

# India's Demonetization Triggers Extreme Poverty and Famine

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Global Research, January 12, 2017

[CounterCurrents](#) 11 January 2016

Region: [Asia](#)

Theme: [Global Economy](#), [Poverty & Social Inequality](#)

*The demonetisation of Rs. 500 and Rs. 1000 notes by the government of Prime Minister Narendra Modi is disproportionately impacting the poor of India. Presently 4.5 million Indians die avoidably from deprivation each year and demonetisation will make this worse by increasing poverty, deprivation and disempowerment. Indians must reject this callous and deadly attack on the poor, reject deadly pro-One Percenter neoliberalism and demand social justice via social humanism (democratic socialism).*

Countercurrents.org editor Binu Mathew has written:

“In a cashless / digital money India Big Brother would be watching 24/7. The digitally illiterate vast majority would be driven out of circulation like the old notes. It's a long process, perhaps more lethal than Hitler's "Final Solution". More people died in World War II [Bengal famine](#) (1942-45) than Hitler's gas chambers. Did it make it at least into the footnotes of Indian history? Demonetised India doesn't need gas chambers, hunger will do the job!” [1].



Unfortunately Binu Matthew is essentially correct and indeed quite conservative in his estimation. Poverty and disempowerment combine to constitute a deadly deprivation in India today that is already linked to an annual avoidable mortality of 4.5 million Indians each year as estimated from mortality data from the UN Population Division [2]. Avoidable mortality (avoidable death, excess mortality, excess death, untimely death, deaths that should not happen) is the difference between actual deaths in a country in a given period and deaths that would be expected if that country were at peace and subject to humane governance [3].

Demonetisation will make this horrendous Indian avoidable mortality holocaust worse by increasing poverty, deprivation and disempowerment.

The annual mortality in India (2017 population 1,350 million [2]) is 7.3 deaths per 1,000 of population [2]. However for poor and high birth rate but decently governed countries the annual death rate is about 4 deaths per 1,000 of population [3], the difference being  $7.3 - 4.0 = 3.3$  avoidable deaths per 1,000 of population per year and accordingly  $3.3 \text{ avoidable deaths per } 1,000 \text{ of population} \times 1.35 \text{ thousand million people} = 4.46$  million avoidable Indian deaths from deprivation every year. It must be noted that a total of 17 million people presently die avoidably each year from deprivation in the Developing World (minus China) [3]. In contrast, annual avoidable death is effectively zero (0) for China, South Korea, Japan, Western Europe, and the colonization-derived countries of the US, Canada, Australia, New Zealand and Apartheid Israel [3].

4.46 million or about 4.5 million avoidable Indian deaths every year in “the world’s biggest democracy” means that untimely Indian deaths every 2 years exceed the carnage of the WW2 Jewish Holocaust (5-6 million Jews killed by violence or imposed deprivation in 1941-1945) [4] or of the WW2 Bengali Holocaust (Bengal Famine) in which the British with Australian complicity deliberately starved 6-7 million Indians to death in 1942-1945 for strategic reasons in Bengal, Orissa, Bihar and Assam [5-14], Australia being complicit by withholding grain from its huge wartime wheat stores from starving India [5]. When the price of rice rose up to 4-fold (for a variety of complex reasons), those living at the edge (notably land-less labourers) could not buy food and perished under merciless British rule.

The appalling 4.5 million avoidable deaths each year in ostensibly democratic but neoliberal India as compared to zero (0) in authoritarian but pluralistic and altruistic China is testament to the abolition of endemic poverty in China but not in India. The ostensibly free but One-Percent-owned Mainstream media of India are able to report the explicit, publicly-visible horrors of war, terrorism and famine but fail to report the worsening avoidable mortality holocaust occurring behind closed doors. Thus it has been estimated that in 2003 about 3.7 million Indians died avoidably from deprivation as compared to the 4.5 million such deaths expertly predicted for 2017 [3]. But just as Western media still overwhelmingly ignore the WW2 Bengali Holocaust (6-7 million avoidable Indian deaths from deprivation in Bengal and neighbouring states in 1942-1945), so Indian media largely ignore the worsening Indian avoidable mortality holocaust (presently about 4.5 million avoidable deaths from deprivation each year).

