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RESEARCH ARTICLE

A PHENOMENOLOGICAL INVESTIGATION INTO THE MARKET PHENOMENA OF
DEMONETIZATION IN INDIA

*Manvinder Singh, and Misra, S.N.

School of Management at KIIT University, Bhubaneswar, Orissa, India

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ABSTRACT

The aim of this paper is to study the market phenomena of demonetization in India. We are using a phenomenological approach to study this phenomenon as it focuses not on event or causes and factors responsible for it but on the way it is perceived and experienced by people from various walks of life in India. For this paper we used a narrative research approach and interviewed a sample of 6 people in India from various walks of life and social status. Most past research on market phenomena which is financial in nature is biased towards analysis of broader economic factors. But we decided to explore the phenomena as experienced by people as we believe that phenomenological approach can give us new insights on the events and the understanding the event as it is. Phenomenological research methods are more effective in looking at non-normative factors which can challenge conventional wisdom.

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INTRODUCTION

Phenomenology as a Qualitative methodology

The qualitative approach of phenomenology is powerful and useful to explore events which have more human impact and the researcher is more keen to expose the implicit factors which may be not so obvious to explain the reason of the event to take place. It may be useful to refer to say that – "Phenomenology is the search for essence of things" that ordinary observations cannot explain (Sanders, 1982; Moustakas, 1994). We would like to talk that we did not focus on empirical phenomenology but rather hermeneutic phenomenology which focuses on developing real descriptions of events from subjects and interpreting the phenomena from narratives ,e.g., texts, oral records, artifacts (Cohen, Kahn, and Steeves, 2000). Demonetization in India is a phenomenon which impacted all Indian citizens in Nov2016. It was a one of a kind event in the last four decades. Even eight months down the line people are looking at it with disbelief. Why was it needed? and What it was supposed to do? It affected all Indians over a billion people and still nobody knows what it achieved? We are going to use phenomenological research approach to understand the event from experiences of people.

We chose this topic over others due to my interest in area of finance, newness of this market event and magnitude of it. We also feel this was the single most large scale financial event in the country. Our unit of analysis is individuals (in this case fellow Indians from all walks of life) who were impacted by this event. It has all elements of micro and macrocosm embedded in it and I can subject it to many forms of analysis. Also it is about future of money, economy, ethics and morality so Why not explore it?

Why we chose phenomenology?

he research methodology chosen for this is phenomenological analysis using narrative approach. The focus of phenomenological inquiry is what people experienced in regard to demonetization and how they interpreted those experiences. A phenomenological research study is a study that attempts to understand people’s perceptions, perspectives and understandings of a particular situation (or phenomenon or event). The goal of researcher is to explore the conscious experiences of individuals and then distill them, a kind of goal to understand the ‘gestalt’, the whole or essence of it. Since phenomenology is a descriptive discipline and is undertaken in a way that is largely independent of scientific, including causal, explanations and accounts of the nature of experience, we focused on experiences.

*Corresponding author: Manvinder Singh,
School of Management at KIIT University, Bhubaneswar, Orissa,
India.

Facts about demonetization

Item	Facts and Figures
Start Date	8 Nov 2016, PM Narendra Modi announced that from mid-night all Rs 500 and Rs 1000 currency notes will cease to be legal tender
End Date	30 Dec 2016
Amount of money in question	Rs 14.18 lakh crore (trillion) of currency notes invalidated
Total currency in circulation	Rs 16.41 lakh crore (trillion)
% of currency invalidated	86%
Objective of demonetization	i) Choking the funding channels of militancy and terrorism from across the border. ii) Fight corruption
Impact on people in numbers	1.3 billion people
Duration of impact	3 months total more severe in initial period
Short term impact on GDP	Estimated around 0.5% to 3% higher estimate; 0.25% to 2% lower estimate

The unit of analysis is individual and we tried to take samples from all strata of society. We are trying to understand the experiences of various individuals from the narratives, examples used, tone of voice, visuals narrated and personal feeling by subjects to investigate the impact of phenomena of 'demonetization'. We kind of decided in the beginning that we will focus on a 'hermeneutic design approach'.

