Demonetisation 2.0: Aims and Achievements*

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Abstract

The Government of India demonetised rupee notes worth 500 and 1000 to (a) curbing terrorism financing, (b) eliminating counterfeiting and (c) curbing unaccounted income or black money. This policy decision followed the Government's earlier Income Declaration Scheme 2016. The sudden announcement that Rs.500 and Rs.1000 notes 'cease to be legal tender from midnight of November 8, 2016' led to prolonged cash shortages in the weeks that followed—created significant disruption throughout the economy, threatening economic output. The implementation of the demonetisation was chaotic and haphazard which led to scarcity of cash and the huge informal sector of India suffered the most. While black money and counterfeit notes continue to be major deterrent to India's economic development the moot question remains: Is demonetisation the correct approach to root out black money? Black wealth of the country has primarily accumulated in the form of real estates, jewellery and foreign currency; while cash constitutes only 6 per cent of the black money. Coming to the question of eliminating the sources of black money generation what required are basic structural reforms covering tax reforms, bureaucracy, judiciary, police reforms and transparent political party funding.

Introduction

In an unscheduled televised address to the nation on November 8, 2016 at 8-15 pm, Prime Minister, Narendra Modi declared circulation of all 500 and 1000 banknotes as illegal with effect from the midnight of the same day. He also announced the issuance of new 500 and 2000 banknotes in place of the old banknotes. The Prime Minister in

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his address said: there comes a time in the history of a country's development when a need is felt for a strong and decisive step and propounded two primary reasons for this decision. One was "to check enemies from across the border using fake currency". The other was to "break the grip of corruption and black money." The PM recognised that there would be short term pains in transition but wanted only 50 days for the people to bear with it for long term gains.

Motivating Factors

Later in a press conference, the RBI Governor and the Economic Affairs Secretary explained the reasons why this drastic step was warranted. They articulated as follows: the supply of notes of all denominations increased by 40 per cent between 2011 and 2016 while during the same period the 500 and 1000 banknotes had increased by 76 per cent and 109 per cent respectively owing to forged currency. This forged currency was used to fund terrorism against India. Demonetisation has been resorted to, to eliminate these notes. In short, this drastic policy aims at (a) curbing terrorism financing, (b) eliminating counterfeiting and (c) curbing unaccounted income or black money. This policy decision followed the Government's earlier Income Declaration Scheme 2016 (opened on June 1 and ended on September 30) under which the black money holders could come clean by declaring the assets by paying the tax and penalty of 45 per cent thereafter. This Scheme could unearth mere 0.5 per cent of black money out of the estimated unaccounted income of 23-26 per cent of the GDP.

Demonetisation as a Tool

"There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency" (stated by J M Keynes in 1939). Back home, in 2012 the Central Board of Direct taxes had recommended against demonetisation stating: "demonetisation may not be a solution for tackling black money or economy which is largely held in the form of *benami* properties, bullion and jewellery". According to data from income tax probes, black money holders keep only 6 per cent or less of their wealth as cash. If that is so, targeting this cash is clearly not the right strategy to eliminate black money. It is also relevant to recall what the then RBI Governor, I.G.Patel said when he was informed of impending demonetisation by the finance minister, H.M.Patel in 1978. He said, "such an exercise seldom produces striking results. Most people who accept illegal gratification or are otherwise the recipients of black money do not keep their ill-gotten earnings in the form of currency for long. The idea that black money or wealth is held in the form of notes tucked away in suit cases or pillow cases is naïve."[1]

An extreme step, such as demonetisation is taken only in a situation of hyperinflation leading to fast erosion of currency value or some form of financial crisis. But the fundamentals of the Indian economy are strong: India recorded an average growth of

[1] RBI (2005), History of the Reserve Bank of India (1967-81), Vol. III as cited in A K Nag (2016) Lost Due to Demonetisation, *Economic and Political Weekly*, Vol. 51, No. 48 November 26

7.4 per cent in 2014-15 and 2015-16 and is expected to grow at about 7.5 per cent in 2016-17; inflation is well within the reasonable level of 3.15 per cent WPI and 3.63 per cent CPI; fiscal deficit is to be contained at 3.5 per cent of GDP and foreign exchange reserves are at a healthy level of about USD 360 billion. In such a state of robustness of the Indian economy, demonetisation is an ill-conceived measure. What is worse is its execution.

