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Dr. Anand Kumar

Research Supervisor, Shri
Venkateshwara University,
Venkateshwara Nagar, Gajraula,
Uttar Pradesh, India

A study rising cashless India: Benefits and challenges

Arun Chauhan

Abstract

This paper studied the views of people on introduction of cashless economy in India. The study was conducted in Baghpat region and data was collected with the help of structured questionnaire and analyzed using percentage method, responses from respondents shows that cashless economy with help in curbing black money, reduce cash related robbery, helps in improving economic growth of our country.

The challenges that can hinder the implementation of the policy are cybercrime, high illiteracy rate, attitude of people, lack of transparency and efficiency in digital payment system. The study shows that the introduction of cashless economy in India can be seen as a step in right direction. It helps in growth and development of economy in India.

Keywords: Cashless economy, digital payment, government initiatives, corruption

Introduction

Cashless Economy - With the help of technology, you do every transaction. There is no need to exchange cash. Credit / debit card as well as features like internet banking, mobile banking, and digital wallet can be counted in it. With these facilities, in today's date; you can transfer online money from your mobile to any other person sitting in any other corner of the world. It has seen a lot of momentum in the last few years in India because when the note was closed, the main objective of the government was to make the country's economy cashless by increasing the online payment which come a new method of transaction. Digital Payments After this, many big companies and especially startups started making new apps for online payments.

Some Best Money Transfer Apps in India

- BHIM App
- Paytm
- Phone Pe
- Google Pay
- JIO Money
- Pay Pal
- Mobikwik

Government Initiatives

Service Tax: Waiver of service tax at 15% on digital transactions up to 2000.

Fuel: 0.75% discount on digital purchase of fuel through credit/debit cards, e-wallets or mobile wallets.

Highway Toll: 10% discount on NH toll payment via RFD.

Rupay: Kisan credit card holders to get Rupay Kisan Cards.

Rail Tickets: 0.5% discount on monthly and seasonal railway tickets from 1 January 2017. Online rail tickets buyers get up to 10 lakh free accident insurance too.

Insurance: 10% discount by government general insurance or premium paid online via their portals. 8% discount on new LIC policies bought online via its site. POS: Rs 100 a month is the maximum rent that PSU banks can charge for POS terminals.

Rail Catering: 5% discount on digital payments for railway catering, accommodation, retiring rooms etc.

Corresponding Author:

Dr. Anand Kumar

Research Supervisor, Shri
Venkateshwara University,
Venkateshwara Nagar, Gajraula,
Uttar Pradesh, India

The Government of India started the Digital India program in the year 2015 with the objective of transforming India into a digitally empowered society and knowledge-based economy. It is a comprehensive and comprehensive program implemented by all the state governments and the Department of Electronics and Information Technology is its convener.

Objectives of digital India program

- Government reforms through e-governance technology
- Public Internet Connection Program
- Universal access to broadband highways mobile connectivity
- Electronic supply of e-revolution services
- for employment
- Early Harvest Program

Electronics Production the goal of grosses zero imports the fundamental basis of the goals of Digital India is the communication industry of the country which is not only connected with the people but also generates employment. It has become a tool for knowledge. Also contributes to the treasury, expanding economic growth and financial inclusion.

Digital India and economy

- To make India a trillion-dollar digital economy, several other policies are being introduced, including changes in electronics manufacturing and data protection policy.
- The digital economy is being encouraged by the government since demonetization. In this sequence, missions like Digital India e-governance are being implemented in the country at a rapid pace.
- Currently, with maximum contribution from IT / ITES sector (350 billion dollars) and electronics sector (300 billion dollars), the Indian economy could become a digital economy of '1' trillion dollars by 2025.

Cashless Profit

Increase in tax collection:

Due to the problem of black money and corruption, the government is unable to collect income tax. When information about income expenditure of the people goes online, the government can achieve success in increasing revenue.

Reduction in corruption

Cashless economy can reduce corruption; statistics show that in countries which have adopted cashless economy, corruption is very less.

Quick payments

Due to the cashless economy, quick payments can be made. Farmers, artisans and small businesses can easily pay. Economic inclusion: In a cashless economy, the government can monitor minimum wage laws. Where there is no banking facility. There you can easily pay through e-payment and mobile banking. Funds of welfare schemes can be directly transferred to people's accounts.

Challenges to be faced

In the cashless economy, the front work that needs to be done is definitely online security -Clone a card, stealing money from a pin
Frauds like getting a transaction done without your knowledge by credit card are now outdated. In many places,

along with fishing hacking, there are cases of bulk data theft, threats like ransom ware, data leaks from call centers, in 2009, a news came that gangs of criminals in call centers in India were raped with money Surviving In 2008, there was a credit card scam in which a total of 609 million pounds of scams were talked about. Then in 2012, there was a breach in one crore credit card accounts, about which a detailed investigation was done by the credit card company Master Card and Visa. Apart from this, the matter of breach of security of 32 lakh debit card related to State Bank of India was revealed. He shook everyone. From the Ministry of Finance to RBI, this fraud was seen. What is the guarantee that there will be no fraud in the future? We are still far behind in understanding the specifics of the cashless economy and making sound arrangements on it. Talking about global standards, Sweden ranks first in the case of cashless economy. There was a decrease in robbery in banks, according to the figures, 110 looted in 2008, while in 2011 only 16 are significant, this figure is the lowest in 30 years. But the other aspect of it is that there has been an increase in cybercrime here.

