

Role Of Media To Change Socio-Economic Status By Covering The Demonetisation: A Study

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ABSTRACT

Narendra Modi, Prime Minister of India, announced the move of demonetization on November 8, 2016, where 86% of the currency in circulation was invalidated overnight. The Prime Minister also claimed that the action would curtail the shadow economy, reduce the use of illicit cash, and control illegal funding activities. The previous instances of demonetization in India during 1946 and 1978 were minor compared to the 2016 move. It was interesting that major newspapers like Dainik Jagran, The Hindu and Business Line were given more coverage on it. There was an evaluation in the depth of media reporting and analysis after the announcement of demonetization. The press, TV, radio, online and social media struggled to get on top of demonetization. After the glow of this success, demonetization too was initially seen positively by the mass media and media experts. They described it as one more surgical strike against corruption, black money, curbing the illegal goods sales, human trafficking, counterfeit currency and finances for terrorists, Maoists and Naxalites.

On the basis of media coverage, 20% of black money was suddenly recovered. The Enforcement Directorate raided several money laundering activities, and tax collection also increased. For example, the Greater Hyderabad Municipal Corporation collected 160 crore rupees in taxes within the first four days of the demonetization. According to The Economic Times report, transactions in e-wallet companies increased by more than 700% in the first phase after demonetization. ASSOCHAM reported that the 154 crore Indian e-wallet market is likely to grow to 30,000 crores by the end of 2022. The insurance industry in India is undergoing a digitally enabled transformation. As the use of smart

digital services and intuitive products increases, the cashless economy, digital payment, insurance industry and digitization rapidly developed after demonetization.

Keywords: Demonetization and its positivity, impacts by media coverages, research methodology, tabulation and data analysis, major socio-economic changes, study findings and conclusion.

Demonetization and its Positivity

The Government of India demonetized earlier twice in 1946 and 1978. Both goals were to curb tax evasion with heavy amounts of black money. When the Janata Party-led coalition government was in power, it demonetized the banknotes of Rs. 1000, Rs. 500 and Rs. 10,000. In 2012 the Central Board of Direct Taxes reported that largely black money is held in assets of benami properties, bullion and jewelry.

On November 8, 2016, Prime Minister Narendra Modi again announced the demonetization of all 500 and 1000 rupee notes. Under the act of specified bank notes (Cessation of Liabilities), the Reserve Bank of India reported that approximately 99.3% of the demonetized banknotes were returned. After the cabinet meeting, the Prime Minister declared the demonetization in an unscheduled national televised address at 8.15 pm. But it was a big challenge for Indian media to give proper coverage for new financial adjustments and changes among Indians.

When mass media started to expose it, there was a spike in donations in temples. Some people booked large numbers of flight and railway tickets to dispose of unaccounted money. This clearly showed that mass media coverage caused major changes among citizens.

Justin Rowlett, BBC correspondent, in his article praised the move for its secrecy and internal progress. Tim Worstall in his article in Forbes magazine called it a macroeconomic effect. Chinese state media Global Times termed it as a fierce fight against black money and corruption. Indian social activist Anna Hazare expressed it as a revolutionary step. Former President of India Pranab Mukherjee welcomed the move by

calling it a bold step. Indian National Congress spokesperson Randeep Surjewala and Bihar Chief Minister Nitish Kumar supported the move. Former Chief Election Commissioner S. Y. Quraishi said it could lead to long-term electoral reforms.

Several bankers like Arundhati Bhattacharya (Chairperson of SBI) and Chanda Kochhar (MD and CEO of ICICI Bank) appreciated the move. Business leaders like Anand Mahindra (Mahindra Group), Sajjan Jindal (JSW Group), Kunal Bahl (Snapdeal), Infosys founder N. R. Narayana Murthy and Deepak Parekh (Chairman of HDFC) appreciated the move and opined that it would accelerate e-commerce. Even international responses positively viewed the move as bold to curb corruption. IMF spokesperson Gerry Rice said that the effort aims to prevent black money, corruption and illegal finances. Former Prime Minister of Finland Jyrki Katainen opined that demonetization will bring transparency and strengthen the Indian economy. Swedish Minister of Enterprise Michael Damberg called it a bold decision.

Impacts by the Media Coverage

Demonetization in 2016 triggered deep discussions in private and public sectors. It was reflected in the intense media coverage that continued for a month. Media evaluated the move through depth coverage and analysis after the declaration of demonetization. Earlier, newspapers, TV channels, online platforms and social media struggled to explain the policy.

Initially it was seen positively by the media, and several media experts interpreted it as a surgical strike in the Indian economy to fight corruption and black money. Some media channels and social media accounts even spread the idea that each banknote had a tracking chip that could help trace black money and benami properties.

However media coverage developed in two directions. One was depth reporting and the other was analytical discussions in op-ed pages and panel debates on television channels. There was no geographical negligence in coverage. Media representatives traveled from Jammu and Kashmir to Nagaland and even rural hinterlands across India with microphones and cameras to capture citizens' reactions.

Another major aspect of media coverage was reporting the daily regulations released by the RBI regarding the exchange of banknotes.

In the banking sector this drive created long-term impacts. According to RBI sources both public and private banks were facing the serious issue of Non-Performing Assets (NPA) or bad loans. Demonetization helped banks recover some bad loans and improve their financial position.

The Government of India also announced deposits under Kalyan Yojana for four years without interest to benefit the poor in marriages. This created a positive long-term impact on the social sector. Welfare programmes became more efficient through digital transactions, allowing money to be transferred directly to recipients' accounts. Payments became easier, corruption was reduced and digital banking services expanded widely. The use of credit cards and debit cards increased significantly, improving transparency in commercial operations.

