



Demonetization Effects on Indian Life and Challenges to the Indian Government 2017

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ABSTRACT

In the history of Indian civilization economy was florist most of times however there are several reasons behind this fact viz the grounds of social political economic , cultural traditional and climate conditions in the course of development of civilizations the conditions of Indian economy were changed due to its systematic changes in its economy the remarkable changes are abolition of “ Batter system “ and introduction of the currency which is equivalent to the value of the goods and services.

Keywords: *money, Demonetization, black money, globalization, privatization*

INTRODUCTION

In this way the goods were valued in the economic system, later the same value was added to the materials like gold , silver, diamond and platinum in this continuation the currency of gold and silver was made as the equivalent to the goods. However the currency system and value was changed from time to time. In this way it was operated and controlled by the kings. In the modern days the conditions were changed due to globalization, privatization and globalization, in this way the economic systems like fixed economy , capital economy , socialistic economy were introduced as the result of these three economic systems the economical human behavior was changed and lead to the typical nature of human beings in relation to controlling and distribution of natural resources because of these factors the currency system was not in successful way so in developing country or third world countries such as India is in grave condition to search for the alternative ways to re distribute and control the currency system which is in

the form of paper and metal. In this continuation the need of demonetization became inevitable. In these conditions the today’s Modi’s government took a strong decision to go for demonetization in order to eradicate the poverty of India control the circulation of currency and hidden amount in the form of paper money. In this process the government felt successful at the same time the Indian people admired the Modi’s leadership at the same time they faced the concerned challenges as the result of demonetization this event was in various conditions and problems throughout India with the nostalgia. However off course there is always decent in political system in this peculiar condition the effects of the demonetization were faced by the people of India and they became challengers to the Indian government

The Conditions That Lead To the Demonetization in India by Narendra Modi’s Government

In Indian political system in pre independent India British administration controlled the currency system for the interest of British emperor the wealth was shifted to England the British Indian economy was even though high but the people lived in absolute poverty. The British government controlled the economy of British India and did not distribute the generated economy with in India. In this condition the villages were self reliant they did not depend on economic system of British Indian government the same case was there in princely states of Indian sub continents.

However the condition were changed after the Indian independence India was more attracted towards its westernization and economic development due to this

eager atmosphere the self reliant village Indian economy was pushed back and dominated by the western small scale and large scale industrial systems the independent villages became dependent on the western economy and lead to poverty of foreigners . The conditions of economic system of India or explicate in agriculture and the related areas. In this way there was in balance of controlling and distribution system of natural resources and production of goods and services to the under prelisted population of India.

The Effects of Demonetization during Regime of Narendra Modi's Government

1. The objective of Demonetization is to check the black money but it couldn't be reached as its deserved by the government
2. The black money or underground money came into circulation through the various channels of the people such as handing over the amount to their neighbors
3. The literate, semi literate people agreed and supported the rich peoples black money to convert into white money
4. The black money was neither distributed nor caught by the Indian government completely and was through in various locations and dumps
5. The government bank officer's initiated to support the rich to convert the black money into white black money
6. The banks deposited the black money into some poor people's accounts without their notice and intervention and it lead to the poor men into problems
7. The common people struggled allot to meet there daily needs because of demonetization and scarcity or lack of stock of the paper currency
8. Some poor people couldn't understand what the actual condition of demonetization and its information
9. The demonetization leads to the peoples deaths due to lack circulation of paper money
10. People struggled to stand in Ques to get small amount where as the depositors of black money enjoyed without any impact of demonetization
11. The demonetization the Indian economy lead/pushed back its growth due to demonetization
12. The private industry struggled to product its goods due to lack of circulation of paper currency
13. The state governments couldn't maintain their governmental activities effectively

14. The international economy affected on our stock exchange system and Indian economy
15. The international investments were discouraged due to demonetization and slow growth of economy
16. The private sector effected and its production was decreased such as factories and companies
17. The people's psychological and optimistic thoughts were in depression
18. The retail Salerscouldn't believe in the daily customers economic activities
19. The government couldn't plan the exchange of paper currency in a way that it could be managed successfully

Indian Demonetization By BharathaJanatha Party (BJP) 2017 – Challenges

1. Narendra modi's BJP government couldn't print and circulate the demandable paper currency for its exchange of cancelled paper currency
2. The government couldn't be successful to indicate alternate ways to prevent the effect of lack of currency
3. Reserve Bank of India was not accountable for its practice of Demonetization
4. The auxiliary state and central government banks couldn't manage the people's demands
5. The electronic money exchange system couldn't be available
6. The Epass is within reach of the common people and they couldn't use it
7. The ATM systems failed to function due the failure machines that couldn't process the new currency of paper
8. The government failed to be accountable for its implementation of demonetization and not accountable for people comments
9. The government couldn't meet the problems of people as it expected when the demonetization was planned
10. The government couldn't prevent the black money because the proposed thought of demonetization was already liked earlier to its implementation
11. The black money deposited in worldly countries such as Swiss bank in Switzerland couldn't be cancelled through the Demonetization process
12. The Demonetization resulted to print new paper currency so it's also a new expenditure to the central government
13. The government and reserve bank failed to coordinate themselves

14. The central government couldn't resist the broker plans and there implementations in conversion of black money into white money
15. The government did not concentrate on political leaders in concentration of black money during the demonetization

To conclude the effects and challenges of Demonetization in the Duration of Narendra Modi's BJP government even though it felt strongly to bring out economic reforms as revolution in demonetization in implementation it was not successful in this way the demonetization remind as a thought of cancel of black money without satisfaction

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