Indian famine expert and 1998 Nobel Laureate for Economics, Amartya Sen, and his colleague Jean Drèze commented thus on media reportage and avoidable deaths from deprivation (1995):

“The contrast is especially striking in comparing the experiences of China and India. The particular fact that China, despite its much greater achievements in reducing endemic deprivation, experienced a gigantic famine during 1958-1961 (a famine in which, it is now estimated, 23 to 30 million people died), had a good deal to do with lack of press freedom and the absence of political opposition. The disastrous policies that paved the way to the famine were not changed for three years as the famine raged on, and this was made possible by the near-total suppression of news about the famine and total absence of media criticism of what was then happening in China... However, it appears that even an active press, as in India, can be less than effective in moving governments to act decisively against endemic under-nutrition and deprivation – as opposed to dramatically visible famines. The quiet persistence of “regular hunger” kills millions in a slow and non-dramatic way, and this phenomenon has not been much affected, it appears, by media critiques” [15].

Thus the World is well aware of the 1958-1961 famine in China (23-30 million deaths) that was associated with the Great Leap Forward but is overwhelmingly unaware of the hundreds of millions of “slow and undramatic” avoidable deaths from deprivation under the British and post-Independence. Using Indian census data 1870-1950, assuming an Indian population of about 200 million in the period 1760-1870, and estimating by interpolation from available data an Indian avoidable death rate in (deaths per 1,000 of population per year) of 37 (1757-1920), 35 (1920-1930), 30 (1930-1940) and 24 (1940-1950), one can estimate Indian excess deaths (avoidable deaths, untimely deaths) of 592 million (1757-1837), 497 million (1837-1901) and 418 million (1901-1947), roughly 1.5 billion in total or 1.8 billion including the Native States. However after Independence the avoidable death rate dropped dramatically to circa 3.5 deaths per 1,000 of population per year by 2003 (2003 population 1,057 million), with 1950-2005 avoidable deaths from deprivation totalling about 350 million [16].

Brilliant Indian writer and activist Arundhati Roy has provided a succinct explanation for Mainstream lying by omission over appalling social realities (2004): “The ultimate privilege of the élite is not just their deluxe lifestyles, but deluxe lifestyles with a clear conscience” [17]. It must be recognized that ignoring horrendous realities and lying by omission are far, far worse than repugnant lying by commission (explicit lying) because the latter can at least be refuted and admit the possibility of public discussion [18, 19].

Demonitisation is worsening the conditions of the poor of India and will thus inevitably contribute to a worsening of the killing of “millions in a slow and non-dramatic way” that presently stands at about 4.5 million avoidable Indian deaths from deprivation each year.

Demonetisation has led to a cash shortage that disproportionately affects the poor. The poor have limited cash to buy food, farmers have limited cash to pay rural labourers to harvest food, farmers are having trouble selling harvested food, and the result is real deprivation and hunger [20]. West Bengal chief minister Mamata Banerjee has claimed (January 2017) that the demonetisation of Rs. 500 and Rs. 1000 notes (announced by Prime Minister Narendra Modi on November 8, 2016) could lead to suffering and famine for the poorest:

“The decision to demonetise the currency has led to severe hardship among the poor and the marginalised. In many areas, labour is not available to harvest the grains from the field. In other parts of the state, farmers are not able to earn money from cultivation of vegetables as demand has slowed down and people are cutting consumption... Tea sellers who used to earn Rs500 a day are now unable to find customers due to shortage of currency. This

Rs2,000-note has created more confusion and hardships for the people. This happens when the leadership loses connection with people” [21, 22].

News World India has commented on the massive move to a cashless society:

“On November 8, all Rs 500 and Rs 1,000 notes were made invalid. Was this a masterstroke by Prime Minister Narendra Modi? He must have had a noble intention behind this decision but, economic prudence can never allow that 86 percent of the money should be removed from circulation... But, what about that daily wage earner who doesn’t even know what ‘go cashless’ means. A large amount of money belonging to the poor and the uninformed lot has become invalid. It is their hard-earned savings which they are unable to convert either because they don’t have access or right information about the whole process... The so called- informal economy is collapsing for the simple reason that it thrives on cash transactions. More than 90 percent of the labour force in India is dependent on this, receiving the biggest setback of their lives. The demand has come down drastically and the small or micro enterprises have slowed down on their production. Since the labour force works on a daily wages, a loss of one-month of their pay has crippled the informal economy like never before” [23].

“The Hindu” similarly concludes that demonetisation has caused a shortage of cash (a “cash famine”) that disproportionately impacts the poor who are not part of the digital economy [24].

