places like Temple, Gurudwara etc.
 - Forget class struggle. Trust became the social capital, as the poor stood in bank queues for the rich to deposit wads of cash – all below the unquestioned magic amount of Rs 2.5 lakh-into their Jan Dhan Account to be returned, with cut or commission, in due course.
 - India rush to railway counters to book expensive long-journey in old notes. Following cancellation, the refund came into new notes.
 - Since accounts of political parties do not come under RTI or Income Tax, they don't have to disclose the reasons of such deposits. The whole money in cash can be deposited in these types of accounts.
 - Businessmen have paid employees salaries for the next several months- all in old notes and below 2.5 lakh each, the deposit amount banks accept with out question. As media reported that in Gujarat some employees had to leave their debit cards with the as surety.
 - Tax-dodging doctors running flourishing hospitals didn't just pay advance salary to employees; they also placed massive orders for medical supplies and equipment-all in old notes.
 - Other means that are being used for converting black money into white is:
 1. Conversion of old currency into new one by commission agents at 20-40% conversion charges.
 2. Gold being purchased in the four hours window between the announcement and buying gold till mid night as media reported jewellery shops.
 3. Property being purchased & sold against old currency.
 4. Even after 8th Nov Govt allowed to use old money for various payments including Govt Payments / Taxes / Payment of Bank loans & some others. How Govt ensured that use of old currency notes at these places is not use of Black money.

It is pertinent to mention that if the Government does not stop generation of Black Money than this demonetization exercise will not be fruitful & may result into another Big Scam. Even no effect on big fishes & they may escape unhurt. Moreover as per recent estimate only 6% of the black money is kept in the form of cash and therefore much more can be converted & the said objective of the Government may not be achieved. A large quantity of new currency uncovered and caught by Income tax and Enforcement Directorate raids across the country after demonetization have confirmed the fact that demonetization is not the last and whole sole alternative of eradicating black money. Earlier also demonetization was implemented in nine countries & failed to achieve the desired objectives of curbing the black money in majority of cases.

Though this move is not less than “ Misguided Missile fired in Haste” just to have political gain specifically in forthcoming state election but I think we should support in the smooth implementation of the move considering bigger interest of “Great India” as decision has already been taken by Government elected by us only & roll back now will be another disaster.

Fake Currency & Terrorism:-

Terrorism is a frightening threat, so many have lost their lives because of it. Enemies from across the border are running their operating using fake currency notes. It is a part of a larger stratagem, a low-intensity war against the Indian economy by Pakistan's deep state. This strategy gathered pace over the past decade, and counterfeit notes

began flooding the Indian market. The NIA (National Investigation Agency) revealed a nationwide network injecting fake currency notes into the economy. It got the notes forensically analyzed and discovered they were manufactured in regular currency-making machines owned by a sovereign government. It didn't take the NIA long to establish that these machines were operating across the border, in Pakistan. The Indian Statistical Institute, Kolkata, in a report in June this year estimated, that Rs 400 Crore worth FICN (Fake Indian Currency Notes) was in circulation. Between 2012-2015, the government seized counterfeit currency. However it is the single biggest move in recent years to strike at fake currency. It disrupts the production of FICN in Pakistan, and makes redundant existing stocks of fake currency with a vast network of terror funders-the Hawala traders and money launderers. The phase out of these notes is double whammy for Pakistan. It limits the impact of counterfeit notes on the economy and curtails terror funding through FICN circulation in India. While removing black money, in the process it [demonetization] will definitely address the problem areas of terror financing and fake currency. There is illegal money behind terrorist funding. The channel through which the adversary sends in militants and arms is also used to send fake currency." demonetization would impact the terror financing, particularly in Jammu and Kashmir. Terrorist outfits like Hizbul Mujahideen collect donations in Pakistan and then route the money into the State through Hawala operators. "The terror funding module in place right now, will be affected as the terrorist operatives always store money in the form of big currency notes. That money has become a piece of paper now,"

No doubt there are fake currency notes in circulation. But fake currency, which is in circulation, is which good faith common man in good faith is receiving. So they will suffer not those who are actually culprits for printing & circulation. Other type of fake currency is, which is not in circulation will be dead money for them but this cost them just printing cost nothing else. Moreover Fake currency dealers will not print how Govt will ensure that New Currency Notes specifically Rs 2000 notes. We should understand this is not Rocket Technology. Even new currency notes of Rs. 2000 (though not fake) were found with the terrorists killed recently during encounter. Future stoppage not ensured. And daily we watch news in TV on new fake 2000 currency.

