

Demonetisation of 500 and 1000 Rupee Notes - Prospects and Apprehension –An Empirical Study.

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Abstract: After the advent of demonetization of Rs.500 and Rs.1000 currencies announced by the Central Government, on 8th November 2016, people are yet to recover from overnight shocks in many places. It has created diverse opinions in the minds of the people. The reactions and the impact of demonetization have yet to settle down in India and it varies from place to place and state to state. Nearly four weeks have gone and still *quam* and *quandaries* continue in ATMs, and banks. Though the government has explained the positive impact of demonetization in the context of economic reforms and the growth and development of the country, it hardly gets full recognition from different walks of people all over the country. Hence, an attempt has been made in the present study to examine the opinion of the people on demonetization towards black money, corruption, gold and Real estate. The present study also tries to explore the advantages and the problems experienced by people following demonetization. By using semi structured questionnaire, the data is collected from a sample of 90 respondents representing 3 different groups namely, teaching, non-teaching staff and people from unorganized sectors by using purposive sampling method. The major findings of the study reveal that more than half (56.7%) of the respondents are having the opinion that it has a positive impact on curbing the black money. Less than half of the respondents agree that there will be a price control in gold and the real estate market. However, most of the respondents (74.4%) opine that they are experiencing a high level of anxiety, stress, frustration and depressions when they want to take their own money in ATMs and banks.

Keywords: demonetization, ATM, black money, corruption, real estate

I. Introduction

Demonetization disaster affects more people falling in the category of middle and lower class people. Poor people who are unaware of the digital era disrupting their economic life are struggling to use Rs.2000 notes as they do not have change. Poor people and middle class family people life are shattered like glass as they are unable to fulfill their family needs to get the grocery products and forced to stand in queue for a long time. Even in banks also cash crunch is seen and they are unable to provide money to people. Though the government has initiated a good plan that every transaction should be done in bank. If they had initiated it after adequate planning and preparation, inconvenience could have been obviously reduced. Income tax department will rejoice as black money comes out. Many precious lives might have been saved from standing before the ATM machines to withdraw their money. Because of demonetisation, the only mode for the cash to be paid to college is Rs.100. Paying a large amount of fees to college is very difficult. And in bank also they are providing rs.2000 per day as the limit was fixed by the government that too there is no availability of change. Sudden demonetisation has affected many people lives. It disrupts the daily routine of the individual. Difficulties are seen unceasingly people.

Objectives Of The Study

1. To describe the socio demographic characteristics.
2. To find out the opinion on demonetisation from the selected public (Teaching, Non-Teaching and unorganized Sector).
3. To explore the advantages and problems experienced by the respondents owing to demonetisation.

Profile Of The Study Area

For the purpose of the study, three categories are selected namely Teaching, Non-Teaching staff and that of the Unorganized Sector as when compared to other categories these are the most suitable ones for this study. 90 respondents were selected by the purposive sampling method. Self-Prepared questionnaire was used to collect the data based on the dimensions of impact on black money, gold, real estate and on the corruption activities.

Table 1: Socio Demographic Characteristics Of The Respondents

Socio Demography	No of Respondents n: 90	Percentage
Age Category		
Below 20	6	6.7
21-30	30	33.3
31-40	26	28.9
Above 41	38	31.1
Gender		
Male	64	71.1
Female	26	28.9
Martial Status		
Married	52	57.8
Never Married	38	42.2
Children		
No children	38	42.2
1 Child	22	24.2
2 children	5	5.6
Not Applicable	25	27.8
Education		
Illiterate	26	28.9
Upto 12	15	16.7
Graduate	6	6.7
MPhil	32	35.6
Ph.D.	11	12.2
Designation		
Teaching Staff	30	33.3
Non-Teaching Staff	30	33.3
Unorganized Sector	30	33.3
Income		
Below 10,000	50	55.6
10,001-20,000	21	23.3
20,001-30,000	13	14.4
Above 30,000	6	6.7
Family Income		
Below 10,000	25	27.8
10,001-20,000	23	25.6
20,001-30,000	11	12.2
Above 30,000	31	34.4
Type of Family		
Joint	31	34.4
Nuclear	59	64.6
Domicile		
Rural	19	21.1
Urban	56	62.2
Semi Urban	15	16.7
Experience		
0-1	19	21.1
2-10	35	38.9
11-20	14	15.6
Above 20	22	24.4
Residence		
Puthur	60	66.7
Craw Ford	17	18.9
Thillainagar	13	14.4

Inference:

It could be inferred from the above table- 1 that, the majority of the respondents belong to the category of 21-30 33.3%.The table also reveals that majority 71.1% are men. It also explains that 57.8% are married, Moreover 42.2% do not have children, and 35.6% of the respondents have undergone M.Phil. as their higher educational qualification, 55. 6% of the respondents are earning their salary in the range of Rs.10, 000. 64.6% of the respondents belong to the category of Nuclear Family and 66.2% are residing in urban area. Remaining 66.7% of the respondents are residing at Puthur region.

