



Understanding perception of middle class citizens towards demonetization

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1.0 Introduction:

It is not an uncommon fact that India, as a Nation has been fighting against Poverty, Corruption, Terrorism and illiteracy since decades by now. At evening on November 08, 2016, Tuesday, in a long 40 minutes speech, Prime Minister, Mr. NarendraModi announced the demonetization of existing notes of Rs 500 and Rs 1000. *Demonetization is the act of stripping a currency unit of its status as legal tender.* So basically, from next day onwards, every 500 and 1000 rupee note stood just as a mere paper if not exchanged/deposited at banks. There are quite a few significant reasons behind this huge step, the Prime Minister gave, according to Economic Times. They are:

1. To tackle the black money in the economy.
2. To lower the cash circulation in the country which is directly related to corruption.
3. To eliminate fake currency and dodgy funds which have been used by terror groups to fund terrorism in India

1.1 Some Highlights:

1. Subsequently, all the banks were closed for public work on November 09, 2016.
2. ATMs were put out of function for 9th and 10th November, 2016. Internet banking, cheque and demand draft transactions remained completely unaffected.
3. The last date to exchange the old notes of Rs 500 and Rs 1000 is December 30, 2016 or can be exchanged with RBI till March 31, 2016 after filling up a declaration form.
4. The upper limit to withdraw is Rs 2000 from ATM and Rs 24000 in a week from banks.
5. The exchanges can be made at Banks, Post offices and sub-post offices.
6. The new 500 and 2000 Rupee notes were introduced for circulation.

The citizens were left stunned by the move. It came real confidential. Apparently, there was a kind of mixed reaction in the country. Social media came flooded with verses of appreciation and cries & rants as well. Opinions, suggestions, inferences, tweets, and discussions took the lead. Where we saw people flushing out their black money in rivers, we also pained the loss of several citizens who lost their lives unable to cope up long queues and the lack of physical facilities. Despite the announcement, many hospitals refused to take old currency notes resulting in tragedies. We recorded good amount of black money reaching the banks as well. The coin will always have two sides. Having said this, the purpose of the study is to study the perception of the citizens of Surendranagar on Demonetization. The study will help us understand how far the citizens believe that this move will help in fulfilling the objectives, announced by the Prime Minister. The study also takes into consideration, the experience of respondents towards banks, post offices, ATM services post Demonetization.

2.0 Objectives

Objectives of this study were:

- To study citizen's perception of Demonetization and its likely benefits.
- To study citizen's experience of service of Bank, Post office and ATM after announcement of demonetization.
- To study citizen's perception of information (about demonetization) provided by various media.

3.0 Methodology

The study was conducted in Surendranagar city; headquarter of Surendranagar district of state of Gujarat. The data were collected from November 23, 2016 to December 08, 2016 which is after 15 days of announcement of demonetization. It was assumed that by this time majority of the people have formed their opinion about demonetization and should have visited Bank, Post office or ATM for monetary transaction.

3.1 Sampling Design

Population:

The middle-class adult citizens of Surendranagar city.

Sample Size: 342

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Sampling Technique: Non probability convenience sampling

3.2 Instrument:

The data was collected through structured questionnaire. Questionnaire was prepared in Gujarati language. Prior to data collection, questionnaire was pretested to ascertain the appropriateness of format, language, meaning of statements and time required to answer the questions.

Questionnaire is divided into four parts:

- The first part inquires about perception of respondents of likely benefits of demonetization.
- The second part studies experience of respondents with Banks, Post offices and ATM post demonetization.
- The third part inquires about perception of respondents of helpfulness of information provided by media.
- The fourth part intends to capture the demographic information of respondents.

3.3 Data Collection Method:

To collect the data from people living in different areas of the city, 350 questionnaires were distributed to students and faculty members residing in different areas of Surendranagar city and requested to collect data from, particularly, middle class and lower middle class people engaged in different occupation.

Total 342 filled up questionnaires were received leading to response rate of 98%.

4.0 Analysis

Data has been obtained from various segments. Respondents are deliberately chosen from middle class people because they are the ones who are majorly affected by demonetization in terms of hardship faced to avail the banking services. .

