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PERCEPTION OF PEOPLE TOWARDS A FEW ECONOMIC POLICIES OF PRESENT GOVERNMENT

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ABSTRACT

Black economy which is also known as parallel economy connotes the functioning of the unsanctioned sector in the economy. In the present time, issue of black money has come into cutting edge of the general public with dynamic support of our youth and parliament. The roots of the parallel economy are deepening in our economy which tends to be great threat in our nation. The principle point of this is to know the different perceptions of people towards some of the economic policies of present government to curb this problem for instance Demonetisation. This report also speaks to know the current status on black money in India economy and its future difficult prospects. In the end, the report concludes to create a corruption-free India so as to remove the disparities in the Indian economy and to improve transparency and accountability by eradicating black money through widening of knowledge and catalysing action.

KEYWORDS : *Black Money, Parliament, Indian Economy, Demonitisation, Catalysing.*

I. INTRODUCTION

There is no uniform meaning of black money in the economics or financial hypothesis. It can be called as 'unaccounted pay', 'filthy cash', 'underground riches', 'dark economy', 'parallel economy', 'shadow economy' or "informal" economy. As indicated by National Institute of Public Finance and Policy (NIPFP) characterizes "Black Money is the total of earnings which are assessable yet not answered to authorities. The term black money would likewise incorporate legitimate wage that is hidden from public authorities: The term black money is of a current starting point which initially came to be utilized around the year 2000.

OBJECTIVES OF THE STUDY

1. To analyse the perceptions of people regarding the curbing of problem of black money in India.

2. To analyse the some initiatives taken by present government to check black money.

METHOD OF ANALYSIS

The research carried is Primary in nature. The data is collected through Questionnaire method. Also it is analytical and descriptive. Sources of data for the most part of this research paper are secondary. The auxiliary sources, for example, books, journals and the online information base materials are widely used to draw out this examination. Sampling method is used to test the level to know their perspectives. So test measure is of 150 people. Also scaling technique is used including simple percentage analysis and point analysis.

II. FUTURE CHALLENGES OF BLACK MONEY

There are a couple of troubles which might be stood up to by the governing body as cleared up underneath:-

1. To control criminal activities – In country like India there are various unlawful activities that provoke time of basic measure of black money compensations. Each of them is a critical wellspring of unaccounted or black money. So to control them is extraordinary compared to other challenges before the overall population and for the organization. Consequently, it requires all associations of both central and state government to successfully make systems to pass on them to a stop.
2. Repatriation of black money held abroad:- It is the one of the best trial of our organization of India to bring back money from abroad .However; it is a target that can't be proficient by government action alone as it requires coordination and co-operation of various countries and specialists to finish this. Thusly, government needs to propel a circumstance and make honest to goodness framework through overall assention, co- arrangement and by making specific two-sided deals.
3. Special Investigation Teams:- With a particular true objective to control and check inescapability of black money in India, govt. has make a gathering which is known as Special Investigation Teams to inspect on the issue of black money. In any case, its success depends on the partners of board as it requires an enormous push to tackle this issue.
4. To Strengthen the Social Values:- I think to control the time of black money in our economy requires a solidified effort by all locals of a country. Or, then again it ought to be struggled by every national at various levels which joins political, mild and administrative levels. At moral level, we have to strengthen our moral guideline in the school instructive projects particularly highlighting the ills of black money.

III. LITERATURE REVIEW

Sarkar Sukanta (2010)¹ in his article “Parallel economy in India: Causes, impacts & government initiatives” stressed that the main cause behind generation of black money is the country’s political system which lacks in implementation of policies. He recommended of having stringent laws to curb the issues of parallel economy in our country.

Aggarwal CA Lalit Mohan (2012)² in his edited article “White Paper on Black Money” also cited the reason that violation of laws by government officials leads to criminal acts and aids in generating black money and can cause harm to the Indian economy.

Vijay Kumar Singh (2009)³ in his article “Money laundering in India- Problems & Perspectives” stressed that it is very difficult to control the issue of black money and the reason behind this is only due to poor implementations of laws. Law prevails but politicians are not allowing it to implement.

Guru Arpit; Kahanijow Shruti (2010)⁴ in his article “The black money income: Need for amendment in DTAA & ITEA” recommended that there is a need for amendment in existing taxation system and commented that black money is widespread everywhere in India and is being hoarded in foreign lands. They also studied how black money has terrorized Indian economy and how is it being utilized in unscrupulous ways.

Samal, Kishore C, (1992)⁵ in his paper, “Chasing Black Money in India” gives a history of the various measures taken by the Government of India to mop up black money since 1946 such as demonetization, voluntary disclosure schemes and bearer bonds.