Research Methodology

Objectives of the Study

1. To study the coverage of Indian media and how it was framed on demonetization
2. To understand the global media reactions on the move
3. To review the media's role and find the adverse effects on it
4. To know the psychological impact portrayed by media experts

Research Design

The research was qualitative in nature. The study was carried out by reviewing secondary sources and analyzing previous documents. Many data sources were referred by reviewing articles and online journals. The prevailing practices of demonetization were analyzed. Multiple themes were organized on the basis of research areas related to media coverage of demonetization. Online sources were systematically examined and analyzed.

Research Materials

Many media reports, editorials and articles were studied. Several research journals and online articles, catalogues, manuscripts, prominent websites and blogs were referred to collect the data.

Limitations of the Study

No sample study was carried out. Direct information was not obtained from respondents. Only secondary sources were referred. Approximately 10–15 online journals were reviewed. The conclusion was drawn after analyzing the collected material.

Tabulation and Data Analysis

Table 1. Global Media Reactions on 2016 Demonetisation

Sl. No	Global Media List	Their Individual Expressions and Reactions
1	Global Times (Chinese state media)	Demonetization is a very bold decision
2	BBC (British Broadcasting Corporation)	Possibility of the emergence of a black market
3	Arabian Gulf (Arab Media)	Now Indians realized how much black money had been stashed away
4	The Independent (Singapore's leading newspaper)	It is to stamp out corruption in India
5	Forbes (American business magazine)	It is a clever plan
6	The Washington Post	India will end the culture of corruption
7	The Sydney Morning Post	Recovering illegal income through this move
8	The New York Times	A potentially transformational decision for India
9	The Wall Street Journal	If the reforms move forward, it could widen the

Sl. No	Global Media List	Their Individual Expressions and Reactions
		government's tax base
10	The Times of India	An innovation in anti-corruption policies

This table shows how global media provided extensive coverage and largely positive remarks on the demonetization move.

Table 2. Reactions by Global Financial Organizations on Demonetisation (2016)

Sl. No	Global Financial Institutions	Their Opinions
1	IMF (International Monetary Fund)	It is like a vacuum cleaner and may help achieve a high growth rate
2	World Bank	It will lead to sustainable growth in government revenue
3	ADB (Asian Development Bank)	Introduction of GST and new bankruptcy code will improve
4	OECD (Organization for Economic Co-operation and Development)	It will help strengthen India's economy in the long term
5	Morgan Stanley (Global Financial Services Firm)	India may become the fastest growing economy in the next ten years

Table 3. Increase in Deposited Accounts in Indian Banks During Demonetisation

Sl. No	Multiple Banks in India	Percentage of Increased Accounts
1	State Bank of India	8.8%
2	Punjab National Bank	9.0%
3	Bank of India	9.2%
4	ICICI Bank	8.10%
5	HDFC Bank	8.10%
6	Yes Bank	8.5%
7	Axis Bank	8.12%

Table 4. India’s Rank in Digital Payments After Demonetisation

Sl. No	Nations Ranked	Digital Transactions (in Billion)
1	India	25.5
2	China	15.7
3	South Korea	6.0
4	Thailand	5.2
5	Britain	2.8
6	America	1.2

According to this table, India ranks among the top countries in digital payments and transactions.

Table 5. Planned Job Opportunities Through Industrial Development

Sl. No	Planned Job Industries	Approximate Employment	Allocation of Funds (in Crores)
1	Food Processing Industries	2.5 lakh	Rs. 10,900 crore
2	Pharmaceutical Industries	One lakh	Rs. 15,000 crore
3	IT Hardware Products	1.8 lakh	Rs. 7,350 crore
4	Solar PV Module	1.5 lakh	Rs. 4,500 crore
5	Telecom Manufacturing	40,000	Rs. 12,195 crore
6	AC and LED/White Goods	Four lakhs	Rs. 6,238 crore

Major Socio-economic Changes

Indian citizens experienced a new shift toward digital payments through media coverage. Many TV channels and newspapers showed in detail how common people adopted unfamiliar digital transactions despite patchy internet connectivity.

Media coverage during the first two to three months after demonetization became one of the most significant episodes in the history of Indian media. Journalists reported experiences from both rural and urban areas.

Financial experts believed that demonetization accelerated India's path toward digitalization and a cashless society. The use of e-wallets, credit cards and debit cards increased rapidly. Telecommunication expansion with 4G and 5G networks also supported digital transactions.

ASSOCHAM reported that India had 600 million internet users in 2020. Government initiatives toward digital transformation increased the growth of service providers and wallet companies. Digital payments became part of the daily lives of Indian citizens.

Several villages declared themselves cashless and digitally enabled, including Ibrahimpur in Telangana, Nilambur in Kerala, Surakhpur in Delhi and Akodara in Gujarat.

Study Findings

1. According to Indian media reports, unaccounted money worth Rs. 610 crore was seized by police and tax officials.
2. Maoist and Naxalite groups faced financial shortages after demonetization.
3. Terrorist activities in Jammu and Kashmir reportedly decreased.
4. Income tax returns increased from 43.3 million to 52.9 million in 2017–18.
5. Greater Hyderabad Municipal Corporation collected Rs. 160 crore in taxes within four days.
6. Tax to GDP ratio increased from 8.8% to 10.9%.
7. Several villages became completely cashless and digitally enabled.
8. Film makers also produced movies based on demonetization.

Conclusion

There was an evolution in the depth coverage of mass media after the announcement of demonetization by the Government of India in 2016. Initially all types of media struggled to evaluate the positive impacts of the move. However, through extensive reporting, articles, editorials and panel debates, media helped raise awareness among citizens about adopting the new policy.

Both positive and negative perspectives emerged in research and public discussions. Nevertheless, the media played a major role in highlighting issues related to black money, corruption and illegal financial networks.

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