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Demonetisation is for losers, says economist Steve H Hanke

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Criticising India's decision to scrap high value currency notes, noted American economist Steve H Hanke has said demonetisation is for 'losers' and even Prime Minister Narendra Modi does not know where the country is heading now.

"Demonetisation is for losers and has been bungled from the start. No one, not even Modi, knows where India is heading," Hanke, an American applied economist at the Johns Hopkins University in Baltimore, Maryland, said in a tweet.

A Senior Fellow and Director of the Troubled Currencies Project at the Cato Institute in Washington, Hanke had earlier said that "India simply does not have the infrastructure to adapt to Modi's demonetisation...He should have known."

Prime Minister Narendra Modi on November 8 had announced demonetisation of Rs 1,000 and Rs 500 notes in a major assault on black money, fake currency and corruption.

The Economic Survey for 2016-17 had said, "demonetisation will have significant implications for GDP, reducing 2016-17 growth by 0.25 to 0.50 percentage points compared to the baseline of 7 per cent."