

Cashless Economy and Sustainable Development in India

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ABSTRACT

This study shows that the introduction of a cashless economy in India can be seen as a step in the right direction. It helps in the growth and development of the Indian economy. The digital India program is a flagship program of the Government of India with the vision to transform India into a digitally empowered society and knowledge economy.

"Faceless, paperless, cashless" is one of the professed roles of digital India. The cashless economy will help in curbing black money, counterfeit's fake currency, fighting against terrorism, reduce cash related robbery helps in improving growth of our country. The demonetisation announcement in 2016 is a revolutionary move towards the cashless economy and Sustainable development. The study also helps in determining the factors which influence the people to switch from cash towards cashless payments and what are the challenges and benefits people avail while using any digital mode of payment.

Keywords: Black money, Cashless Economy, Digital India, Faceless, Paperless, Terrorism.

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INTRODUCTION

A cashless society is not a newly found phenomenon. Decades back India great for it with plastic cards the world wide Trend is to relegate cash transaction and India is not an island Indian government has been facilitating this trend with many schemes and retro measures. To weed out black money and corruption from public life government has been leveraging the digital transaction ecosystem. By December 2017, all government Agencies would adopt a digital way of transacting to ensure inclusive growth.

Digital India consists of three core components of the creation of digital infrastructure delivery of services digitally, and digital literacy. Digital India is not only transforming India but also helping to achieve the United Nations sustainable development goals agenda 2030 government's priority in 2017 is three-pronged. The first priority is to address poverty; the second is to bring in partnerships, and the third stands over industry innovation and infrastructure. The Government of India admission for digital and financial inclusion is being supported by business organization associations like the Federation of India Chambers of Commerce and Industry federation of indian chambers of commerce & industry (FICCI).

Digital India is giving first to affordable devices internet access and digital literacy Minister of State Ministry Law and Justice Electronics and Information

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Technology points out at the last two years showing a three-fold increase in the number of transactions and government is aiming to connect 90% of India with Internet Services the combination of Aadhaar with Jan-Dhan and access to finance is providing people-friendly. This increases the number of Aadhar cards from 1.8 times since 2014 to 1110 million now.

Digital-first budget of 10,000 crores have been declared as investment outlay for Bharat Net Program to ensure that the backend network is transaction-ready Government of India emphasizes that digital economy is critical for India to make government services and welfare benefits accessible to remote areas of the country seamlessly and to provide last-mile connectivity Infra-flung areas.

'Digital Saksharta Abhiyan' initiated with the vision to make at least one person in every family digitally literate with digital literacy skills by 2020 and provide

digital literacy to 6 crore rural households, including Anganwadi and ASHA workers and authorized ration dealers across the country. To take the benefit of digital India to every corner of country Avast network of more than 25 lakh common service centers have been created, this has developed digital entrepreneurs among poor, marginalized Dalits and women of India.

Reducing the Indian economy's dependence on cash is desirable for a variety of reasons. India has one of the highest cash to gross domestic product (GDP) ratios and lubricating economic activities with the paper cost. The government on its path is working at various levels to reduce the dependence on cash opening bank accounts for the unbanked under the adoption of direct benefit transfer is part of the overall idea to reduce the usage of cash and increase transparency. The shortage of cash has also significantly increased the use of digital modes of payments; the actual shift will only be visible after the cash crunch eases. Reserve Bank of India (RBI) has also issued a license to open new-age small finance banks and payment banks, which are expected to give a push to financial inclusions and bring innovative banking solutions interface by National Payments Corporation of India makes digital transactions as simple as sending a text message.

Objectives

The objective of this study is:-

- To identify the various challenges faced by Indians while moving towards cashless.
- To analyze the status of 'cashless layout' in rural and urban areas.

Methods

To find out the effects of the cashless transactions and its impact on Indian economy primary and secondary methods are used.

RESEARCH METHODOLOGY

This study is based on qualitative research method because, qualitative research is characterized by its names, which relates to understanding some aspect of social life and its methods, which generate words rather than numbers as data for analysis additional. It seeks to understand a given research problem or topic from the perspective of the local population qualitative research, especially effective in obtaining cultural-specific information about the values opinions behavior and social context of particular populations. Some sort of secondary data has been used in this research that was

extracted from various sources journal books, e-books, report, etc.

The data for this study was collected through an interview session research population for this study was all the resident of city Lucknow with the sample size of 42 respondents. Convenience sampling was used to determine a respondent from both Urban and Rural regions, which include all sections of the society that a student, businessmen, academicians, and service class. Open-ended questions were asked regarding the challenges they face while going cashless.

FINDINGS

Many benefits are related directly to the Indian economy these are

The cost of printing money printing notes is a costly affair, and it is the direct cost that affects the bank (RBI). It can be reduced by using cashless transactions more.

Maintenance cost another important aspect is the maintenance in the form of storage of notes and devices for the detection of counterfeit notes. The other major aspect of the maintenance is that the distribution of money through ATM machines at different locations.

Eradication of corruption going cashless is going to eradicate the corruption to some extent. The direct transaction will be simple, easy, and transparent, which in turn will show in the accounts of the senders and the receivers. This is again going to save enough money in the economy of the country.

Wipe away the black money from the market; it has been observed that many business people start evading the real money. This practice has created a very big problem of loss of tax to the exchequer.

Installation of a formal and pure form of economy has been observed that a cashless economy leads to the start of the proper formal and functional economy in the country. When all the transactions are made properly clear, clean, and taxed, it maybe leads the country towards the development.

Stop leakages cashless economy is the best and one of the few ways in the system to stop leakages of the money by the officials of the government while distribution money to the beneficiary.

Decrease the cost of cashless commodity economy aims at reducing the cost of the commodities by setting aside the black market and the proper deposit of the tax all this leads to the development of the system where one can find the cost of the commodity going down in the market.

CHALLENGES

It is very important to see the fact that most of the situations and circumstances have posed bit challenges to the government the major challenges that are there to establish the cashless economy:-

Financial inclusion if we see the present situation of the people having bank accounts, we can see that only sixty percent of the country's population has bank accounts.

Lack of infrastructure In India, there are many areas where the bank is still a distant dream. The remote areas are still not having the banks at their doorstep. People have to move to distant places to have their money transactions in the banks.

Lack of education people living in remote villages and areas of the country has still not educated and half an hour not able to operate the banking services effectively. Illiterate people with bank accounts in the country are not even good enough to fill in the blank forms to deposit and withdrawal money.

Consumer awareness is missing consumers who are not aware of the different aspects of cashless transactions.

CONCLUSION

If a look at the overall summary of establishing the cashless economy, its benefits, and the uses in the present system, it can be said that the cashless economy is the need of the hour. It has become not only important but necessary for the country to go cashless for the systematic development in the economy. This is to be

done in a very systematic way. Some of the initiatives that should be taken are:

- People should be educated adequately. The use of cards in the ATM should be described to the people so that they can easily use the card.
- Proper infrastructure should be developed in remote areas so that this facility should be taken to the rural and remote India.
- People should be made aware so that they can utilize their money effectively through cashless means buyers and sellers; both should be made aware of the benefits of the cashless transactions.

By following some of the points, it can send what we can effectively implement the cashless transactions in the country. It will be better to say that India, at this point, has to go for less cash easy economy rather than the cashless economy; the continuous March towards less-cash economy will lead to a cashless economy in the country.

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