Earlier Demonetisation Exercises

However, it is not that India is the first country that tried demonetisation. Eight other countries, viz. Nigeria, Ghana, Pakistan, Zimbabwe, North Korea, Soviet Union, Australia and Myanmar also tried currency reforms through demonetisation and failed to achieve desired results. Very recently, Venezuela also introduced demonetisation but had to quickly withdraw in the face of huge public protest.

Nor is it for the first time that demonetisation has been resorted to in the post independent India. In 1978 the Government of India through promulgation of an ordinance on January 16, demonetised Rs 1000, Rs 5000 and Rs 10000 Bank Notes. Its objective was to eliminate 'the possible use of such notes for financing illegal transactions". This demonetisation had little impact on the lives of the people. For, at that time, demonetised currency formed only 0.6 per cent[2] of the total currency in circulation whereas in 2016 Rs 500 and Rs 1000 Bank Notes formed 86 per cent of the total currency in circulation. Another aspect of the 1978 episode was that 55 per cent of the high denomination notes were with banks and government treasuries and only 45 per cent with the public whereas 95 per cent of the demonetised currencies were with the public in the week of the current demonetisation. Again, the motivation behind the 1978 demonetisation was to eliminate the possible use of high denomination notes for financing illegal transactions while the current denomination aimed at eliminating counterfeiting, funding terrorism and black money.

Appropriateness of the Tool

There is no question about the crying need to address the stated objectives but the question is whether demonetisation is the right tool to achieve these objectives, given the Indian realities. For one thing, 98 per cent of the transactions by volume and 68 per cent in value are in cash. For the other, 86 per cent of the cash in circulation is 500 and 1000 rupee notes. Again, 46 per cent of GDP and 93 per cent employment is contributed by the informal sector where most transactions such as wage payment, purchases and sales are carried out in cash.

Understanding the Nature and Dimensions of the Issue

One has to be clear about what demonetisation aims to achieve: flushing out black

[2] Rajakumar D J (2016) Demonetsation: 1978, the Present and the Aftermath, *Economic and Political Weekly*, November 26

money from the system, counterfeiting and funding terrorism. First of all, all cash is not black money. The black economy is outcome of both illegal and legal activities. Illegal activities include activities such as smuggling, drug-dealing and trafficking. Black money is also generated from legal activities where income is under reported for the purposes of tax evasion as in the case of transactions of real estate dealers, money lenders, professionals, merchant and traders, under and over invoicing etc. Black wealth is what has been accumulated over the years in various forms such as real estates, jewellery, foreign currency and also cash. But cash is only a small portion of black money. As mentioned earlier, cash constitutes only 6 per cent of black money.

The point to stress is that what demonetisation has actually aimed at is to flush out this small cash component of accumulated black money but not to arrest its future generation by rooting out the sources. This means that, demonetisation by itself will have no impact on the activities that generate the flow neither of black money nor on the forms of assets other than the small portion held in cash. Even most of the cash component of the black money appears to have been brought back into the banking system through a variety of ingenuous channels.

In specific terms, 15.44 lakh crore was Rs 500 and Rs 1000 bank notes. As reported by Bloomberg News Service on December 30, 2016, 14.97 lakh crore or 96.96 per cent have come back into the banking system. The government expected that at least 3 lakh crore would be immobilised and to that extent, the back money will be flushed out of the system. The Government also expected that RBI would be able to transfer this amount to the government as a special dividend. Incidentally, mere withdrawal of legal tender status does not extinguish the liability of the RBI. Therefore, an Ordinance has been promulgated extinguishing the liability of the RBI for the portion of illegal tender that does not come into the banking system by March 30, 2017 and thus facilitating its transfer to the government.

As for counterfeit notes, a study sponsored by the National Investigation Agency at the Indian Statistical Institute, Kolkata estimated that the fake money in circulation was in order of Rs. 400 crore or mere 0.22 per cent the total bank notes. Another estimate made by Rajakumar and Shetty[3] placed the fake notes at 0.002 per cent of the bank notes in circulation. Given such insignificant presence of counterfeit notes, demonetisation as an instrument to eliminate fake notes is like bombing the entire town to flush out a few terrorists there from.

As regards terrorism, demonetisation would certainly dry it up and also illegal activities such as smuggling and drugs but only temporarily. The crooks would soon find their ways even to reproduce the new notes.