Table 2 : Opinion Of The Public

Socio demography	No of Respondents n: 90	Percentage (100%)
Difficulty Standing in queue		
Less than an hour	40	44.4
2 hour	24	26.7
3 Hour	16	17.8
More than 4 Hour	10	11.1
Face Difficulty Standing in queue		
Yes	48	53.3
No	42	46.7
ATM Supplied with cash		
Highly Adequate	16	17.8
Adequate	19	21.1
Inadequate	17	18.9
Highly Inadequate	38	42.2
Problem in Currency Shortage		
Yes	54	60
No	36	40
Come out of Black Money		
Strongly Agree	4	4.4
Agree	17	18.9
Neutral	25	27.8
Disagree	28	31.1
Strongly Disagree	16	17.8
Terriost		
Strongly Agree	7	7.8
Agree	26	28.9
Neutral	26	28.9
Disagree	23	25.6
Strongly Disagree	8	8.9
Black Money Eliminated		
Strongly Agree	1	1.1
Agree	5	5.6
Neutral	31	34.4
Disagree	17	18.9
Strongly Disagree	23	25.6
Corruption		
Strongly Agree	4	4.4
Agree	24	36.7
Neutral	32	35.6
Disagree	24	26.7
Strongly Disagree	6	6.7
Impact on black money		
Strongly Agree	20	22.2
Agree	41	45.6
Neutral	13	14.4
Disagree	12	13.3
Strongly Disagree	4	4.4
Circulation On Gold		
Strongly Agree	19	21.1
Agree	47	52.2
Neutral	16	17.8
Disagree	5	5.6
Strongly Disagree	3	3.3
Price		
Strongly Agree	11	12.2
Agree	40	44.4
Neutral	14	15.6
Disagree	23	25.6
Strongly Disagree	2	2.2
Approach		
Yes	23	25.5
No	67	74.4

Favor		
Yes	50	55.6
No	40	44.4

Inference:

From the above table no 2, it is inferred that 44.4 % of the respondents opine that they face difficulty standing in queue and 53.3 % of the respondents faced problems while standing there. Most of the respondents 42.2 % state that there is inadequacy of money in ATMs, 60 % of the respondents says that the shortage of currency is more.31.1 % of the respondents disagree with the view that all the black money will come out by demonetisation, 28.9 % of the respondents are neutral in their view regarding the terrorist activities. As for the concept of black money 34.4 % of the respondents says that they are in neutral 36.7 % of the respondents say that the corruption activity will be controlled as a result of demonetisation. While we see in the dimensions, 45.6 % of the respondents agree that there is an impact on black money, 52.2 % of the respondents agree that a lot of black money is in circulation of the gold.44.4 % of the respondents agree that the price of the gold will come in control.74.4 % of the respondents say that no one has approached them to deposit their money in the respondents account.

Table 3: Advantages Of Demonitisation

S/no	Particulars	Percentage	Rank
1	black money will be in control	(35)39%	1
2	Drastic increase of Income tax pay	(29)32%	2
3	online banking paves a way and online purchase	(24)27%	3
4	National per capita income will come down	(17)21%	4
5	Will control the price rate	(18)20%	5
6	Plastic demonetisation will occur	(11)19%	6
7	It would control the exchange of fake currency	(15)17%	7
8	control terrorist activity	(20)16%	8
9	will curb the corruption	(14)13%	9
10	India will glitters in future	(12)12%	10
11	Share value will be increased	(11)11%	11

(Multiple Responses Table)

Inference:

From the above table 3, 39% of respondents shared the view that black money will come under control it stands in the rank as 1, 32% of respondents says that there will be a drastic increase in income tax collection and 27 % of respondents agree that online banking paves a way for the online purchase because of demonetisation.

Table 4. Problems Experienced By Demonitisation

S/no	Particulars	No. of Respondents n:90	Rank
1	Unable to change Rs.2000(Unable to change the higher denomination)	(48)54%	1
2	Unable to meet the daily needs for getting grocery, milk, eatables	(40)45%	2
3	Psychological problems like anger, anxiety, body pain, frustration and depression	(38)42%	3
4	Prior planning should be done before demonetisation	(29)32%	4
5	Limitation of providing money in bank	(25)27%	5
6	Unable to spend money for hospital expenses	(21)23%	6
7	Petrol bank persons ask for full amount of petrol for Rs.500 and Rs.1000	(19)21%	7
8	Illiterate people are pushed towards crisis	(20)22%	8
9	Wealthier people are not affected and they are not standing in the queue/ All big shots are safe	(18)20%	9
10	Routine activities are disrupted	(20)19%	10
11	Unaware of net banking	(17)18%	11
12	Poor people suffered a lot	(14)15%	12

(Multiple Responses Table)

Inference:

From the above table 4, 54% of respondents shares the view that the difficulty is seen to change the notes of higher denomination of Rs.2000 so it stands in the first rank, The difficulty continuous that 45% of respondents states that they are unable to meet the daily needs for getting grocery, milk, eatables and it stands in the second place, Finally 42% of persons share their views that they are having psychological problems like anger, anxiety and body pain.in the third place.

II. Suggestions

- All the ATM shall be functioning well with adequate money inflow to prevent people long standing in queue.
- Whenever a new policy is introduced by the government for the welfare of the people adequate precautionary measures shall be taken by the government and no citizen is affected physically, psychologically, financially and sociologically by the new system
- Before introducing demonetisation a survey should have been taken by the government to all the banks taking stock of the inflow and outflow of the transaction over a period of time so as to ensure that the common people should not be suffered in the withdrawal their own money deposited in the respective banks.
- Since Majority of the respondents express that they are not able to exchange new Rs, 2000 it is suggested to introduce new Rs.500 & Rs.1000 notes to minimize the problem.
- The government should ensure the daily needs (grocery, milk, eatables) of the common people should be affected at any cost due to the introduction of demonetisation.

III. Conclusion

Taking into the account the wide ranging issues and challenges faced because of demonetisation, the significant improvements should be there to eradicate black money, and control in terriost activities. However networking strategies should be adopted largely and government should take proactive measures to bring India as a brighter one and it should ensure their sustainability in the end. So that it will be a step to the economic empowerment.

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