Media's Role:-

One wonders, why the media, especially the TV news-channels, do not focus more on the impact of demonetization on key sectors of the economy. The problem is that sections of the media appear to be obsessively focused on how the political parties will perform in elections which, in India, seem to be taking place at regular intervals in one state or the other. Some national TV news-channels keep coming up with opinion polls and not just in the states where the next round of assembly elections are due. These channels also give us once-in-six-months opinion polls which seem to tell us how many Lok Sabha seats the ruling and opposition parties and alliances could win if general elections were held at that point of time.

Which could be why many TV news-channel discussions focus not so much on the economics of demonetization as it affects the people but the political impact on the ruling and opposition parties. Instead of economists and representatives of non-political associations of farmers and of trade and industry (including those belonging to the medium and small-scale sector and which could be more affected by a liquidity crunch), the TV news-channels have spokespersons from the BJP, the Congress, the Left, the SP, the BSP, the JD (U) and the AAP. The next round of assembly polls could indicate how the people feel about demonetization in those states where elections are due. However, the real media focus could be on whether the people and especially the vulnerable and economically weaker sections throughout the country are able to get through the present before they reach the safety of a future when things will hopefully get better.

Five years ago, during the peak of Anna Hazare & Baba Ramdev led agitations against corruption, public anger across India was palpable. Literally millions of people in all cities and towns of India would throng local protest destinations with many of them joining in the evening after finishing their day jobs. 'Celebrated' news anchors like Barkha Dutt of NDTV who had then recently covered civil unrest in far off countries like Egypt were unable to even visit these protest sites because public anger was also directed towards them. Majority of the media narrative of that time was more stooped in disbelief laced with skepticism about the impact of these agitations on "real India".

After, 5 years, once again there are crowds thronging to banks and ATMs in millions every day mostly in an orderly fashion. Most Indians have been heavily inconvenienced due to government's demonetization, yet there are no mass protests in the cities and towns of India. Today, the media narrative though is the exact opposite to what it was some 5 years ago. Media, news anchors and columnists are working overtime to build a narrative of a manufactured anger

of the masses but with little or no impact on the ground. The contrast from 2011 to 2016 in the interplay between 3 primary players – media, public and government – couldn't have been starker. While public and govt. were at loggerheads in 2011, media was by and large with the govt. whereas in 2016, public and govt. seem to be in harmony while media is seen to be against the government (media here mostly refers to the dominant mainstream English language version). These are interesting inflection points, which suggest demographic pattern shifts in tandem with a media created dystopia.

The global attitude survey by PEW research shows a clear pattern of Indian public anger of 2013 turning into contentment of 2016, which has been consistent with our own polls and data over the last 3 years. Prime Minister Modi has consistently brought about an attitudinal shift in public's perception of the government. Globally, one of the biggest cause of public anger today has been because of the building distrust in institutions – we have seen just this month how voters in the US, the lone surviving superpower, have shown their massive distrust in institutions by electing a complete outsider to challenge the establishment.

“Yeh Modi kiski ka sagga nahi hai” averred a card carrying Youth Congress worker over a cup of tea near Meerut when he was explaining to us about how possibly the trader community which was supposed to be the core BJP-RSS support base would react adversely to the central government's demonetization move. That same Youth Congressi then added as an afterthought, *“Yeh (PM Modi) shayad desh ke liye kuch bhi kar sakta hai”*. His broader analysis was basically that Modi could have hurt his own party by doing the “right thing” due to the resultant anger among BJP's core voters.

In this reaction of even ideologically opposed sections of the populace towards the Prime Minister, we find that quantum leap that Modi has taken over other politicians. In an environment of cynicism where ordinary people whose default perception mode is to simply disbelieve a political leader meet the best of intentions by a politician with doubts and conspiracy theories, Modi is slowly bringing back that much needed trust. At a fundamental level, the demonetization of 500 and 1000 rupee notes is about bringing back faith in the institutions to ordinary Indians who simply believed everybody is corrupt.

