

“50 DAYS OF DEMONETIZATION – REINFORCED PEOPLE’S COOPERATION IN THE IMPLEMENTATION OF PUBLIC POLICY: A CASE STUDY OF KODAD”.

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Abstract: Public policy can be generally defined as a system of laws, regulatory measures, courses of action, and funding priorities concerning a given topic promulgated by a governmental entity or its representatives. Public policy is a course of government action or inaction in response to public problems. Public Policy and its implications carry a lot of significance in this model digital world, thanks to the availability of myriad information in the hands of the people through internet and social media. In this concept this study tries to elucidate the contemporary political scenario and people’s socio-psychological behavior towards policy decisions. The present study carries worth because it throws light on the recent and startling policy of the Indian Government to demonetize the higher denomination currency for the diverse future gains extending to the extremes of financial benefits to the control of terrorism. Few principal theoretical perspectives, relating to self-interest, national-interest and the belief in democratic principles, respectively, have been proposed in the study as causal explanations. The findings converge to the conclusion that national-interest is one of the avowed motives for people’s cooperation towards public policy. When national-interests are at stake, people tend to shun their self-interest for the state.

Key Words: Funding priorities, myriad, causal explanations.

1. INTRODUCTION:

Public policy can be generally defined as a system of laws, regulatory measures, courses of action, and funding priorities concerning a given topic promulgated by a governmental entity or its representatives. In any society, governmental entities enact laws, make policies, and allocate resources. This is true at all levels. Public policy is a course of government action or inaction in response to public problems. It is associated with formally approved policy goals and means, as well as the regulations and practices of agencies that implement programs¹. Robert Eyestone terms public policy as "the relationship of government unit to its environment"². Thomas R. Dye says that "public policy is whatever government chooses to do or not to do"³. Richard Rose says that "public policy is not a decision; it is a course or pattern of activity".

Public Policies are goal oriented. This means that Public policies are formulated and implemented in order to attain the objectives which the government has in view for the betterment of the public.

1.1 CHARACTERISTICS OF PUBLIC POLICY:

1. It is purposive and goal oriented.
2. Public policies are made up by public authorities.
3. Public policy consists of set of pattern of action taken over time.
4. Public policy is a product of demand.
5. Government directed course of actions.
6. It can be positive or negative.

Policy studies emerged as an important focus in political science in the 1970s. Dissatisfaction with the existing state of political science was inevitable⁴. Kirkpatrick pointed out that, "Dissatisfaction produced ferment, and ferment change"⁵. In 1969, David Easton (1969), president of the American Political Science Association, was frustrated with the trend in political science research to study narrow questions that lent themselves to the quantitative methods expected by the behavioral movement. Thus, he called for a post-behavioral revolution where political scientists would study the most important political problems of the day even when quantitative methodologies could not be employed. Easton writes, "Contemporary political thought lives parasitically on ideas a century old and, what is more discouraging, we see little prospect of the development of new political synthesis"⁶. Easton’s call served as a

catalyst for policy research that sought to explain and predict policy patterns as well as to evaluate the relative impact of various types of policy solutions.

Across the carpet of social sciences the focus is on to understand how to garner motivation from the people on issues of collective significance. Studies in Economics show that economic policies bear fruits only when the hierarchy of bureaucracy scrupulously strives in the implementation of the policy. Law research shows that crime and problems of community disorder are difficult to solve without the active involvement of community residents. The police and courts need the active cooperation of members of the community to control crime and urban disorder by reporting crimes and cooperating in policing neighborhoods. Studies in management show that work organizations benefit when their members actively work for company success. Political scientists recognize the importance of public involvement in building both viable communities and strong societies. And those in public policy have identified the value of cooperation in the process of policy making—for example, in stakeholder policy making groups. Decision making and cooperation go hand in hand. The Communication Theory as propounded by Karl. W. Deutsch looks at the task of government and politics in the sense of a process of steering and co-coordinating human efforts towards the attainment of a set of goals”⁷.

Those who hold political office want people to cooperate by participating in personally costly acts ranging from paying taxes to fighting in wars. Further, it is equally important for people to actively participate in society in ways that are not required, such as by voting, by maintaining their communities through working together to deal with community problems, and by otherwise helping the polity to thrive. For these reasons, understanding how to motivate cooperation is central to political scientists, leading to an interest in exploring why people do or do not have trust and confidence in the government. Governance involves the study of how to motivate desired political behaviors. As said by Emile Lahoud, “Democracy, good governance and modernity cannot be imported or imposed from outside a country”.