[3] Rajakumar J D, S L Shetty estimated counterfeit notes extracting data from Table VIII.8 of RBI Annual Report 2015-16 (P 97). See their article, Dometisation: 1978, the Present and the Aftermath, Economic and Political Weekly Vol. 51. Issue No.48, Nov 26, 2016.

Having seen the return of most of the outlawed bank notes to the banking system, Government of India (GoI) has changed goal posts and added new narratives. It is that demonetisation is a way to reboot the economy, to convert the informal economy into the formal one and leap frog into the digital cashless economy in which all transactions would be transparent and accountable. I would discuss pros and cons of digitisation later.

Legality of Demonetisation[4]

Previous demonetisation exercises in 1946 and 1978 were carried out through an ordinance. It became a law when it was passed by the competent legislature; In contrast, the current demonetization has been done through the issuance of notifications (Notification No. SO 3407(E) and 3408 (E) under sub-section (2) of Section 26 of the Reserve bank of India). Under this provision, the GoI has the power, in consultation with the Reserve Bank of India, to declare 'any series' of notes of any denomination to have ceased to be a legal tender. Several petitions have been filed in high courts as well as in the Supreme Court questioning whether denomination can be carried out by mere notification by the GoI. It is also argued that 'any' in Section 26 of RBI Act does not include 'all'.

Another argument is that demonetisation exercise is a violation of the right to property protected under Article 300-A of the Constitution. It is contended that "by refusing to let people withdraw their money in cash, the government has restricted their right to property and by placing limits on exchange extinguished the right entirely."[5] The Supreme Court in Bishamber Dayal Chandra Mohan vs State of Uttar Pradesh held that "an Executive Order is not 'law' for the purposes of Article 300-A. This could be extended to mean that unless the legislature allows imposition of cash withdrawal limits under a specific provision, or passes a new law, the government is constitutionally prevented from doing so."[6]

On grounds such as above the demonetisation or the manner in which it has been executed has been challenged in high courts and the Supreme Court. The courts are reluctant to interfere in the sphere of executive decisions of the government. Even so, the Supreme Court made a few casual observations about the difficulties being faced by the people in the wake of demonetisation but has not moved further.

Bungling in Execution

Apart from questioning about the soundness of the policy of demonetisation, its execution is totally unplanned, haphazard and casual. This is what has caused immense misery to the people.

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4 For detailed discussion on the issue of legality of the current demonetisation, see, Kumar, A P (2016), Demonetisation and the Rule of Law, *Economic and Political Weekly*, December 10.

5 Kumar, Alok Prasanna. Op. Cit,

6 *Ibid*

The extent of unplanned and thoughtless execution of demonetisation can be gauzed from the following facts.

First, a month after demonetisation, that is, on December 7, 2016 only 3.81 lakh crore new notes or less than a quarter (24.7 per cent of 15.4 lakh crore cancelled 500 and 1000 notes) were put in public circulation. That led to the acute shortage of cash and long queues. What is worse, the bulk of the new notes were in the denomination of Rs 2000 which caused difficulties in carrying out smaller transactions for the non-availability of requisite smaller notes. Incidentally, when one of the objectives of this whole operation, was to flush out black money, the rationale of replacing Rs 1000 notes by Rs 2000 notes is not clear. For, higher values notes facilitate hoarding better.

Second, the thoughtlessness of execution of demonetisation is reflected in the fact of printing new notes in different sizes from the old ones that warranted recalibration of the ATMs according to the size of new notes. Since recalibration of the ATMs required technical support and time, bulk of the limited number of ATMs were non-functioning. *Third*, from November 8 to December 30, that is, during these fifty days of its execution period, the GoI and the Reserve Bank of India, issued 74 notifications that included several roll backs. The RBI issued 53 notifications instructing banks and advising general public. Various ministries of GoI came out with their own 21 announcements that included advisory to government departments, banks and public[7]. All this shows unpreparedness and ad hoc nature of the execution of demonetisation. This can be illustrated by giving one or two examples. On November 8, it was notified that daily ATM withdrawal was restricted to Rs 2000 per day per card up to Nov 18. The limit shall be raised to Rs 4000 from November 19. On Nov 20, it was notified that daily ATM withdrawal limit was to remain unchanged at Rs. 2000 till further instructions. On November 13, however the daily ATM withdrawal was raised to Rs 2500 from Rs. 2000. Again, daily ATM withdrawal limit was fixed on November 8 but ATMs remained closed from Nov 8 to Nov 10 for recalibration to dispense Rs 50 and Rs 100 notes. Similarly, cash withdrawal over the counter was restricted to Rs. 10000 per day subject to an overall limit of Rs 20000 per week on Nov 23. Three days later weekly limit was raised to Rs. 24000 with a daily limit of Rs. 10000. Operationally, individual banks used their own discretion in disbursing cash. Here let me share my personal experience in this regard. After waiting for three hours from 8 A.M in an endless queue around Nov 15, when my turn came I was given only Rs. 4000. When I took up the issue with the bank manager for not giving me Rs 10000 as notified, he explained his options: with limited cash at the bank's disposal either give Rs 10000 as per entitlement to a few or give a smaller amount to a larger number of people even if it is not possible to service every one with limited volume of new currency at its disposal.