Total questionnaire distributed	350
Filled questionnaire received	342
Response rate	98%

Table 1: Respondents by Gender

Gender	Number	Percentage
Male	219	64
Female	117	34
No Response	6	02
Total Respondents	342	

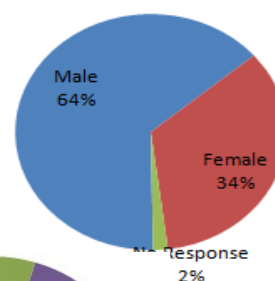
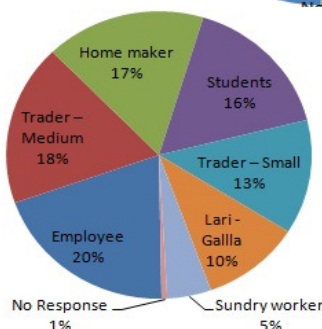


Table 2: Respondents by Profession

Profession	Number	Percentage
Employee	68	20
Trader - Medium	62	18
Home maker	58	17
Students	56	16
Trader - Small	44	13
Lari - Gallla	36	11
Sundry worker	16	5
No Response	2	1
Total Respondents	342	

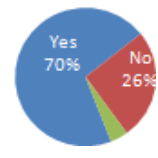
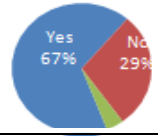
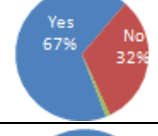
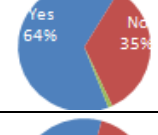
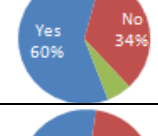
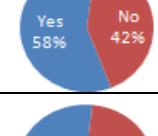
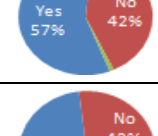
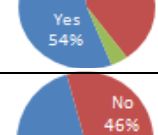
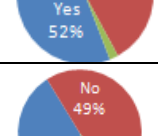
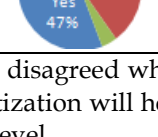


As the table suggest, from over 342 respondents, 64% are males and the rest are females. Talking about their occupation, 20% of the respondents are employees where as 18% and 17% are Medium scale traders and housewives respectively. The other 50% are students, hawkers and sundry workers.

4.1 Respondents' perception about demonetization and its likely benefits (N:342)

Table 3: Respondents' perception about demonetization and its likely benefits (N:342)

Statement	Yes (%)	No (%)	No Response (%)	
Do you agree with the decision of Government of India of abolishing currency notes of Rs 500 and 1000?	74	23	3	

Will the Nation benefit in long run?	70	26	4	
Will the Price of land / building reduce?	67	29	4	
Will Gold / Silver get cheaper?	67	32	1	
Will the price of commodities reduce?	65	35	1	
Will the prestige of India increase at International level?	60	34	6	
Will the problem of black money be tackled?	58	42	0	
Will the problem of terrorism be tackled?	58	42	1	
Will it reduce money laundering?	54	42	4	
Will it eliminate the problem of fake currency notes?	51	46	2	
Will it curtail corruption?	47	49	4	

74% of the respondents agreed with the stand of Demonetization of Government of India, 23% disagreed while 3% of the respondents were undecided. 70% respondents believed that in the long run demonetization will help economy. 60% respondents agreed that this move will improve India's prestige at international level.

The primary objective as stated by Prime Minister behind this move was to curb the menace of black money in the economy but the opinion of the respondents is seen to be little unaligned with it. 58% though believed that the move will help in tackling black money, 42% respondents feel otherwise.

About 65- 67% of the respondents felt that this stand will lead to reduction in cost of land, gold and other commodities. Again, about 42% from the chunk of respondents believe that it will neither help eliminate dodgy money used to fund terrorism, nor will it help us curtail Hawala (Hundi) business in the country. 51% of the respondents however believe it will help reducing fake money in the economy.

4.2 Respondents' experience of Bank, Post offices and ATM services

Table 4: Visit of Respondents to Bank and Post office

Place of Visit for Exchange /	Number	Percentage
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Withdraw / Deposit		
Banks	275	80%
Post Office	77	21%
Banks and Post office both	46	14%

From amongst 342 respondents, majority of the respondents, i.e., 80% visited banks. 275 (80%) respondents have visited Bank, 77 (21%) respondents have visited Post office and 46 (14%) have visited both Bank and Post office after announcement of demonetization.