One aspect of governance involves studies of public policy, which are concerned with developing social policies that can effectively coordinate the actions of people within communities. Such efforts focus on creating a procedure for developing and implementing policies and policy decisions, be they decisions about New Economic Policy-1991 or Demonetization Policy-2016. The key to success in such efforts is to create policies that all of the people within a community are motivated to accept—that is, to be able to gain widespread rule adherence. And, as is true in the other arenas outlined, the value of cooperation in general is widely recognized. In particular, it is important that people not just do what is required. Many aspects of involvement in a community are voluntary, and it is especially important to motivate community residents to engage in voluntary acts such as quitting smoking in public places and participating in community problem solving over issues such as environmental use.

Public Policy and its implications carry a lot of significance in this model digital world, thanks to the availability of myriad information in the hands of the people through internet and social media. In this concept this study tries to elucidate the contemporary political scenario and people’s socio-psychological behavior towards policy decisions.

Understanding why people are motivated to cooperate with the government policy when the out-comes are obscure is a long-term focus of social psychological research. In particular, social psychologists are interested in identifying the motivations that are the antecedents of voluntary cooperation. Graham Wallas in his book “Human Nature in Politics (1908) laid emphasis on the socio-psychological foundations of political behavior”⁸. The goal of this Study is to examine the reasons for cooperation, exploring the motivations that shape the degree to which people cooperate the government policies, in particular, the Demonetization Policy of the Indian government announced on 8th November, 2016. The present study carries worth because it throws light on the recent and startling policy of the Indian Government to demonetize the higher denomination currency for the diverse future gains extending to the extremes of financial benefits to the control of terrorism.

1.2 DEMONETIZATION:

Demonetization is the act of stripping a currency unit of its status as legal tender. Demonetization is necessary whenever there is a change of national currency. The old unit of currency must be retired and replaced with a new currency unit. There are multiple reasons why nations demonetize their local units of currency. Some reasons include to combat inflation, to combat corruption, and to discourage a cash system. The process of demonetization involves either introducing new notes or coins of the same currency or completely replacing the old currency with new currency⁹.

Demonetization was adopted by many countries in the past to counter inflation and to fight corruption. The Coinage Act of 1873 demonetized silver in favor of adopting the gold standard as the legal tender of the United States. The Burmese kyat replaced the Indian rupee at par in 1952. During the government of Muhammadu Buhari in 1984, Nigeria introduced new currency and banned the old notes. In 1982, Ghana ditched their 50 Cedis note to tackle tax evasion and empty excess liquidity. In 2015, the Zimbabwean government demonetized the Zimbabwean dollar as a way to combat the country’s hyperinflation that was recorded at 231,000,000%. Another example of demonetization occurred when the nations of the European Monetary Union adopted the euro in 2002

1.3. DEMONETIZATION IN INDIA:

The demonetization of ₹500 and ₹1,000 banknotes was a policy enacted by the Government of India on 8 November 2016, ceasing the usage of all ₹500 (US\$7.40) and ₹1,000 (US\$15) banknotes of the Mahatma Gandhi Series as legal tender in India from 9 November 2016. However, the banknote denominations of ₹100, ₹50, ₹20, ₹10 and ₹5 of the Mahatma Gandhi Series and ₹2 and ₹1 remained legal tender and were unaffected by the policy. The government claimed that the demonetization was an effort to stop counterfeiting of the current banknotes allegedly used for funding terrorism, as well as a crack down on black money in the country. The move was also described as an effort to reduce corruption, the use of drugs, and smuggling. The recent Indian history shows that demonetization was done twice in the recent past. It was done twice In January 1946, banknotes of 1,000 and 10,000 rupees were withdrawn and new notes of 1,000, 5,000 and 10,000 rupees were introduced in 1954. The Janata Party coalition government had again demonetized banknotes of 1,000, 5,000 and 10,000 rupees on 16 January 1978 as a means of curbing counterfeit money and black money.

2. ORIGIN OF RESEARCH PROBLEM:

The present study intends to shed light on reasons for reinforced people's cooperation towards public policy in general, and the Demonetization Policy in particular. Public policy is the principled guide to action taken by the administrative executive branches of the state with regard to a class of issues, in a manner consistent with law and institutional customs. The foundation of public policy is composed of national constitutional laws and regulations. Further substrates include both judicial interpretations and regulations which are generally authorized by legislation. Public policy is considered strong when it solves problems efficiently and effectively, serves justice, supports governmental institutions and policies, and encourages active citizenship.