One another example of operational casualness is reflected in release of notes with printing errors or some such floppiness. For example, farmers from remote village in

[7] For datewise listing of various announcements and notifications, see The Indian Express (Delhi edition). December 31, 2016

MP's Sheapur received from a State Bank of India branch new bank notes of Rs. 2000 without the image of Mahatma Gandhi (Times of India, January 5, 2017).

The Prime Minister rationalised this type of flip-flops in execution of demonetisation in an interview to the India Today as follows, "one must be able to distinguish between *niti* (policy) and r*an-niti* (strategy) and not to put them in the same basket. The decision of demonetisation, which reflects our *niti*, is unequivocally clear and categorical. Our *ran-niti*, however, needed to be different" (as paraphrased in The Indian Express, December 31, 2016). But the most pertinent question is whether *ran-niti* requires no planning and preparation and total disregarding of the human sufferings that have caused particularly to the poor and the vulnerable for no fault of theirs.

Cost of Demonetisation

There are studies[8] which show that a large part of high value notes in the present economic conditions are used for transactional purpose, i.e. as a medium of exchange and not as a store of value. The informal sector in India which is essentially a cash economy, accounting for 46 per cent of GDP, uses high value notes as the principal form of working capital. Demontisation has disrupted the functioning of the informal economy. Similarly, informal credit markets accounts for as much as 20 per cent of the total outstanding credit. Creditworthiness in such informal markets is assessed on the basis of cash flow of the borrowers and not on their assets. In a situation such as this, demonetisation has severely undermined the creditworthiness of borrowers and thus their economic activities. Taking into consideration similar other disruptions in the form of loss of business or sales, cost to households due to demonetisation as also cost of printing new currency notes, the Centre for Monitoring Indian Economy (CMIE) estimated the cost of demonetisation from November 8 to December 30, 2016 at Rs. 1,28000 crore. The Reserve Bank of India would bear a cost of Rs. 16,800 crore, largely on account of printing new currency notes and transporting them to banks, ATMs and post offices. This is just an indicative measure of the cost to the economy. As the CMIE report puts it: "All estimates are admittedly conservative. All estimates are limited to the 50-day window. However, the impact of liquidity, broken supply chains and loss of confidence is likely to impact the economy over a longer period."

Economic Impacts

More than 100 people reportedly lost their lives while standing in queue to withdraw their own money from ATM or banks. There is no exact count yet but presumably daily wage earners lost their means of livelihood; a huge number of those who were engaged in the informal sector which is basically cash based economy lost daily wages and millions of man-hours were wasted while standing in queue to obtain cash in limited doses. The withdrawal of 86 per cent of the currency that was made up of Rs 500 and

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[8] Timberg, T A, C.V Aiyer (1984) Informal Credit Markets in India, *Economic and Cultural Change*, Vol.33, No.1, pp43-59.

Rs 1000 note has disrupted the economy in several ways. It is too early to assess its actual impact on different economic variables. At this stage, it could be only indicative.