MATERIALS AND METHODS

Since our work focused on hermeneutic approach by design we were originally intending to looking at the following items namely –interpretation, textual meaning, dialogue, pre-understanding and above all social construct/ tradition. The design is based on the fundamental theory that all forms of human experience are interpretive. Also at start our overall approach to data analysis was intended to focus on

- Extracting of the themes. (Collective as well as individual themes)
- Thematic analysis
- Content analysis of the narrative
- Bracketing and eidetic reduction

In narrative, we focused on aspects such as physical events, the type of activity ongoing, the outcomes, the descriptive elements, the time reference, and the emotions, beliefs, plans etc. of the subjects interviewed. We were sensitive of the narrative elements that can't be changed without losing the meaning of the narrative and also their contribution to the theme, so we kept most of them as it is. As we moved to interact with subjects we focused on Narrative inquiry in our study, using primarily conversations, interviews and experience, as the units of analysis to research and understand the way people create meaning of demonetization phenomena for themselves, a kind of reflective interpretation (Shin, K.R.2002). We still wanted to have a structured approach before we started interviewing and did literature search. Our wide literature search to explore a methodology finally came to the following steps as outlined in paper by Holroyd, Carl (2001), see reference d. Using the steps below as outlined in the paper we conducted the analysis of 6 interviews using the stages outlined in the paper. We list down the steps below from the paper-

Stage 1: Intuitive/Holistic Understanding of the raw Data

Stage 2: Forming a Constituent Profile This stage summarizes the raw data from each participant.

- Natural Meaning Units (NMUs): NMUs are self-definable, discrete segments of expression of individual aspects of the participant experience.
- Central Themes: Central Themes reduce the NMUs to recognizable sentences conveying a discrete expression of experience.
- Constituent Profile: The reconstitution of Central Themes that provides a non-repetitive list of descriptive meaning-statements for each participant, is termed the Constituent Profile.

Stage 3: Forming a Thematic Index : Constituent Profiles from each participant is used to construct a 'thematic index', which highlights major themes that have emerged.

- Delineating Constituent Profiles: As with Central Themes, Constituent Profiles are reconstituted to remove any repeated or non-relevant statements.
- Extracting Referents: Referents are defined as specific words that highlight the meaning of the experience being researched. Constituent Profiles are searched for Referents, which are extracted and listed separately.
- Thematic Index: The Thematic Index establishes a non-repetitive, sequenced list of meaning statements and referents used to search for interpretive themes. The Thematic Index contains the Constituent Profiles, statements attributed to singular meanings of experience. From this point onwards the data is examined collectively.

Stage 4: Searching the Thematic Index. This enables the comparison of Referents, Central Themes and Constituent Profiles to form a set of Interpretive Themes. This helps to also look at the recurrent themes. It is important to note that the focus is on the explication of data that reports the meaning of experience.

Stage 5: Arriving at an Extended Description: Interpretive Themes are used to rigorously explicate meaning attributed to the phenomena under investigation.

Stage 6: Synthesis of Extended Descriptions: This is a summary of the Interpretive Themes to produce an in-depth picture of participants' experience of the phenomena under investigation (Sherwood & Silver, 1999, pp. 10-13).

Analysis: We define Bracketing as Step 0 as this had to be done prior to start of the research. We understand the purpose of this is to make the researcher be aware of his biases so as to help keep biases in check.

Step 0: Bracketing

Phenomenology also calls this ‘epoche’ and is the fundamental starting point of phenomenological research. Before even starting the interviews I did this bracketing table below to be aware of my potential biases so that I can do the research in a very detached and objective way and avoid my subjectivity and biases to influence the subjects. This I did it for a week before approaching subjects. I clearly established that I will start each interview with a broad question and only when the speaker becomes silent I will put the second question and following questions, fully connecting with the subjects feelings. This is to make the person tell more of his experience and get more trust of the interviewee. I kept the tone of my interview gentle and respectful to the interviewee at all times. We ensured that during the process of transcription we are mindful of the bracketing and we are open to any meanings and concepts emerging, we were looking for only general meanings.

- ‘Delineating’, which essentially means extracting units of meaning that are relevant to the researcher’s question. Followed by Referents’ extraction defined as act of picking words which are specific in that accentuate the meaning of the experience that is researched.

Step 4

Searching the thematic index: We searched for the items in terms of their uniqueness, relationship to the event and inter-connectivity to the larger canvas of the event. There is a recurrence of at least four themes

- Event triggered by government desire to clean the malaise of black money/cash economy
- Event caused deep chaos and hardship to common man of India, but perceived motive of common man was that it is for long term good