The latitudinal survey on 50 Days of Demonetization which was announced by the union government on 8th of November, 2016 was initially overwhelmingly welcomed by the citizens with the higher expectations of its intended outcomes like curbing corruption, black money. Counterfeit notes and terrorists financing. This unforeseen policy has forced the people of Kodad in particular and India in large to many hardships like sudden cash crunch, disruption to daily activities, standing in long queues for long hours for cash withdraw from banks and ATMs, loss of work for daily labors, and violation of human right of freedom to withdraw their hard earned savings at will.

Despite all these inconveniences the people of India exhibited unmeasured cooperation towards the government's policy. This study investigates which socio-economic and ideological factors make individuals support the normative principles of the welfare state. Few principal theoretical perspectives, relating to self-interest, national-interest and the belief in democratic principles, respectively, have been proposed in the study as causal explanations.

3. INTER-DISCIPLINARY RELAVANCE:

The present study carries interdisciplinary relevance at large. To one degree or another, solutions to social, political, intellectual, and economic problems do not lie in a single focus. The present study provides a background for approaching issues holistically through an understanding of the complexity and interconnectedness of public policy and economic implications. This study draws the fiber from Political Science, Economics and Sociology to weave a fabric to derive the reasons for reinforced people's cooperation towards public policy.

4. REVIEW OF LITERATURE:

A review of the previous studies on this topic is quite essential to understand what the other research scholars have already explored through their research studies, books and articles. Prominent among them are:

- Thomas R. Dye: Understanding Public Policy, Pearson Publications, 2012. In this book the author provides an accessible assessment of a wide range of theories and models from policy cycles, policy transfer, rational choice and socio-economic explanations to multi-level governance, advocacy coalitions and punctuated equilibrium and of their value to policy analysis.
- Kuldeep Mathur: Public Policy and Politics in India, Oxford University Press, Noida Uttar Pradesh, India: This author explains how institutions matter by a significant amount of research in India focuses predominantly on policy goals and consequences, and less on policy processes.
- S.P. Varma: Modern Political Theory, Vikas Publishing House, New Delhi. This author explains about the transition in political science from the study of institutions to political processes.

5. OBJECTIVES:

The objectives benchmarked for the Study Project are as below:

- To explore the reasons for the reinforced cooperation of the people towards the public policy, in specific, the Demonetization Policy of union government.
- To identify whether self-interest or national-interest motivates the people to support a public policy.

- To assess the opinion of myriad sections of people like farmers, businessmen, people's representatives, auto drivers and government employees on demonetization policy.
- To figure out the measures adopted by the people to tackle the cash crunch situation arose because of demonetization.
- To identify whether the people are financial literates or not.

6. RESEARCH METHODOLOGY:

In the completion of the study empirical and descriptive methods are adopted, specifically the methodology adopted is **Exploratory**, to inquire the magnitude or extent of the public policy, its impact and problems; **Descriptive**, to making careful observations and detailed documentation of demonetization policy and; **Explanatory**, in the sense, to analyze the observed phenomenon.

The conclusions derived in this study are based on primary data through questionnaires/ schedules and secondary data through books, magazines, news papers and internet. The selection of respondents was through random sampling. This survey aimed at eliciting information on the respondent's knowledge, experiences and view on the public policy. The research design adopted for the study is the preparation of questionnaires and schedules to collect the opinion from 250 respondents 50 each from 05 sections of people in Kodad constituency like, Farmers, Businessmen, Government employees, Auto drivers and People's Representatives.

7. SIGNIFICANCE OF THE STUDY:

Public Policy and its implications carry a lot of significance in this model digital world, thanks to the availability of myriad information in the hands of the people through internet and social media. In this concept this study tries to elucidate the contemporary political scenario and people's socio-psychological behavior towards policy decisions. The present study carries worth because it throws light on the recent and startling policy of the Indian Government to demonetize the higher denomination currency for the diverse future gains extending to the extremes of financial benefits to the control of terrorism.

8. LIMITATIONS OF THE STUDY:

This Study is limited to gathering the opinion of the people from 05 sections of the constituency of Kodad. This leaves a lot of research gaps which are to be addressed in the future study for more information on the topic.