India has a higher cash-GDP ratio at 11 per cent than most major economies such as US -7.5 per cent UK-3.4 per cent and South Korea-3.9 per cent. This shows the role of cash in economic transactions. The informal sector which is mostly cash-based provides jobs to 93 per cent of the workforce. Manufacturing, trade, construction and transportation contribute 73 per cent of the informal employment. This is the major sector that carries out its daily activities through cash transactions. Understandably, demonetisation has hit this sector the most and thus slows down its growth. Sectoral disruptions would lower revenue and profit growth, particularly in consumer goods, real estate, cement, steel, two wheelers, SUVs, gold and jewelry etc. Against this, information technology, finance and technology, cyber security, data communication and data analysis would be positively impacted. In short, demonetisation would lead to lower growth, lower inflation, lower interest rates and lower tax revenue collection. According to a forecasting agency, Viz. Nomura, "demonetisation has hit rural consumption demand harder than urban demand, services more than manufacturing and exports more than imports". Such effects due to demonetisation could persist three to four quarters or till the end of 2017-18.

Cash crunch seems to have a heavy toll on investment. For example, only 177 investment proposals worth Rs 43,700 crore were made during 53 days between November 9 and December 11, 2016 of October-December quarter as against 227 new investment proposal worth 81,800 crore during 38 days prior to the pre-domenetisation of the same quarter[9].

Several agencies, taking the factors such as above into consideration have trimmed their growth projections for 2016-17 from 0.4 to 3.3 per cent. The IMF has trimmed its growth projection by one percent to 6.6 per cent from 7.6 per cent. Even the Reserve Bank of India has downcast its growth projection for 2016-17 to 7.1 per cent in post –domenetisation from 7.6 per cent in the pre-demonetisation. The Economic Survey 2016-17 released on January 31, 2017 downcast the growth rate to 6.5 per cent from 7.6 per cent for the current year. In fact, (PMI) for services, i.e. Purchasing Managers' Index which is an indicator of the economic health "witnessed sharpest decline monthly since November 2008 (just after the Lehman crisis) and manufacturing PMI, too, slowed down"[10].

There are some long term effects. Two of the negative effects are: *First*, demonetisation, the way it has been announced and implemented has severely dented the autonomy of the RBI and its credibility as an institution of public trust. Reportedly, it is only on November 7, 2016, that the RBI was advised by the GoI to demonetise the two high value currency. The *other* is that demonetisation has given a serious blow to public trust in money as a store of value.

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9 As reported in the Indian Express, January 6, 2017

10 FE Bureau (New Delhi), January 2, 2017.

Against these, there could be some possible positive impact on the Indian economy. Two such positive impacts could be: *One*, demonetisation has given a boost to cashless transactions. The *other* possible impact could be: at least a part of the locked–up money in households that has come to the banking system could be channelised into productive uses depending on credit off-take. Again, there would be some revenue generation through the legal process of converting black money into white.

Cashless Economy or Digital India

As the outcome of the demonetisation exercise appeared disappointing, the GoI shifted its goal post from the initial objectives of flushing out black money, counterfeiting and drying up terrorism funding to promoting cashless economy. No doubt, there are several virtues of a cashless economy such as transparent and accountable transactions. But for one thing, demonetisation has nothing directly to do with promoting cashless transactions. Cashless transactions that have jumped in the post-demonetisation period were also due to various incentives that have been put in place. On the top of it all, not even the most advanced economies have become cashless. For example, Dollars in circulation in value terms have doubled since 2005 to $1.48 trillion in US and Euros to 1.1 trillion. These countries use cash to a very significant extent as can be seen from the following Table. For example, US carry out 46 per cent and Germany 80 per cent of their respective transactions in cash.

Table: Use of cash across the developed countries

Countries	Cash	Credit Card	Debit Card
Australia	65	21	09
Austria	80	15	02
Canada	52	25	20
France	55	30	01
Germany	80	12	02
Netherlands	50	40	01
USA	46	27	19

Source: Bloomberg News Service, 2016

Nevertheless, for a cashless economy to thrive, what are required are adequate IT infrastructure, financial literacy, cyber security, laws for protection of privacy. India wants to promote a digital economy when 950 million Indians out of a 1.25 billion do not have access to internet[11] and only 17 per cent have smart phones. Similarly, with 287 millions of illiterate adults accounting for 37 per cent of the global total, India is clearly not ready for a cashless or digital economy. At another level, it is widely recognised that cyber security in India is very fragile. Even in a technologically much advanced country like USA, data protection could be quite challenging as it appeared from stories of hacking including the accounts of the Democratic Party. Further, it is

[11] A joint study by Assocham (The Association of Chambers of Commerce and Industry) and Deloitte.

argued that a fully cashless society would be a serious threat to privacy since there would remain a digital trail of every action you take through your purchases and transfers. It could be very serious in the context that has no privacy laws. Furthermore, a fully cashless society could mean the end of dissent.[12] The government could use data it can gather to fix any dissenter. It could make any opponent a pauper with keystroke, freezing bank accounts while an alleged misdeed is investigated. The knowledge that the government has such powers 'could have a chilling effect on dissent".[13] In short, "in the absence of legal, supervisory and regularity clarity and institutional capacity of enforcement'[14] as also given the objective realities as noted above, cashless society or digital India is rather a fantasy.

