

<b>Title of the Program/ Event</b>	<b>A Discussion on the "Demonitisation Policy of the Government of India and its Efforts"</b>
<b>Organizer</b>	<b>Department of Economics, Golaghat Commerce College</b>
<b>Date</b>	<b>25<sup>th</sup> November, 2016</b>
<b>Venue</b>	<b>Rana Tamuly Memorial Auditorium</b>
<b>No. of Participants</b>	<b>30</b>

A discussion on Demonitisation Policy of the Government of India and its effect was organized by the Dept. of Economics, Golaghat Commerce College with the support of IQAC in the Rana Tamuly Memorial Auditorium on 25.11.2016. The discussion was chaired by Mr. Prassanna Kumar Borthakur, the then Vice Principal of the college. The discussion became successful with active participation of around fifty teachers and students of the college. Around eight teachers forwarded their views on the said topic and the participants expressed their views about the positive as well as negative aspects of the policy.

Mr. P.K. Borthakur as the chairperson stressed on the importance of November 8<sup>th</sup>, 2016 for the economy of the country. He also mentioned that one of the main reasons of demonetization is the existence of black money and fake currency. Following his speech, Mr. L.D. Saikia presented some effects of the Demonitisation Policy among which were declination in terrorist activities and effect of the policy on other short and long term policies of the country. The next speaker, Mr. Anup Kr. Das called November 8<sup>th</sup>, 2016 as a "Queue festival" with which the general people are highly dissatisfied. Mr. Rajesh Jaiswal mentioned the advantages and disadvantages of the policy. The event came to an end with the vote of thanks given by Mrs. Julee Dutta.

A Discussion on the "Democratization  
Policy of the Government of India and  
its effects"

Date - 25/11/2016

Place - Para Family  
Memorial Auditorium

Signatures of the members present :-

Sl. No	Name	Signature
1.	Dr. Jahnava Nath Saikia	
2.	Prasanna M. Buzel	
3.	Lakshidhar Saikia	
4.	Chinram Nath	
5.	Rodip Borahakur	
6.	Dr. Jatin Nath	
6.	Rajesh Taiswal	
7.	Jules Dutta	
8.	Suchibrata Chellang	
9.	Rinki Das	
10.	Pubali Chakravarty	
11.	Jyotsnani Gogoi	
12.	Bhaskar Kakati	
13.	Dr. Dipati Gogoi	
14.	Banti Kalita	
15.	Sibyendu Palit	
16.	Dr. Chingabhem Naishei	
17.	ATUL KUMAR DAS	
18.	Prityopratim Phukan	
19.	Mousumi Mohanm	
20.	Sweta Taiswal	
21.	Jugamaya Saikia	
22.	Dipankar Thakur	

- |                         |         |
|-------------------------|---------|
| 23) Sawan Singh         | Sir/    |
| 24) Pinter Sah          | Prof    |
| 25) Mathuraj Kalita.    | Mess    |
| 26) Anup Kr Das         | AD      |
| 27) Kanchulika Tula     | le Tula |
| 28) Tasmiah Sullana     | Sullana |
| 29) Dr. Prabani Goswami | Dr.     |
| 30. Tula Kt. Saikia     | Saikia  |

### The Proceedings

Topic :- Demonetization Policy of the Government of India and Its Effects.

The discussion started with the introductory speech delivered by Mrs. Hoonmoni Baruah, the HOD, Economics. She has rightly pointed out the objectives of the discussion - as (i) To discuss about the demonetization policy of the Government of India and its effects and (ii) To discuss about the advantages and disadvantages of this policy and exchange the viewpoint of the teachers regarding the matter.

It followed by the speech of the vice Principal, Mr. P.K. Borahakur as the chairperson in the absence of the Principal. He said that the November 8, 2016 is a historic day for the country. Somehow it has systematized the monetary system of the country. One of the main reasons of demonetization is black money and fake currency. He said, according to some

estimate, an amount of 40,000 crore fake currency is circulated in India. The main suppliers of fake currencies are Pakistan, Nepal, Bangladesh and Myanmar. This leads to terrorism. He added, till November 8<sup>th</sup> 2016, nearly 15 lakh crore notes of Rs. 500 and Rs. 1000 was circulated in the country. After demonitization, 47% of Rs. 500 notes and 38.85% of Rs. 1000 note were deposited in the banks. And 86.5% of the total Rs. 500 and Rs. 1000 notes were out of circulation. He also mentioned that this type of revolutionary step had been also taken in the past.

It is followed by the presentation of the speakers:

1. ~~Prof~~<sup>Mr.</sup> L. D. Sankar - He started his paper with an introductory note regarding demonitization as a very bold and hot topic in India today. It was a historic and unexpected step taken by our Prime Minister Narendra Modi.