Bias –Not being holistic	Bias- Towards social status of subjects	Bias : Focus on spoken words not meanings and feeling of people	Bias –economic explanation	Bias- Rationality
Narrow view of problem	Assigning more importance to comments from subjects with higher social status	Personal bias to what is heard rather than what is meant	Trying to explain Financial Phenomena Through economic principles as Demand supply etc.	Assuming people as rational and expecting rationality at all times
Not exploring deeper	Looks and language of subjects impacting Theme extraction and prioritizing their views	Not sensitive to feeling and voice tones of subject	Since economy has impact on so many factors ,all phenomena or events are linked to economics.	Attracted to ideas which are appearing more rational at first glance
Solution centric analysis	More biased to views of urban people or city dwellers	Not able to capture the half said words and expressions		Assuming that all phenomena can be understood by rational approaches available currently
Not willing to accept new emergent causes or themes				Looking for physical, visible, spoken evidence to confirm a view or theme

Step1

Intuitive/Holistic understanding of the raw data: Once bracketing is completed in the first stage the next step is listening and texting the interviews of 6 subjects. Once the texting of the recorded interviews is read again and again... also when the tapes were played again and again a holistic and intuitive understanding of data will begin. While listening the recordings an attempt was made to stay in equanimous state and devoid of any biases, this was by looking at bracketing table.

- Fear of rule of law has is again established in the society and real –estate developers/builders including other generators of black money are under pressure to change their behaviors

Step 5

Arriving at an Extended Description: In this step the focus is on Interpretive Themes to explicate meaning attributed to the phenomena under investigation

Step 2

Forming a Constituent Profile: This is a very critical step for the researcher. Here basic words with meaning (called NMU’s) are first converted to central themes (sentences)and then from the central themes repetitive strands are reduced to create something called the constituent profile The constituent profile consists of essentially descriptive meaning statements (sentences), which are non- repetitive.

Stage 6

Synthesis of Extended Descriptions: This is a summary of the Interpretive themes to produce an in-depth picture of participants’ experience of the phenomena under investigation. Based on the overall finding of the participants there appears be an initial theme of short term pain, shock and stress and immense hardship to common man, but the underlying currents show that people perceive this as a moral act. The words relief, good cause ... and embedded feelings hint that common man perceives this market event as moral justice finally being delivered to them. Most common people are happy and supportive due to belief that once the country can get rid of black money real benefit of progress will be available to all.

Stage 3

Thematic index formation: This involves forming a thematic index profile to finding out major themes that have emerged. Creating of thematic index calls for two critical steps called

Participant	NMU(natural meaning units)	Central themes	Constituent profile
Participant 1	<p>Good decision, New thing Money come back, Raise GDP Black money ,Actual money ATM queues, Stress,</p> <p>Support, No politician caught Great thing in long run Wait in queue Low grade people suffered Paytm and other money wallets Coins used,2000 note is risky Rumor of chip on 2000 rupee note Shook people out of sleep</p>	<ul style="list-style-type: none"> •Good decision that will reduce Black money •Event was a Shock, exposed people to hardship and suffering in form of rumors, queues and financial risks •Creation of Digitalization of money •People of lower social and lower education level /poor suffered most. 	<ul style="list-style-type: none"> •A shocking event which caused lot of inconvenience and hardship to people but goal is worthy •Made money more paperless and Created digitalization . •Most important motive was to reduce black money.
Participant 2	<p>Shock; car accident situation; spend money at any cost; value of money turning zero; black money creation problem; factors behind black money creation; common man life-limited to eat and earn; fear limited to social situations; bank lines and queues; suffer for own money; no improvement in economy; no improvement for common man ;</p>	<ul style="list-style-type: none"> •There was a shock, fear and sudden erosion of of monetary value of currency •Tendency to spend old money fast •Difficulty in form of Queues and awkward social situations •No improvement in life of common man, who is reduced to eat and earn(basics) •Action against Black money creation •Did not result in improvement of Economy 	<ul style="list-style-type: none"> •Shocking event that turned money value temporarily to zero. •Original aim is to reduce Black money •Suffering caused to population –queues, short term scarcity etc but so far no improvement in economy or life of common man. •Root cause of generation of black money not fixed
Participant 3	<p>Good feel; some difficulty with money at home; 3-4 days difficulty; no fear; small people; job people; worried people are those with lot of cash; queues at ATM; not angry; acceptance; change in situation has happened; environment of country has changed; black money people scared; people behavior not to keep cash; fear of money changing in a day; daily life problems faced; pharmacy not returning money; people exploited; not much cash is kept these days</p>	<ul style="list-style-type: none"> •Even as such created Good feel, no fear and signaled change •Created queues at banks and ATM's •People with black money scared •Common People exploited , •Low cash behavior patters all over 	<ul style="list-style-type: none"> •Event caused Change in situation and people with black money were scared and fearful •Event caused short term exploitation of common man by merchants
Participant 4	<p>Difficult /problem for few days Hidden notes under the ground got damaged; black money people problem; smaller people not much problem; villages no problem; feel from inside-correct thing; queues at ATM; Queues at night; 2-3 months of ongoing difficulty; mentality changed; feel good; right thing; future benefit for the country; now solved ; fear injected; black money people cannot live in peace.</p>	<ul style="list-style-type: none"> •Event caused Short term difficulty (for few days) but was right thing by government •People with black money damaged , lost peace •Mentality has changed •Hardship experienced in form of Queues, cash queues at ATM but for long term good. 	<ul style="list-style-type: none"> •Action was Right thing to do but caused difficulties and problems to common man for short term •Event lead to change in Mentality of people and successfully injected fear in people who hoard black money

