

CASHLESS INDIA: A STEP TOWARDS ECONOMIC REFORM

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ABSTRACT

This paper consist of the impact of cashless payment system in India that how cashless system is required for economic reform. This study summarizes the concepts and consequences, its problems and prospects of cashless system. Some objectives like its feasibility, future prospects and awareness are considered for better result. A structured questionnaire was prepared for data collection with the help of 100 sample size and it comprises data interpretation with the result that it is feasible up to some extent for economic reform.

Keywords: - consequences, POS Terminal, stakeholders,

INTRODUCTION

“An economy where all the transactions are carried out without using cash is known as cashless economy”. In this modern civilized age where innovation play’s magnificent role in each and every sectors like production, transportation, education, defense, and many more for the purpose of national and as well as societal development where there is a need to become a global economy, online transactions plays a vital role for conversion of Indian market into global market. In the past decades, uses of debit and ATM card have increases for only withdrawal of currency from ATM and only 5% transactions were carried out digitally. According to Pradeep H. Tawde (2017), we are the fourth largest economy using cash and it contributes around 12% of GDP in India. Less banking habits due to the lower literacy rate, insecurity, poor connectivity, lack of proper digital infrastructure etc are some of the basic hurdles of cashless economy. RBI, ministry of finance and other policy makers are supposed to develop various strategies for promotion and as well as strict provisions of digital and cashless payment method in some specific sector. Among all, retail sector generates largest number of employment in India and number of cases related to tax evasion was caught from retailers just because of cash transaction According to Dr. Mrs Asha Sharma (2017), retailers from unorganized sector generally don’t accept debit and credit cards due to deficiency of proper digital infrastructure for transaction. Generally jewelry merchant and gold traders approach to their customers to go with cash against debit card or online transaction to save 2 or 3% extra service charge. Customers are uncomfortable some times and having less faith is also one of the basic reasons to avoid cashless or digital transactions. The provisions should develop by the government which reduces extra service charge and offer cash back facilities for the customers specially to adopt cashless method. The benefits of cashless transaction are never considered by the peoples before and it’s a common perception that lots of risk associated with cashless transaction but the scenario has change, the new era of fast moving economy consider number of benefits associated with cashless transaction like avoidance of carrying large amount of cash, unaccounted income can be avoided due to tax evasion, transparency in the transaction, printing and floatation cost of currency should be reduce and so many hidden benefits are also over there. In the tribal state like Chhattisgarh, where limited regions are capable to avail the services regarding cashless transaction with proper financial infrastructure and rest of the areas are still consider as an under developed with limited technological scope, hopeless literacy level, number of banks accounts are limited and peoples are still struggling for their survival and lots of basic problems are confronted by the peoples which strongly proves that the prospects of conversion of cashless are limited.

CONCEPTS AND CONSEQUENCES

The concepts of cashless means minimum utilization of cash. A society where all the bills and payments are made by electronic money media. Where debit and credit cards, POS terminal, swipe machine, mobile wallets are used instead of cash. Currency option is getting old in modern revolutionary age. Upcoming generation find more digital as compared to the past. This paper enlighten the technological age which is directly associated with the youth and they find more comfortable themselves with electronic payment system. Convenience, comfort and security are the first priority which forcefully drives the society in order to convert cashless. This paper consist the benefits of modern techno-friendly circumstances which are driven by various digital instruments like debit and credit cards, POS Terminal, smart cards, arrivals of smart phones with 3g-4g network, electronic cash etc. conversion of overall society into cashless is an emerging trend which explore the sustainable financial stability, effective utilization of monetary resources which is helpful for the government in order to development of the whole society, construction of highway's, cannels, dams, infrastructure development, etc. government should also capable to provide better educational and employment facilities. Through cashless system, government collect huge amount by direct and indirect tax which drives the facilities of financial inclusion and improves per capita income. It also helps to reduce inflation rate. GDP and revenues will definitely be upgraded when services and production flows at their proper manner. Defense will be strong and problems of fake currency should reduce.

PROBLEMS AND PROSPECTS

The main aspects of E-Commerce and cashless society is whether the benefits would be greater than drawback, government suppose to highlight the benefits rather than drawbacks when it is important to become cashless society. The main issue is to remove monetary crimes and establishment of financial stability. When there is a need of sustainable development, financial resources should be utilized properly. Cashless circumstances should only be developing by government and it requires proper monitoring because the major drawback of cashless society consist privacy issue and hackers. Peoples every time afraid about financial fraud and uncomfortable as they perceive that their financial data should not be leaked and they perceived that their confidential data should not exposed to government. Another major drawbacks of cashless society is "computer hackers", cyber cell determined some fictitious companies or imaginary financial institutions which resemble like authorized institutions, set up dummy companies, alter record, and many more. However technological advancement means hackers become more successful in making copies of financial data with magnetic strip and digital signature in order to commit fraud (Olalekan S. Akinola, 2012).

All the stakeholders are required to indulge themselves for conversion of cashless society. Financial institutions, intermediaries, corporate agents, nationalized and private banks and government agencies are required to adopt this innovative system of transaction with trust in digital currency. As the economy easily consider cashless system, all banks- large and small- must evaluate their existing technology, remove the chances of error, improves better connectivity, enhance efficiency and transparency. Proper unique identification number and facilities of biometrics should be available to the customer. Convenience and trust are the major drivers which spark innovation and enhance the quality of financial transaction which develop transactional habits through digital currency and improve the trust on E-Commerce.

OBJECTIVES OF THE STUDY

1. To find out the feasibility and future prospects of cashless transaction system in retail sectors of Chhattisgarh.
2. To educate the retailers about the benefits of cashless transaction system in their business.