Physicist and outstanding Indian environmental and social analyst and activist, Dr Vandana Shiva, has excoriated this disempowerment of the poor for the benefit of the rich (January 2017):

“ As 2017 begins and we flounder in our mad rush to force all of India into a digital economy overnight... We live in times where the non-working rent collectors and speculators have emerged as the richest billionaires. Meanwhile, the hard working honest people, like farmers, workers in self-organised economies (mistakenly called unorganised and informal) are not just being pushed into deep poverty, they are, in fact, being criminalised by labelling their self-organised economic systems as “black”... Imposing the digital economy through a “cash ban” is a form of technological dictatorship, in the hands of the world’s billionaires. Economic diversity and technological pluralism are India’s strength and it is the “hard cash” that insulated India from the global market’s “dive into the red” of 2008... When I exchange Rs 100 even a 100 times it remains Rs 100. In the digital world those who control the exchange, through digital and financial networks, make money at every step of the 100 exchanges. That is the how the digital economy has created the billionaire class of one per cent, which controls the economy of the 100 per cent. The foundation of the real economy is work. Gandhi following Leo Tolstoy and John Ruskin called it “bread labour” — labour that creates bread that sustains life. Writing in Young India in 1921, he wrote: “God created man to work for his food, and said that those who ate without work were thieves” [25].

*Satya Sagar, a journalist and public health worker, has similarly commented on this massive disempowerment of the poor (January 2017):*

“ From all evidence so far it is clear, that the Scheduled Castes and Tribes, who make up a bulk of those surviving off India’s vast informal economy, are the

worst affected by the sudden disappearance of cash from the economy. Agricultural labour, construction workers, employees of micro-enterprises, the urban and rural poor – mostly from these marginalized castes- have been pushed to the brink of starvation or worse due to loss of jobs and income. The other sections, whose lives have been severely disrupted are small and medium sized farmers, who are overwhelmingly from Other Backward Castes and artisans, mostly from poorer Muslim communities...what the Narendra Modi dispensation is doing through its devious insistence on a digitalised economy – imposing on the already disadvantaged a test designed to not just make them fail but also put the blame for their misery on their own ‘ignorance’. If in the past they were actively denied knowledge of the ‘Vedas’ by the upper castes now, as they are trying to catch up, the rules of the game are either being changed abruptly or they are being priced out of the market. The most apt way to describe what is happening in India today is perhaps through a completely new term –dwijitalisation. It captures well the long-term implications of Narendra Modi’s push for a digital economy in a country that has long been ruled by the dwij – or twice born castes as the Hindu elite call themselves. Under the new rules of the dwijital economy only the dwij- at the top of the social, economic and political ladder – will climb still higher, while kicking the ladder down to ensure no one can follow” [26].

Final comments.

The Indian demonetisation is a huge shift towards a largely cash-less, digital economy that disproportionately impacts the largely digitally illiterate poor. This shift is towards a massive disempowerment of the poor for the benefit of the rich.

The top One Percent of the world own half the world’s wealth and this is clearly incompatible with one-person-one-vote democracy. India, even more blatantly so than other ostensible democracies, has become a kleptocracy, plutocracy, lobbyocracy, and corporatocracy in which Big Money in the hands of a relative few buys people, politicians, parties, policies, public perception of reality, and hence votes and more political power, with the consequences of even more private profit and private wealth that further trash democracy. Indeed India can be seen as a kind of extreme Apartheid state in which the rich One Percenters rule because the poor majority have been duped by Big Money perversion of democracy. Small wonder that nuclear terrorist, serial war criminal, racist Zionist-run, genocidally racist and democracy-by-genocide Apartheid Israel has successfully courted Modi.

Poverty and disempowerment constitute a deadly deprivation in India today that is already linked to an appalling, worsening and resolutely ignored annual avoidable mortality (annual untimely deaths) of 4.5 million Indians. Demonetisation will inevitably worsen deprivation and avoidable death. However the very callousness, wealth transfer, disempowerment and inequity implicit in Modi’s demonetisation may prove to be just too much to bear and hence lead to the downfall of the neoliberal One Percenters running kleptocracy India.

The currently dominant neoliberal economic model involves maximizing the freedom of the smart and advantaged to exploit the natural and human resources of the world for private profit, with an asserted trickle-down of some benefit to the poor. The clear, humane alternative to neoliberalism is social humanism (socialism, democratic socialism, ecosocialism, the welfare state) that seeks via evolving social contracts to maximize human happiness, opportunity and dignity for everyone [27, 28]. Yet, as demonstrated by the injustice of demonetisation, India is firmly in the hands of the neoliberal One Percenters.

Indeed democracy is fundamentally the expression of the will of the people and one would reasonably suppose that a fundamental desire of virtually all people would be minimization of avoidable deaths from deprivation, especially for themselves and their loved ones. The annual avoidable deaths of 4.5 million Indians is testament to the utter perversion of fundamental democracy by the rich One Percenters.

The sheer callousness of the Modi-led One Percenter demonetisation will hopefully induce national clarity in which humane Indians will reject neoliberal greed, corruption, inhumanity and inequity, and demand realization of the social humanist decencies for all promised at Independence nearly 70 years ago.

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