Tripathi Ashish K (2016)⁶ in the paper, “Demonetisation challenges for Rural India” points out that demonetisation is good but our financial system should be ready to change. Also it would be too early to come to any conclusion regarding its success or failure of this demonetization in Indian Economy.

Tandon and Kulkarni (2017)⁷ analyzed that there is no guarantee that in future, no black money will be generated. The queues of the people before the banks are said to be flooded by the workers of the political party leaders to deposit the money in their accounts. In just 3 days Rs. 170 crore were deposited in the Jandhan Accounts opened with zero balances. An Analysis of Impact of Demonetization on Black Money in India DOI: 10.9790/0837-2205087375 www.iosrjournals.org 74 | Page

Express Web Desk (2016, Nov 19)⁸ Reported the news of the Sydney Morning Herald which stated that the step by Modi, who is approaching the half-way mark of his term, is an attempt to fulfil his election promise of curbing tax evasion and recovering illegal income, locally known as black money, stashed overseas. Modi’s unprecedented move follows a similar step taken by the European Central Bank, which is discontinuing the use of 500-euro notes to stop their use in “illicit activities”.

Economics Club Of Imi (2016, Nov 13)⁹ analyzed that this move is a vital step to curb the circulation of black money and counterfeit notes in

the economy. However, India still has a long way to go in providing a digital infrastructure which in turn would provide a framework to keep track of the undisclosed income. There is also a risk of the two-thousand rupee note again starting the vicious circle of black money at a much higher rate this time.

Patnaik, Prabhat (2016, Nov 19)¹⁰ summarized that the decision to demonetize Rs 500 and Rs 1000 notes is misconceived and will not address the

problem of black money ZONG, RAYMOND AND SINGH, KARANDEEP (2016, Nov 18) observed that As authorities struggle to replace the more than 20 billion notes that are being yanked out of the economy to punish cash-hoarding tax evaders, the sudden scarcity of paper money is being felt most acutely far from India’s megacities.

IV. FINDINGS OF THE STUDY

1. Efforts made by present government to curb black money.

Table-1

OPTION	RESPONDENT	PERCENTAGE
1	5	3.3%
2	12	8%
3	26	17.3%
4	42	28%
5	65	43.3%

According to the research we have found that 3.3% people considers efforts of present government useless by rating it as 1, 8% people rated it 2 and 43.3% people rated it 5 which depicts that Modi’s government efforts are outstanding.

2. Demonetisation will help in curbing black money, corruption and terrorism

Table-2

OPTION	RESPONDENT	PERCENTAGE
It will have no impact	134	89%
There will be impact in long run.	15	10%
Minimal impact	1	1%

Through the research we found that 31.3% people say that demonitisation will have no impact in curbing the problem of black money, corruption and terrorism, 49.3% people said that there will be impact in medium to long term.

3. India will be a corruption free country under present government

Table-3

OPTION	RESPONDENT	PERCENTAGE
Yes	71	47.3%
No	36	24%
Can’t say	43	28.7%

In the present scenario we have found that more than half of the people are unable to judge the situation. 47.3% of people think that India can become a corruption free country in Modi government. But 24% people think that Modi could not remove corruption from country. 28.7% people did not give their clear opinion. Either they don’t want to clarify or they are doubtful.

4. Jan Lokpal Bill is itself capable to control black money

Table-4

OPTION	RESPONDENT	PERCENTAGE
Yes	66	44%
No	43	28.7%
Can’t say	41	27.3%

In this question we want to do a study on Jan Lokpal Bill, whether it is capable to protect our country from black money.44% people said yes it is capable enough to control black money. But 28.7% people think this bill will be failed to control the problem of black money. Either they think that this bill is itself corrupted or it is not much stronger to control black money.

5. Both government and public are responsible for existence of parallel economy in India.

Table-5

OPTION	RESPONDENT	PERCENTAGE
Agree	115	76.7%
Disagree	20	13.3%
Neutral	15	10%

In present scenario we have found that everyone is corrupted in our country. In my research I found that 76.7% believe that both government and public are responsible for the existence of parallel economy in India.13.3% of people disagree the situation. People think that the cause of this problem are government and public both. They both are two sides of black money.

6. E-governance can reduce black money problem from India.

Table-6

OPTION	RESPONDENT	PERCENTAGE
Agree	105	70%
Disagree	20	13.3%
Neutral	25	16.7%

After this research, we found that 70% people are with the support of this system.16.7% people are in neutral state because either they are not aware with that or they may think it should failed in future. This is found that people of our nation are interested in changing the working of system to e-governance. This will reduce problem of middlemen and people will be directly in contact with government. For instance-filing of returns, paying insurance premium Also, tasks will be completed effectively.