9. STUDY AREA HISTORICAL BACKGROUND:

Kodad is a town in Suryapet district of the Indian state of Telangana. It is a municipality and the Mandal headquarters of Kodad Mandal in Kodad revenue division. It lies on the National Highway 65 between Hyderabad and Vijayawada. According to Census of India, 2011, population of Kodad town is 65,234 of which 32,010 are male and 33,224 are female. The literacy rate of the town is 96.7%. Sex ratio is 1060 females to 1000 males. Child sex ratio is 1100 girls to 1000 boys. Kodad Mandal has a population of 134,130, of which 66,604 are male and 67,526 are female. The literacy rate is 94.33%. Kodad Municipality is the civic administrative body of the town which was constituted in the year 2011. It is spread over an area of 31.90 km²(12.32 sq mi) with 30 wards. The present Municipal Commissioner is L.Balajinaik and the chairman is Vantipuli Anitha.

10. FINDINGS AND DISCUSSIONS:

50 days into India's demonetization initiative, long lines of people looking to exchange notes still spew out of banks, some sectors of the economy continue struggling with the lack of readily available cash, grassroots businesses are still being revolutionized with electronic payment capabilities, and masses of people continue transitioning towards new ways of paying for basic goods and services.

Though the decision of the government to demonetize higher denomination currency notes has halted the economy, on the other side it also has given some positive indications of a bright future. The economic parameters of post-demonetization can be condensed as below:

- There has been 14.4% increase in direct tax collection
- There has been a massive 26.2% increase in indirect tax collection.
- Central Excise collection has witnessed an increase in 43.3%.
- Rabi Crop sowing has witnessed an increase in 6.3% while the net agricultural growth has been 6.5%, flatly refuting the fear of an agro-economic slowdown that was being proposed in the media.

Aristotle while explaining the general rules of revolution in his book “The Politics” stated that “*A statesman must never neglect any small issue relating to the governance. If decisions are made in haste without considering its implication such actions are likely to lead to an uproar*”. It is for this reason; Aristotle stated that a need for overhauling the entire system actually comes when small changes are overlooked¹⁰. Surprisingly Aristotle proved wrong in India, where though there was haste in the government’s policy without taking into note its implications, the people did not agitate against the government, but instead gave its support for the success of the policy.

This Study Project intends to explore the reasons for the reinforced people’s support towards the public policy. As Arthur Bentley pointed out that, “Measurement conquers chaos” the attempt is made to quantify the data to arrive at a meaningful conclusion (Arthur Bentley, “The Process of Government, Evanston, Illinois, 1908).

- The observations derived out of the study indicates that out of the respondents selected for the study 60% respondents were in favor and 28% respondents against the demonetization policy. The data throws light on the fact that Businessmen and Government Employees have positive expectations on the demonetization policy. Farmers, auto driver and Peoples Representatives are midway in favor and against the policy, which bespeak that educated sections were in favor and uneducated were half hearted towards the demonetization policy (Table No. 1).
- The findings draws the conclusion that out of 60% respondents in favor of demonetization policy 66% of the farmers are ignorant about eradication of black money and ushering of cashless economy, instead they have a blind trust on the government. 90% of the businessmen and People’s Representatives feel that this policy may help to eradicate black money, but it may not help in bringing about a cashless economy. Government Employees and Auto drivers see that demonetization policy would eradicate black money and also would initiate cashless transactions (Table No. 2).
- This study reveals the means adopted by the people for financial transactions during the cash crunch. The survey point to the fact that 60% of the farmers and 70% of the businessmen recourse to borrowings to tackle their financial transactions. 80% of the Government Employees and 90% of the People’s Representatives could avail withdraw facility from banks. The survey gives a startling revelation that 90% of the Auto Drivers availed ATM facility. The above data throw light on the fact that farmers and businessmen still today do not mileage on bank facility, which needs to be addressed (Table No. 3).
- Reconstruction of the data depicts that majority of the respondents were of the view that neither the government nor the banks were prepared for the post-demonetization phase. (Table No. 4).
- The findings show that 90 % of the Government Employees, Auto Drivers and 80 % of the businessmen were not in favor of bringing an agitation or a revolt against the government’s policy. Only 50% of the farmers and 30 % of the People’s Representatives had recourse to agitations. The agitations by the People’s Representatives can be because of political identifications rather than of personal misgivings on the policy, as depicted in their response for other questions (Table No. 5).
- The findings narrate that, but for the farmers the disruption to day-to-day activities was manageable for all the remaining other respondents (Table No. 6).
- Evidence out of findings of the survey regarding the methods adopted by the people for financial transactions during post-demonetization, the observations reflect the fact that 80 % of businessmen, 50% of farmers, 40% of Government Employees and 10% of Auto Drivers kept their payments pending during post-demonetization. It also reveals haw-dropping information that 0 % of People’s Representatives and businessmen; 30% of Government Employees and Auto drivers and 10% of Farmers used mobile wallets (Table No. 7).
- The findings in Table No. 8 inform that majority of the people are unaware of different mobile wallets to foster cashless or digital economy.
- The findings in Table No: 9 regarding the opinion of the people weather to introduce digital economy or not, only 18% of the respondents are in favor, 14% are against and 17% have no idea. Out of the respondents in favor of digital economy majority are the Government Employees accounting to 70%. Only 10% of the businessmen are in favor of digital economy.
- The sequel of the survey in Table No. 10, to elicit the reasons for people’s reinforced cooperation to Public Policy, in specific, the Demonetization Policy declared by the Indian Government on 8th November, 2016, show that 80% of the Government Employees, 70% of the People’s Representatives, 60% of Auto Drivers and 50% of farmers and businessmen have a hope for the better future in supporting the government’s policy. This corresponds to the hypothesis that National-interest is one of the avowed motives for people’s cooperation towards public policy. When national-interests are at stake, people tend to shun their self-interest for the state.