Concluding Remarks

While concluding, one may raise two questions. One, despite the disappointing outcomes of the demonetisation, why is it that there is not much of public resentment even after a vast number of the poor and the vulnerable have borne disproportionately heavier burden in terms of loss of daily wages, standing long hours in queues and so on. The other is how the laudable objectives of the exercise should ideally be addressed at the source of black money generation.

The first question relating to lack of public resentment in spite of immense loss and human sufferings should be viewed in the following perspective. We are living in a post-truth era in which public perception/opinion is shaped less by objective facts than by appeals to emotion and personal belief. Demonetisation has been projected as the tool to fight corruption, black money, counterfeiting and terrorism funding; it is an arm against the corrupt and the tax evaders. By undergoing short term sufferings, the people have been made to believe that they are lending support to the government in its fight for a national cause that supposedly aims at containing the menace of rampant corruption and black money. All this has shaped the public perception.

In reality, Demonetisation 2.0 is, at best, an attempt to unearth only 6 per cent of the accumulated stock of black money leaving unaffected the remaining 94 per cent which are in the form of real estate, foreign currency, gold and jewellery. This tool also does not address the sources of black money generation. Even within the limited sphere, the available statistics show that only 3 per cent or about 47,000 crore out of Rs. 15.44 lakh crore cancelled notes has not come back to the banking system till December 30, 2016. It would be still less since people were allowed to exchange their cancelled notes in the RBI till March 30, 2017. If that is the measure of black money that could be unearthed through this operation, its cost is enormous- the cost of demonetisation has been estimated at Rs. 1.28 lakh crore.

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[12] For elaboration the points made here, see Varma, A (2016), Three reasons why a cashless society would be a disaster, *The Times of India*, December 18.
[13] ibid
[14] Arun T K (2016), Times of India, December 28.

Coming to the question of eliminating the sources of black money generation, broadly speaking, what is required are basic structural reforms covering tax reforms, bureaucracy, judiciary and police reforms and transparent political party funding. In specific terms one recent article[15] has identified six core activities that lie at the root of black money generation in the country. These relate to gold, real estate, taxation, hawala, administration and political and election funding. Regarding gold market, it is suggested that customs duty on gold encourages smuggling and allows sellers to offer discount and incentivise buyers to make cash payment. Similarly, cash payment in real estate business arise for tackling the problems in buying agricultural land because of its illegality and accessing urban infrastructure such as water, electricity and building plan approvals. At another level, cash payment is preferred to avoid stamp duty. As for tax system, high tax rates with numerous exemptions making the tax system very complex leads to corruption. Similarly, cross border activities are subject to complicated regulations. Such capital controls induced hawala business in the country. As for administration, "arbitrary power is the root of corruption. We have to be cautious when persons in government have the discretion to change a rule, give license, conduct an investigation, or hand down punishment. Each of these situations must be covered by procedural law which enshrines good governance."[16] Similarly, regulators could be problematic since they combine the legislative power - power to write law, i.e. regulations, the executive power- the power to issue license, the power to conduct investigation as also quasi-judicial power –the power to give punishment. This adds up to huge power. As is well known, running a political party and elections require huge resources and its sources are opaque. Corruption emanates from this. Fundamental reforms are called for to make political and election funding transparent and accountable. In short, corruption free system calls for structural and continuous reforms in areas such as above.

A big bang measure such as demonetisation could be symbolic but does not go beyond scratching the surface of the gigantic menace of black money and corruption that has afflicted our society. It has certainly caused short-term dislocation of economic activities and human sufferings while its long term impact is unclear and uncertain.

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[15] Kelkar V, A Shah (2016) Six battlefronts for the war on corruption, *The Mint,* November 21

[16] ibid