continue

<p>Participant 5</p>	<p>Effective step by government, impacted the politicians; reduced black money; de-monetisation affected poor people, not middle or higher class; middle class savings is their shield; no similarity with past event; out of cash; using Paytm ; electronic money; user friendliness to technology; positive thing; no impact on legal services payments; 2nd incident; builders affected ; builders create black money; money thrown in bags.</p>	<ul style="list-style-type: none"> •Event is one of its kind new and had no similarity with past •Event is Effective ,positive step by government and had strong impact on n politicians with black money •Event Reduced black money but affected poor people •Emergence of Electronic payment and Paytm; User friendliness with technology •Builders affected; Builders are creators of black money; money thrown; 	<ul style="list-style-type: none"> •The event is new and effective step to reduce black money •Builders are creators of black money and they were hit badly ,forced to throw money in bags •Event demonstrated that being technology savvy/awareness of digital payments options as Paytm/friendliness with technology helped people survive better.
<p>Participant 6</p>	<p>Decent step; motive to reduce bank debt; Reduce cash economy; exactly not sure; currency no longer legal tender; shock; decline of sales; decline of some industries; currency ineffective; new experience; surprising; shocking; family line; hordes of Rs100 saved us; Some not impacted ; Some highly impacted; Hordes of black money; negative side effect; positive side effect;</p>	<ul style="list-style-type: none"> •Event is a New experience Shocking, Surprising, Decent step; •Event is attempt to Reduce bank debt, Reduce cash economy •Event lead to Decline of sales and Decline of some industries •Event made Currency ineffective, Hordes of black money •Event had both Negative side effect and Positive side effect 	<ul style="list-style-type: none"> •Event is a New experience and a Decent step to Reduce bank debt and size of cash economy •Event made cash currency less effective •Caused decline of some industries/short term effect

<p>Thematic index</p>	<ul style="list-style-type: none"> •Highly stressful event which created hardship for common Indians but was aimed to attack black money economy ‘factors’ •Common man was very much in support of this move and looks it as a moral act •Cash in paper form lost its value and became risky to hold and old cash became valueless •Event created expectation in most people that it will create a better future •Huge stress on builders and and politicians who are suspected to be beneficiaries of black money and they had few options •Vision of Better monetary system which is less of cash transactions and more of digital money payments emerged.
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<p>Extended Description Interpretive Themes</p>	<ul style="list-style-type: none"> •Deep pain and hardship inflicted on masses due to sudden occurrence of event, that is aimed to reduce cash economy(black money) •Attempt to restore Rule of law and provision of moral justice to masses (Moral law theory) •Enforced behavioral change of business class who do not want to pay tax •Creation of Deeper social contract by the government with the masses. Stress in short term supported by masses in promise of a better future.
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Most common people in India believe that the government has finally done something against black money creators who are primarily builders and politicians. It appears that government has entered into unwritten moral contract with the masses who are supporting the governments drive to 'clean the system'. There is lot of evidence that fear has been instilled in the minds of black money generators that may lead to a behavioral change. The real driver of this event is government action to give moral justice to the common man who seems to have deeper social contract with this government to give them a better life in future.

Conclusion

We believe that such an event is having its underpinnings in a theory, which I we can put a name say – moral contract theory, which is a kind of mental contract built between an established institution (e.g. government) with the masses to promise a better future at the expense of some present hardship, kind of a unwritten social contract of long term. We would encourage social scientists within the research community to build the theory and explore even further, for here the findings of a 'financial event on surface', is leading to a social contract with the governance institution. The event is an action to modify the behavior of business class who does not want to pay tax. The social contract of the masses with the government appears to be the driver for launching steps as this to fix the systemic rot in the system. The event is a kind of execution of prior moral contract with masses ... to eliminate unfair business practices, as non-payment of taxes or disclosure of real income by business class, which was

overlooked by prior weak governments that has lead to asituation that entire system has failed to work and create jobs or genuine growth but marginalized common man.

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