11. CONCLUSION:

It is quite evident from the study that the issue of cooperation from the citizens to public policy is central to many of the problems faced by real-world. As a result, the fields of political science, law and management all seek to understand how to most effectively design institutions that can best secure cooperation from those within groups.

Their efforts to address these issues are mainly informed by the findings of social psychological and economic research. The present study draws the following conclusions.

- Demonetization Policy of the government is accepted not just because the people feel it is their responsibility as a citizen.
- It is accepted because people believed that it would help to build a better future, and thus gave importance to the collective and national interest.
- The present study also gives an insight that financial literacy is imperative before taking a shift from cash economy to digital economy.
- The findings herein will show that people are motivated by a broader range of goals than is easily explained via material self-interest—that is, by people’s concerns about incentives and sanctions.
- The key to success in garnering people’s cooperation is to create policies that all of the people within a community are motivated to accept—that is, to be able to gain widespread rule adherence.
- As is true in the other arenas outlined, the value of cooperation in general is widely recognized. In particular, it is important that people not just do what is required. Many aspects of involvement in a community are voluntary¹².

From 05 sections of the constituency of Kodad. This leaves a lot of research gaps which are to be addressed in the future study for more information on the topic. This study is confined to identify whether it is personal-interest or the national-interest that motivated the people to extend their cooperation in the execution of Demonetization Policy. This leaves an open ground to investigate on other socio-psychological motives that inspire the people to support a public policy.

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Table No. 1 to 10 showing the findings of the study.

Sl. No	Category	Table 1			Table 2			Table 3			Table 4				Table 5		Table 6		
		1	2	3	1	2	3	1	2	3	A		B		1	2	1	2	3
1	Farmers	25	25	0	0	10	15	20	0	30	30	20	30	20	25	25	20	25	5
2	Businessman	35	0	15	45	5	0	10	5	35	35	15	25	25	10	40	5	10	35
3	Government employees	35	5	10	25	25	0	40	0	10	15	35	15	35	5	45	10	10	30
4	Auto Drivers	30	15	5	15	15	5	5	45	0	30	20	35	15	5	45	20	10	20
5	Peoples Representatives	25	25	0	20	5	0	45	5	0	5	40	25	25	15	30	15	15	20

1. In favor
 2. Against
 3. No idea.

1. To eradicate black money
 2. To bring cashless economy
 3. Belief in government.

1. Bank
 2. ATM
 3. Borrowings

A. Government
 B. Bank
1. Yes
2. No

1. Yes
 2. No
 3. Manageable

Sl. No	Category	Table 7			Table 8							Table 9			Table 10		
		1	2	3	1	2	3	4	5	6	7	1	2	3	1	2	3
1	Farmers	20	5	25	0	0	0	0	0	0	0	10	20	20	0	25	25
2	Businessman	10	0	40	10	5	15	20	0	0	5	5	0	45	5	25	20
3	Government employees	15	15	20	25	0	0	0	10	0	0	35	15	0	15	40	5
4	Auto Drivers	30	15	5	5	0	0	0	0	0	0	25	5	50	5	30	15
5	Peoples Representatives	50	0	0	5	0	0	0	5	0	5	15	30	0	5	35	10

1. Cash
 2. Mobile Wallets
 3. Kept payments pending?

1. Paytm
 2. Free Charge
 3. Chillr
 4. Itzcash

5. Jiomoney
 6. Freedm
 7. Bheem

1. Yes
 2. No
 3. No idea

1. Responsibility as citizen
 2. Hope for better future
 3. Left with no other option