According to the Swedish National Council for Crime Prevention, cyber bank fraud increased rapidly and reached 20000 in 2011 where as in 2000 it was only 3304. The question arises that in a country like India, along with technology, is our preparation legally sufficient to be aware of justice and injustice. Cyber Experts clearly believe that Indian law is not sufficient for the dangers of ransom ware. While the risk of ransom ware is increasing rapidly in India. It is worth mentioning that under Range ware, people are asked to pay money to open computers by encrypting them. In India, this danger is increasing faster than other countries because there is no concrete for their prevention. In such cases, the accused gets bail easily. Legal experts say that Section 66, 66A, 66C and 66D of the IT Act is for dealing with phishing, fake e-mail links and frauds but under this the police cannot take the culprit into custody and data security in our country There is no concrete law for this, so we also have a lack of privacy law, so that at least during e-transactions, customers can be assured that they are safe. This matter has required a lot to be done.

Internet speed

Users need good speed internet for cashless transaction, but internet condition in India is going to take a long time to be satisfactory. In such a situation, it is included in the daily routine of session time out, payment failure, Internet disconnected network error and OTP. At such a time the POS machine stops working and in such a situation you do not have cash. If high-speed internet becomes available in every region of India, it will not take long for positive changes in the situation.

Research methodology

The study is conducted to obtain data on introduction of cashless economy in India. The study is conducted in Baghpat. A sample size of 100 was selected using the convenience sampling procedure out of which 82 copies were retrieved in usable form. This represents a response rate 82%. The sample includes both Literate and illiterate population since then is the ones who give their view on introduction of cashless economy and use of digital payment methods. Survey method is used for collecting data with the help of questionnaire.

Data analysis and interpretation

Table 1: Knowledge of cashless policy to users

I have heard about India's cashless economy	Strongly agree	32	39.02
	Agree	40	48.79
	Undecided	3	3.65
	Disagree	5	6.09
	Strongly Disagree	1	1.21
	Missing	1	1.21
	Total	82	100
Cashless economy should be introduced in India	Strongly agree	28	34.15
	Agree	28	34.15
	Undecided	12	14.64
	Disagree	10	12.19
	Strongly Disagree	3	3.66
	Missing	1	1.22
	Total	82	100

Above table shows that there is a high degree of awareness among the population about 87.8% of the respondents are aware at cashless economy in India. The study considered academic community which means; by all standards they are expected to be fairly aware of the happenings in the society few respondents however show a strong dislike for the cashless economy. While 68.30% of the respondents prefer that cashless economy should be introduced in India.

Table 2: Below table presents the perceived benefits of the cashless economy.

It would reduce risk of fake currency	Strongly agree	30	36.58
	Agree	31	37.80
	Undecided	10	12.20
	Disagree	5	6.10
	Strongly Disagree	5	6.10
	Missing	1	1.22
	Total	82	100
It would prevent money laundering	Strongly agree	25	30.48
	Agree	28	34.20
	Undecided	10	12.20
	Disagree	18	9.80
	Strongly Disagree	10	12.20
	Missing	1	1.22
	Total	82	100
It can reduce corruption	Strongly agree	13	15.90
	Agree	23	28.04
	Undecided	17	20.75
	Disagree	16	19.51
	Strongly Disagree	12	14.63
	Missing	1	1.22
	Total	82	100
It can stimulate economic growth	Strongly agree	15	18.30
	Agree	29	35.36
	Undecided	25	30.48
	Disagree	8	9.75
	Strongly Disagree	3	3.65
	Missing	2	2.44
	Total	82	100

Above table shows that 74.38% of the respondents believe that the most significant benefit of the cashless economy is reducing the risk of fake currency. In the sprite 64.68% of the respondents believe that the cashless economy will help to fight against money laundering as the money flowing through the system can easily be traced 43.94% of the respondents believe that it contribute towards reducing corruption. Another benefit is that it will stimulate economic growth as money hidden in other illegitimate area will now be freed up

53.66% believe that efficient and modern payment system is positively correlated with the economic development and economic growth of country.

Table 3: Below table presents perceived challenges with the cashless economy

Cybercrime	Strongly agree	17	20.73
	Agree	36	43.91
	Undecided	16	19.52
	Disagree	10	12.20
	Strongly Disagree	2	2.44
	Missing	1	1.21
	Total	82	100
The literacy required	Strongly agree	18	21.95
	Agree	32	39.03
	Undecided	23	28.05
	Disagree	4	4.88
	Strongly Disagree	3	3.69
	Missing	1	2.44
	Total	82	100
Transparency and Efficiency	Strongly agree	25	30.48
	Agree	24	29.27
	Undecided	15	18.30
	Disagree	14	17.08
	Strongly Disagree	4	4.88
	Total	82	100
	Increase in internet fraud	Strongly agree	22
Agree		28	34.15
Undecided		19	23.7
Disagree		10	12.19
Strongly Disagree		3	3.66
Total		82	100

Above table shows that there is some problem which respondents are facing to come with the cashless economy. Increase number of cybercrime, 64.64% believe that cybercrime will hinder the free implementation of cashless economy 60.98% population are literate they easily operate digital payment system operate mobile phones, which will ultimately increase the users of the digital payment methods 59.75% at the respondents believe that lack of transparency and efficiency in payment system internet fraud is the problem to be tackled in the cashless economy as 60.98% at the respondents see exposure to fraud activities as a problem.

Conclusion

The concept of cashless or cashless economy for transactions is a part of the Digital India program. Its vision is focused on transforming India into a society that is digitally capable and where many powerful methods of cashless transactions have developed. As a result India is poised to become completely cashless or cashless in the near future through digital mediums like mobile wallets, pre-paid bank cards, UPI, USSD, internet banking, etc.

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