Effects of the Demonitization Policy:-

- (a) The rich people were affected the most.
- (b) It has targeted the flow of fake currency and black money.
- (c) Terrorist activities declined.
- (d) He mentioned Finance Minister Arun Jaitley's speech that new cashless economy will prevail in the future India.
- (e) It will affect both the short term and long term policies of the country.

(6) It also affects the stock market, real estate and the day-to-day life of the daily wage earners.

(7) It will also change the political scenario of the country. With the cease of black money the political parties illegal funding will stop.

He added, that although this is a sudden decision to ban Rs. 500 and Rs. 1000 notes, P.M. also gives the facility to the people to exchange, deposit, withdraw money and open accounts (if not) in the banks.

He also mentioned about the mobile campaign the P.M. has initiated in which 93% of India's population has supported the policy.

2. Mr. Anup Kr. Das :-

He said that during these days from Nov. 8<sup>th</sup> 2016, a kind of "Queue festival" started in the country. The policies disrespectful behaviour towards the general public was the most dissatisfying aspect of the policy. He has vehemently discuss the policy because it affected the common people rather than ~~that~~ targeted one's. He has pointed out that in the past, many countries like Soviet Russia, North Korea who had applied the demonetization policy had failed.

3. Mr. Rajesh Jaiswal :-

He said that, in social media he has found out that the idea from which P.M. was influenced was from a class 9

Standard book of Mahakastha. He also appealed the people that we should discuss about the practical aspects of this policy rather than the theoretical ones.

His sources are the Economic Times from 14<sup>th</sup> November to 21<sup>st</sup> November. From 2011 to 2016 the growth of Rs. 1000 and Rs. 500 notes went up to 76% and 109% respectively. The economic growth is 20-30%, which is a mismatch. In his observations;

Disadvantages:-

- (a) People have to stand in queues for hours together to exchange the existing notes.
- (b) The daily wage workers are sufferers which constitute 40% of the common people of the country.
- (c) Small scale business suffers.
- (d) New opportunities for brokers, middlemen, political underlings.
- (e) There is also a problem in transaction with Rs. 2000 notes.
- (f) For printing new currencies, the burden is again on the tax payers.

Advantages:-

- (a) 100% fake currency is out of circulation in one stroke.
- (b) It has to some extent decreased the terrorists activities.
- (c) Hawala source driven out.
- (d) People returned to the banking system, therefore, banking network strengthened.

(a) Approximately 18.7 lakh, which include 7.5 lakh pending cases and 11.1 lakh pre-litigation case have been settled. Total value of settlement amount received is Rs 640 crore.

(b) Defaulters are clearing off their pending bills.

(g) Advance tax payment by the businessmen.

(h) Small vendors using digitalized apps.

(i) Till 21<sup>st</sup> November, Rs. 5.5 lakh crore already deposited in banks.

In conclusion, Mr. Jaishwal talked about a theory "Creative destruction".

4. Mr. Atul Kumar Das :-

He said that, Economy is not money but resources. His paper was concerned about the impact of demonetization in country's resources. He elaborated how fake money and black money occur.

$$900 + 100 = 1000$$

(value of resource/  
goods produced) (tax value) (currency needed)

$$900 +$$

Fake money

$$900 + 100 \neq 1000 + 100$$

Corruption/Black money (fake money)

$$900 + 100 \neq 1000 - 100$$

(Black money)

To balance the equilibrium in economy, Government has to produce more currencies.

\* In between, Mrs. Julee Datta, talked about the aspect of property redistribution.

### 5. Mrs. Gulbriqee and Begum :-

She forwarded here papers with special reference to the economy of Assam. The common people are affected. Kind of chaos was seen in petrol pumps, hospitals, transporters and markets. The people also face problems regularly regarding lower denomination of money. She ended his discussion with a positive note.

### 6. Ms. Suchibrota Cheleng :-

She mainly focussed on the middle class people and their attitude towards this policy. She also questioned whether the demonetization policy would adverse the situation of the country regarding black money and fake money. She is doubtful about the success of much ambitious plan of the Prime Minister - the Jan - Dhan Yojana.

7. Dr. J.N. Saikia, the principal also presented a paper. He started his paper elaborating the reasons behind P.M.'s decision.

(a) Black money outflow from India is \$505 billion which counted 333 lakh crore between 2004 to 2013.

(b) In 2007, World Bank declared that, India constituted consisted of 23.7% black money of GDP.



(c) Real Estate - dealing with black money was estimated 11% of GDP.

(d) Betting - consist of 3 lakh crore (2012) of which 100% is black money.

After demonetization this type of illegal transactions of black money has somehow decreased. In a positive note, government is receiving ample amount tax benefits.

At the end, Mr. Rajesh Jaiswal has given a valuable information that in near future India will have biometric registration of every dealing and Aadhar card will soon replace Pan card.

The vice-Principal who is the chairperson of the discussion concluded the event and Mrs. Julie Dutta put forwarded the vote of thanks to all the ~~the~~ the chairperson as well as all the dignitaries.

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