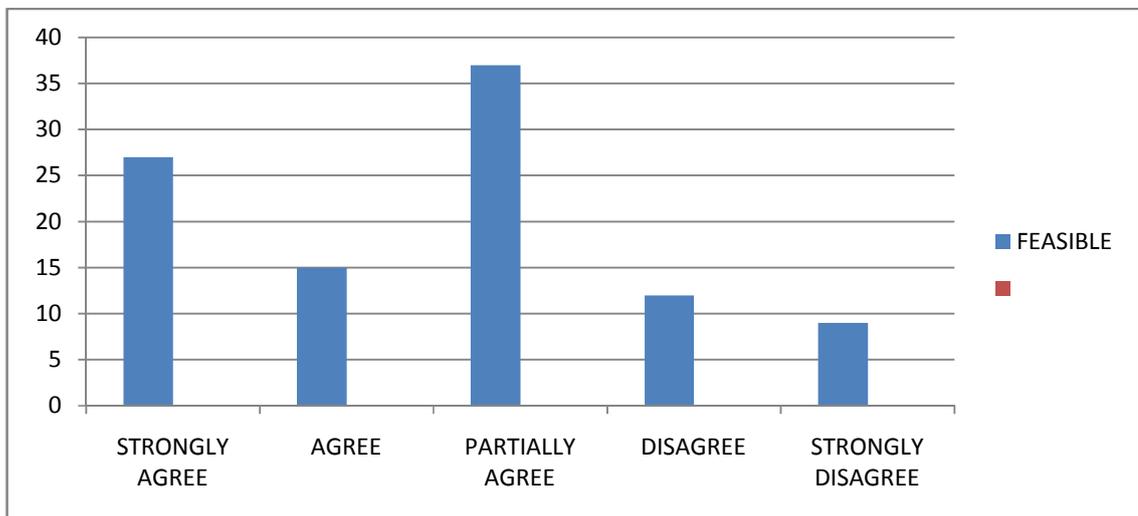
METHODOLOGY

- a. **Population:** - we have decided to study the steps towards economic reform of cashless transactions of retail outlets, especially from tribal areas, hence people visiting retail outlets for purchasing constitutes population for this study.
- b. **Sampling Design:-**
 - (a) **Sampling Design:** - As the size of actual population is unknown, thus we have decided to adopt non-probability sampling technique for this research. We are going to consider the existing five zones formulated by government of Chhattisgarh as quotas and equal amount of data will be collected from each quota.
 - (b) **Sampling Technique:** - To get easy access to the desired amount of responses, we have decided to adopt convenience sampling method for collecting the data.
 - (c) **Sample Size:** - A sample of 100 respondents will be considered as sample size for this research. Out of 100, 50 respondents are from organized retail sectors and 50 respondents from unorganized retail sectors.
- c. **Research Instrument:** - Structured questionnaire
- d. **Sources of Data:** - Primary data will be collected with the help of structured questionnaire through survey. Secondary data will be collected from books, online and published journals, research papers etc.

DATA ANALYSIS AND INTERPRETATION

Do you think that the cashless system becomes absolute in order to societal development?

	STRONGLY AGREE	AGREE	PARTIALLY AGREE	DISAGREE	STRONGLY DISAGREE
FEASIBLE	27	15	37	12	9



Out of 100 respondents, 37 % respondents are partially agree that cashless system becomes absolute for societal development, 27% and 15% are strongly agree and agree and rest of the others are disagree and strongly disagree

RESULTS

This research intended to collect the information about the impact of cashless system in the tribal state like Chhattisgarh and the problem confronted to the public specially retailers from retail sectors. It is expected that retailers harassed up to some extent due to the demonetization policy of the central government, but later on they will consider the benefits of cashless transaction system and prevention of risk association with take remedial action, precaution and they will become familiar of uses of cashless transaction system. Due to the lack of informational resources where still huge population doesn't have their bank account and limited number of debit and credit card holders and consumers are still perceived plastic money as an unfaithful mode of transaction. This research paper identifies the various factors which stop a consumer to not take part in cashless transaction as they perceive several risks with it. By identifying these perceived risk and factors, this research suggests retailers to take effective security measures which make consumers feel secure financially. It is a difficult task to adopt cashless payment system everywhere in the state but the scenario is going to be change and retailers will definitely accept cashless transaction system without any hesitation and taking their steps towards cash to cashless economy.

CONCLUSION

In the tribal state like Chhattisgarh, study about cashless economy is rarely conducted just because of limited scope and circumferences. A wide variety of informational resources regarding cashless transaction are usually insufficient as compared to other states due to the lack of multinational companies, limited scope of information technological circumstances, least number of organized retail sectors, or sectors which could not support and encourage cashless payment system. On the basis of above discussion, it found that currency demonetization is treated as surgical strike on behalf of the treatment and development of entire economy. It usually a tool for prevention of economic disease like corruption, mobilization of unaccounted income through process of removing a currency from general usage or circulation which simultaneously support cashless payment system, reduction of printing, distribution and floatation cost of money, provide freedom to the public to avoid bank or ATM queue, apart from ATM withdrawal different methods and uses of debit and credit cards, internet banking, swipe machine etc. It is a revolutionary step taken by the government although it is difficult to promote in the tribal states like Chhattisgarh where the population are basically unaware and lower literacy rate surrounds over there. These are some hurdles which interrupts Chhattisgarh to become cashless from cash and the basic objectives of this research is to find out the choice of the peoples about consequences of cashless transaction.

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