118 respondents out of 275 respondents who have visited bank i.e. 42% choose to identify banks they have visited. Three respondents have visited more than one bank.

Out of 115 responses, it was found that respondents have visited 24 different banks and three top visited banks were SBI (23 respondents), Bank of Baroda (17 respondents) and HDFC Bank (15 respondents). Rests of the banks were visited by less than 10 respondents.

Table 5: Purpose of Bank visit: N: 275

Purpose	Number	%
For all types of transactions	105	38
To exchange old notes	50	18
To deposit money	49	18
To withdraw money	11	4
No Response	60	22

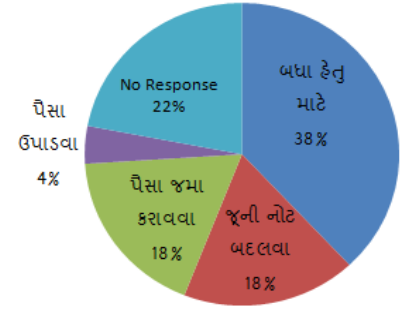
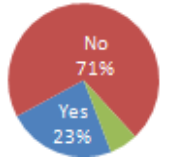


Table 6: Respondents' (those who have visited Bank) experience while availing Banking Services after Demonetization. N: 275:

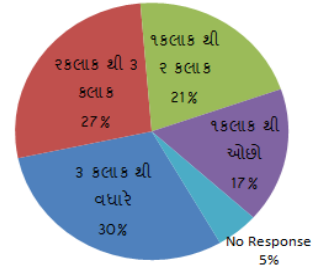
Statement	Yes (%)	No (%)	No Response (%)	
Was the behaviour of Bank employees proper?	77	20	3	
Was the Police arrangement proper?	75	22	3	
Were bank employees helpful in your troubles?	74	23	3	
Was there proper arrangement to stand in queue?	56	42	2	
Were there separate queues for different purposes for senior citizens and differently abled people?	39	59	3	

Did you receive any help from social organization?	23	71	6	
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From total of 275 respondents, more than 70% satisfied with the behavior of bank employees and the police arrangement at banks. However around 59% respondents said there were no proper queues for senior citizens and for differently abled people. Almost 71% respondents did not get any assistance from any social organizations.

Table 7: Time spent to avail the Banking Services N:275:

Time	Number	%
More than 3 hours	82	30
Between 2 to 3 hours	73	27
Between 1 to 2 hours	57	21
Less than 1 hour	48	17
No Response	15	5



As shown in the table, about 30% of the respondents had to wait for more than 3 hours to transact with the banks, 27% of the respondents spent two to three hours, waiting, at banks. And about 105 respondents could transact within two hours.

Table 8: Purpose of Post office visit: N: 77

Purpose	Number	%
To exchange old notes	22	29
For all types of transactions	17	22
To deposit money	12	16
To withdraw money	4	5
No Response	22	29

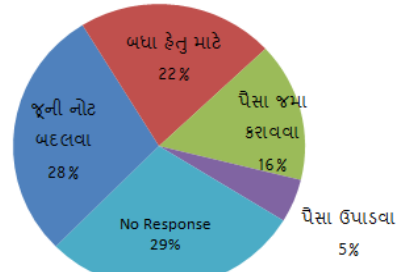
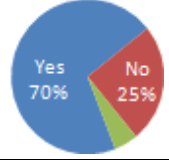
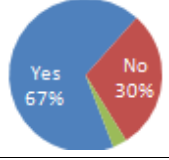
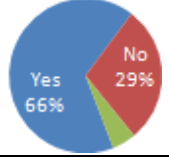
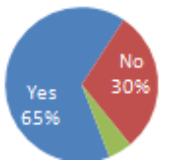
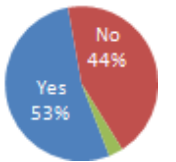
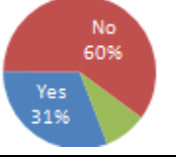