“Very quickly all the pain of standing in queues would be forgotten, but these new 500 and 2000 rupee notes would keep reminding this generation every day about Modi's fight against black money” was how a retired government teacher standing in a long queue of an ATM in Mohali summed up the situation to me. Essentially, the reason why vast majority of ordinary Indians are willing to bear this short-term pain of sudden cash crunch despite no tangible gains is because they have taken that leap of faith with Modi who is trying to restore trust in institutions once again.

In fact, that same PEW research data (survey conducted before demonetization) reveals a subplot of the larger Modi story. Among various positive aspects of Modi's prime minister ship, there was one possible sore note – only 49% people believed that the PM had shown an ability to “get things done” while 33% felt he had failed in that aspect. A perception was gaining ground that despite his best intentions; the PM was being bogged down by the system around him. We believe that Modi understood this much better than anybody else and in a matter of 1 month he has probably completely changed that perception by first conducting a surgical strike against Pakistan and then boldly going ahead with demonetization.

The real focused concern of the media could be on how demonetization affects the people and not just political parties which rely on ‘anonymous’ cash donations and which may have been hit by the November 8 scrapping of 500 and 1,000-rupee notes. The print, electronic and social media has been praising Prime Minister's masterstroke by which he has reportedly destroyed the base of corruption in India. Before the advent of TV as a medium of information, the information requirements of most household was met by the daily newspaper, commentary and analysis through weekly or monthly magazines. Decades back, Marshall McLuhan, at infancy of the television medium had understood its intrusive character. Indian television, both English and vernacular, which started of mostly to entertain has now become increasingly didactic, stridently so. It perceives its role as one of ‘engineering change’. While many anchors pursue their own hobbyhorses, the compulsion to ‘convert’ the audience to there own perspective in increasingly evident. While TRPs the operative mantra, it is subtly intertwined with the anchor's desire to project loudly a particular point of view. It is interesting to see how each such public affairs chat show has its own character, depending on the anchor, participants, issues and relative political temperature in which is discussed. Some debates are dominated by emotions, some by facts, others by logic or reason- however, partnership is the permanent flavor. It is equally interesting to note how the nature of coverage by the media, subtly changes

with perceptions of changing political fortunes of parties and personalities. In case of demonetization media show different stories for example on Zee News 'nobody suffer' by this demonetization, AajTak showed people are suffering in front of ATMs and bank and people died in row reported by NDTV.

In social media lots of jokes and messages about the impending failure of government policy on demonetization are being shared. One point which is expressly missing in all these messages is the need for introspection by "we the society". No policy is perfect and no implementation can succeed without support from the very stakeholders for whose good it is meant. "We the people of India" are determined to make this initiative to failure. Here 'We' simply means, we Indian as a society. Every morning the newspapers report of cash being found (hoarded), in old and new denominations. The amounts are so large that I cannot relate to the numbers. Bankers, Bureaucrats, Politicians, Police, Builders and Cooperative Banks the list is unending. It seems that who so ever has got an opportunity to cheat the nation, has cheated, using his/her full potential. Even the poor common man, who allows his bank accounts to be used or the jeweler who back dates invoices. It appears that 'we' are determined to make the initiatives fail...and then gloat and "blame the government".

The failure will not be the defeat of the government, nor will it be a defeat of initiative. It will defeat of our India by 'us', its citizens. It's very sad. There are always two sides of coin. Don't try to look at things theoretically or from one side. Science also says "Balanced Diet is good for health." There are some channels, which are showing only good face of decision; some are showing mixed or other sides. But it's a practical approach to see real ground level reality.

Conclusion: -

It is no coincidence that 'Notebandi', the demonetization of high-value notes by the P.M. Narendra Modi Government, sounds a lot like 'Nasbandi', the infamous sterilization drive during the Emergency under Indira Gandhi. With long queues outside ATMs that seemed perpetually dry, the country has almost been cashless since P.M. Modi announced the demonetization on November 8, 2016. Ironically that timed perfectly with his campaign for a cashless India or as he twisted it, a less-cash India. Black money will soon be generated in new currency. This may be why the government narrative has changed from unearthing black money to making India a cashless economy. If it is to be considered a modern nation. Again, a laudable goal! At present, minuscule 2% transactions are digital, compared to advanced economy like the US, where it is 45%. It is not clear how much of the cash RBI intends to replace. But if the cash crunch continues, this will be a prolonged painful process, causing much suffering to the poor. The challenge for India to make more digital payments is enormous. The reflections are showing. India is a country of *Jugaad*, as seen with money launderers. As IT Minister Ravi Shankar Prasad is fond of saying: 'Indians first observe technology, then they adapt it, and after that they adopt it. Hopefully this is true. As cashless economy became the main focus, the talk of black money and counterfeit currency took a second place in the government's scheme of things.

