

## Catalyst's Malick, unhappy with report on US influence on India's demonetisation, hits back with false claim

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[On rediff](#), one of India's most popular news-sites, Badal Malick, CEO of the US-Indian anti-cash-organization *Catalyst*, explains via a friendly journalist, what *Catalyst* is doing and that my writing on *Catalyst* and on Washington's meddling in the fight against cash in India was bogus. He did not convince me. Maybe he will convince you.

To very briefly summarize my piece "[A Well-Kept Open Secret: Washington Is Behind India's Brutal Demonetisation Project](#)" (augmented [here](#) or both in a consolidated version on [zero hedge](#)), I had written that the longstanding US influence, notably the influence of the Better Than Cash Alliance, in the fight against cash in India has been conspicuously absent in the discussion about the sudden demonetization that Premier Modi decreed on 8 November 2016. I have then provided the evidence of this US involvement, including the launch of *Catalyst* less than four weeks before the demonetization. The *rediff*-article even mentions that *Catalyst* was launched at a conference in Delhi hosted by the ... drumrolls ... Better Than Cash Alliance.

This is the part of the *rediff*-article that deals with my writing:

*"Even as Catalyst was taking its baby steps, the payments industry went on full throttle with the sudden decision by the government to [cancel legal tender of large denomination notes](#). Khandelwal of CAIT, who had been hard selling the concept to the merchant community, summarises the impact, "Digital payments have become a fashion statement these days. But, when we were holding workshops between 2014 and November 8, 2016, hardly any one turned up." For Malick and Catalyst, it was a double-edged sword. While the move made their task lighter in some ways, they got dragged into a controversy after Norbert Häring, a German journalist writing for a Montreal-based think tank, linked, among other things, Malick's "10x increase" remark in October to the demonetisation decision that came a month later. In an article titled, 'A Well-Kept Open Secret: Washington Is Behind India's Brutal Demonetisation Project', Häring suggested that the seeds of India becoming a laboratory for the global digital push were sown in a meeting between US President Barack Obama and Prime Minister Modi two years ago. While the article went viral on social media, not many in the sector buy this theory. Sharad Sharma of iSPIRT said the movement of cashless India is several years old and predates Obama's visit to India. For example, the application programming interfaces for Unified Payments Interface were issued by National Payments Corporation of India in 2014. Malick says the article was baseless. "I was grossly misquoted. Neither I nor USAID were reached out to."*

Malick does not say what it is I grossly misquoted. There are three quotes of his in my piece. The first is taken from the [press statement](#) of USAID and reads:

*„Catalyst's mission is to solve multiple coordination problems that have blocked the penetration of digital payments among merchants and low-income consumers. We look forward to creating a sustainable and replicable model. (...)"*

The second and third are taken from [The Economic Times](#) and say:

*"While there has been (...) a concerted push for digital payments by the government, there is still a last mile gap when it comes to merchant acceptance and coordination issues. We want to bring a holistic ecosystem approach to these problems."*

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and

*"The goal is to take one city and increase the digital payments 10x in six to 12 months."*

You can read for yourself that the quotes are there. Mr. Malick should kindly explain on what basis he accuses me of "grossly" misquoting him.

Note that I am not writing for a Montreal-based think tank. [Global Research](#) simply republished the piece from my blog, which I am running in a personal capacity. Sharad Sharma denies something that I have not claimed, nor suggested, namely "that the seeds of India becoming a laboratory for the global digital push were sown in a meeting between US President Barack Obama and Prime Minister Modi two years ago." As Sharma correctly states, the drive against cash in India dates back further - and so does the involvement of the US. As I explain in [my follow-up piece](#) to the first one, the Better Than Cash Foundation, bankrolled by USAID and the Gates Foundation and including Visa and Mastercard among its members, was founded in 2012. In 2013, when Raghuram Rajan from Chicago took over at the helm of the Reserve Bank of India, one of the first things he did was to establish a commission on financial inclusion through new technologies headed by Nachiket Mor, who is now head of .... drumrolls ... the Bill and Melinda Gates Foundation India. Since 2013 there have been several reports by US institutions on digitalization of finance in India, written with input from the Better Than Cash Alliance. One of the latest ones, by [Boston Consulting Group and Google](#) with "guidance" from Visa and the National Payments Corporation of India among other commercially interested parties, was presented in Juli 2016. It is notable for leaving out all the usual euphemistic talk about financial inclusion and talks instead of India as a "\$500 bn pot of gold" and of what has to be done to "grab" it. It rather bluntly orders the Indian government to do this, that and such to help with the grab. A month later, the Indian government sets up a (Watal) committee to make suggestions and the committee suggests almost exactly this, that and such.

All this chimes very well with a recent Washington whitepaper on a "[Framework for FinTech](#)" in which it is clearly stated that US payment services companies are global leaders, and that this should not be taken for granted. The global leader with its very large export surplus in payment services can expect to grab a big part of the pot of gold, if cash is put out.

I will write more about this soon the BCG/Google-report, the whitepaper and the committee as soon as I get to it. Stay tuned. [17.1.2017]

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**Abut the author:** Dr. Norbert Haering is a German business journalist and blogger. His best-selling book on "Abolishing cash and the consequences" was published in 2016 by Bastei-Luebbe (in German). [More ...](#)