Table 9: Respondents' (those who have visited Post office) experience while availing Post office Services after Demonetization. N:77:

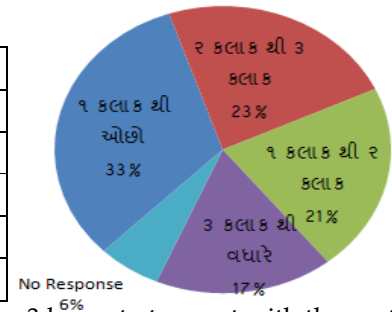
Statement	Yes (%)	No (%)	No Response (%)	
Was the behaviour of Post Office employees proper?	70	25	5	
Was there proper arrangement to stand in queue?	67	30	3	
How was the Police arrangement?	66	29	5	

Were post office employees helpful in your troubles?	65	30	5	
Were there separate queues for different purposes for senior citizens and differently abled people?	53	44	3	
Did you receive any help from social organization?	31	60	9	

From total 77 respondents who visited post office, 44% of the respondents said there were no proper queues for senior citizens and differently abled people. Again, 60% of the respondents denied about getting any assistance from any social organization. However, 70% of the respondents said, the overall behaviour of the employees of post office was good towards them.

Table 10: Time spent to avail the Post office Services N:77:

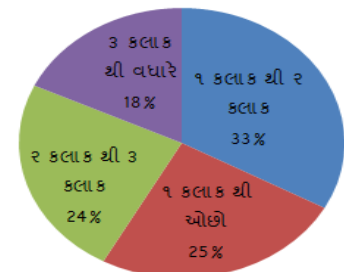
Time	Number	%
Less than 1 hour	25	32
Between 2 to 3 hours	18	23
Between 1 to 2 hours	16	21
More than 3 hours	13	17
No Response	05	6



As shown in the table, about 18% of the respondents had to wait for more than 3 hours to transact with the post office while about 33% of the respondents could transact in between one to two hours. 201 (69%) respondents visited ATM after demonetization and at the time of response.

Table 11: Time spent to avail the ATM Services N:201

Time	Number	%
Between 1 to 2 hours	66	33
Less than 1 hour	51	25
Between 2 to 3 hours	48	24
More than 3 hours	36	18

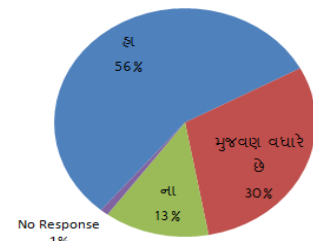


About 33% of the respondents could avail ATM service in between one to two hours, whereas 18% respondents had to wait for more than three hours.

4.3 Respondents' perception about usefulness of the information provided by various media

Table 12: Respondents perception about usefulness of information (regarding demonetization) provided by various media. N:342

Usefulness	Number	%
Yes	191	56
Increases Confusion	103	30
No	43	13
No Response	5	1



Media Industry has a vital role to play at the time of such drastic changes occurring in the country. While some of us may believe that media is one of the most manipulating bodies in India, about 56% of the respondents feel

that the information they receive from media is useful. However, 30% of the respondents feel that media leads to more confusions. 13% of the respondents believe that information is not very useful.

5.0 Conclusion

- Majority of the respondents backed the demonetization decision of the Government.
- Majority of them felt that this decision is good for India in long run. They also believed that it will bring down the prices.
- Not many respondents supported Government's claim that it will reduce the menace of corruption, black money, fake currency and terrorism.
- Majority of the respondents experienced good service from bank employees and good crowd management by police department. At the same time, they experienced poor queue management at the bank premises. Majority of them did not find separate queues for senior citizen and differently abled people.
- As far as post office service is concerned, majority of the respondents are happy with the help rendered by the post office employees. They found police deployment satisfactory and found happy about queue management. Although majority of them did not find separate queues for senior citizen and differently abled people.
- Very few percentages of the respondents have received help from any social organization.
- Respondents have to wait for longer hours at banks compared to post office and ATMs.
- On the question of usefulness of the information provided by various media, they gave mixed response. While 56 % of the respondents found information useful, 30 % believed it created more confusion while 13% did not find information useful.