Following are some effects after demonetization media didn't show and hid from people-

1. 100% Fake currency out of circulation in one stroke and Hawala sources from outside and Inside dried up for Funding of Terrorists, Maoists, Naxalites, Jihadis. Cash to create chaos and terror lying with Terrorists, Maoists, Naxalites, Jihadis gone waste.
2. Kashmir back to normal in one stroke. AAZADI forgotten. Children back to school. 95% turnout in J&K for exams and no schools have been burnt or no stone pelletiers to be found.
3. Jan Dhan accounts are full with money (more then 1 lakh transaction will cease to be BPL account)
4. India has around 13 lakh crore denomination of old 500 and 1000
5. 6000 crore cash deposited by only one Gujarati businessman. He has paid around 5k stipulated tax and penalty also on it.
6. All business men are depositing cash lying with them as current your income with ADVANCE TAX
7. All Jewellers are being issued Forms to declare their GOLD STOCK from 8th November onwards on day-to-day basis and all Jewellers whose stock doesn't not match with old record will be screwed big time.
8. Via Jewellers all those who have bought Gold will also not escape Income Tax net.
9. 55 lakh money disputes settled in one day in Lok Adalat.
10. Defaulters of Banks, Property Tax, Electricity bills, Telecom bills are clearing their long pending dues.
11. Defaulters of all kind of Govt taxes are clearing their dues
12. Govt moving towards Target of Cashless economy

13. Lot of small vendors has started using Apps like Paytm, Wallet facilities. Also installing Credit /Debit machines.
14. Banks are asking and guiding people to become cashless.
15. Businessmen with less black money declaring their money as Current your income and depositing with Advance Tax.
16. All with loads of Black money in cash either will surrender money with tax and Penalty or destroy it.
17. Next cleaning going to start with declaration of Benami Properties
18. Only 2 options –Either claim property and pay tax or give it up
19. All those people who are exchanging money of rich for 30% commission will lose their BPL status if transaction in their account is more then 1 lakh. All others will have to pay tax and penalty on money deposited above 2.5 lakh.
20. Fiscal deficit of India set to reduce. Even it will lower the prices of essential commodities, help in reducing the interest rate, contain inflation and not only fiscal deficit but also help in lowering CAD (current account deficit) and narrow down the trade deficit.
21. Banks have started mobile ATM for Hospitals.
22. 19 Banks have come together to start Unified online transaction.

The demon in demonetization is in the beginning. The need for the government to keep the move a secret so that tax evaders wouldn't be alert before the demonetization took place affected preparedness. This is no doubt that the coming months will be painful for the common man, small business housewives, etc. as there will be some shortage of legal tender /currency that will have an impact on them. Online trade can also be affected. There is some trouble for the economy, but not too long lasting said Ajit Ranade (Chief economist with Aditya Birla Group). Another rising issue will be that POS machine, debit cards which has to be resolved first, otherwise the measures will become an obstacle rather than the solution.

But after having discussed so much, will this major eliminate all the black money in the economy? This answer simply would be confirmative NO as it has been seen that black money is stored in various forms other than cash and as per 2012 report prepared by National Institute of Financial Management on unaccounted income found that cash was the least preferred option for storing unaccounted wealth. P.M. Modi has endeavored to strike at the root of black money menace and silence his critics to an extent. But his biggest challenge will be to ensure that the ship of state recovers quickly from these sudden shifts in policy direction. Demonetization, though welcomed by a largely enthusiastic public response in support of strike on black money, later invoked criticism on account of inconvenience caused by it to various section of the society. Yet, such criticism is also muted and overall, the sentiment has been of support to the government's initiatives with suggestions for improvement in implementation. It exhibits people's trust in the action of the government and it needs to be pointed that such trust is hard to be earned and easier to lost. The possibility of later would be a tragedy not only for the political dispensation at helm but also for the future of political and economic reform in India.

If these measures are implemented efficiently then we can expect higher collection of taxes, higher investments in the market, price corrections, improvements of India in some of the international rankings prevent corruption practices etc. and these are some of the reasons why people although are going through difficulties are lauding this measure of the government.

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