



Why Should We Care About Development Finance? ...because it's our money!

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The Economy This Week!

5 years of demonetisation was notable not just for the damages it caused to the economy and the irreversible hardships caused to small traders and the informal sector, but also the way the narrative was built around it, to escape the wrath of the people. The first anniversary was celebrated as the anti-black money day by the government and thereafter nobody heard much about it from them. All the claims justifying that drastic step stayed delusive. The Scroll.in and CFA put together a series of articles looking back at the demonetisation. A few of them are carried in this issue of Finance Matters.

Team CFA



5 years later, it's even more clear that demonetisation was a disaster for India

The wealth is held in a variety of forms like, in undervalued inventory or balances held in tax havens abroad. A return is expected from this wealth. So, cash, on which there is no return, would be a tiny amount – 1% of the black wealth. Thus, if demonetisation managed to demobilise black cash, only 1% of the black wealth would have been eliminated. [Read more.](#)

No, demonetisation wasn't a good idea, badly executed – it was a ridiculous idea from the start

This conception of black economy is incorrect. This assumption lies at the heart of the exercise of demonetisation but unfortunately that is the biggest flaw of this policy. Simply put, black economy consists of the transactions in an economy that escape the tax net. [Read more.](#)



Demonetisation left RBI's reputation in tatters. What could future policy makers learn from this?

While the entire Indian economy was disrupted by the demonetisation exercise announced on November 8, 2016, removing high-value currency notes overnight, it simultaneously stirred a serious controversy on the role of Reserve Bank of India as the principal regulator of money supply in India. [Read more.](#)

Demonetisation caused Indians needless pain. Modi must accept moral responsibility for it

On Nov 9, 2016, when journalists approached me as the senior vice president of AIBOC for a comment regarding the demonetisation announcement by the PM the previous night, I said we would face the challenge and co-operate with the govt to ensure the smooth exchange of currency notes. As a responsible person in this field, that is what was expected of me. [Read more.](#)



5 years of Disaster! Let us not forget!



DEMONETISATION : Hype vs Facts



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