7. Due to black money there is uncontrollable inflation

TABLE-7

OPTION	RESPONDENT	PERCENTAGE
Yes	112	74.7%
No	20	13.3%
Can't say	18	12%

74.7% of people think that due to black money there is uncontrollable inflation. Mostly people think that if there exist black money in the economy then prices of goods will rise. This will lead to decrease in exports since Indian goods will become expensive in foreign market. Since our Payments > Receipts, Gross Domestic Product of India will suffer.

8. Black money is a world wide problem.

TABLE-8

OPTION	RESPONDENT	PERCENTAGE
Yes	103	68.7%
No	26	17.3%
Can't say	21	14%

After the research project we come to know that 68.7% people believe that black money is a world wide problem. There are 14% people who didn't give their opinion may be for they don't have enough knowledge of the world. This people find black money as the contemporary issue of India.

9. Buying of products if a Multi Nation Corporation is found to be corrupt.

TABLE-9

OPTION	RESPONDENT	PERCENTAGE
Yes	25	16.7%
No	82	54.7%
May be	43	28.7%

16.7% of people of people say that they will still buy the products if the MNC was found to be corrupt.54.7% people will not buy the products and 28.7% people are doubtful about the given situation. Mostly people will not like to buy the products of MNC, if found corrupt.This implies the positive impact towards our nation, India.

10. The inconvenience faced in the fight to curb corruption and black money

TABLE-10

OPTION	RESPONDENT	PERCENTAGE
Yes	49	32.7%
Not at all	50	33.3%
Somewhat but it was worth it	51	34%

32.7% people faced inconvenience in the fight to curb corruption and black money. 33.3% people did not faced any inconvenience and remaining 34% people faced the inconvenience somewhat but it was worth it.This means that although people faced problems but they think that it is the best initiative taken by the government of India.

11. Most of the businesses are involved in tax evasion and tax avoidance practices

TABLE-11

OPTION	RESPONDENT	PERCENTAGE
Yes	111	74%
No	15	10%
May be	24	16%

74% people think that businesses are involved in tax evasion and tax avoidance.10% people think that they are not involved in tax evasion and tax avoidance and 16% people are doubtful about the situation. So accounts of businesses should be checked be government on annual basis.

12. Political activities such as elections gives rise to black money.

TABLE-12

OPTION	RESPONDENT	PERCENTAGE
Yes	113	75.3%
No	20	13.3%
May be	17	11.3%

The survey concludes that 75.3% people think that political activities such as election gives rise to black money in India. About 13.3% people think that political activities doesn't give rise to black money.11.3% people think that it may give rise to black money. This means we have to make emphasis on reducing corruption from political activities. The higher authorities should take steps to curb this growing issue.

V. CONCLUSION

In the present legal system, throughout the world, there is no particular law which eliminates the corruption in the society. Our legal systems have numerous constitutional and legal provisions and still corruption is not under control and growing rapidly day by day. Roots of corruption are very deep and common person are suffering, on the other hand offenders who have committing such activities or are involved in big scams are moving free in our society, so if there will be an elaborating, specific law, corruption may be controlled or eradicated.

As like Rose is king of all flowers, Corruption is also "King" of all 'offences'. Neither the Law nor the law enforcement and investigating machinery or the public service administration able to control the "corruption" in society. The biggest hurdle in the Prevention of Corruption is the lack of public awareness. Corruption directly attack on national economy affecting development of country which is necessary to be curbed and removed by adopting proper legal system.

So, we can conclude-

So we can't state that India is a poor country. Infact, India is among the Richest Nations if Stashed Black Money is conveyed back and changed over to White Money and crisp era of Black Money is put to an end.

Some of the limitations while conducting study were that the respondents were not interested in filling the forms and some were not cooperative. Second, People of rich class were found to avoid the questionnaire. Third, Time availability was one of the biggest limitation faced. Due to shortage of time we have limit the work in its present form and money was also one of the major constraint while constructing the research.

A few Recommendations and Suggestions that may control black money in India. These are as per the following:

- Our Government should make its first target to control black money in our nation.
- E-Governance ought to be begun by the Government i.e. the utilization of innovation be made beyond what many would consider possible like E-Registration with Revenue Authorities, E-Filing of Returns, and so forth. The association of people more is contribution of debasement, at last creating Black Money.
- Black cash spins around in real money just so the Government should put limitation on money exchanges wherever conceivable and rather should build the utilization of Plastic Money like Debit Cards, Credit Cards, and so on and by

other such means.

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ANNEXURE



