

DEMONETISATION

A CASHLESS ECONOMY – A REALITY

BY- AKANSHA SINGH

REMEMBER REMEMBER, THIS CASHLESS NOVEMBER.....

THIS HAIR BRAINED POLICY THAT HURT WITHOUT MERCY.....

By the time you read this, the 50 days pain would have ended or more subsided .Cash is like water a basic necessity without which survival is a challenge and one of the main reason behind it is that there is nothing to compete with the flexibility of notes and coins. India continues to be driven by use of cash less than 5% of all payments which are done electronically. However, the Finance Minister in 2016, budget speech talked about the idea of cashless economy with the main aim of removing the flow of black money. In this courageous to unearth black money none other than the Prime minister of India “Mr. Narendra Modi” took a step and scrapped currency notes of Rs.500&1000 which seems to be a big step towards curbing currency. The whole process of moving a cash driven economy to a cashless economy has somehow been assorted with demonetization that was aimed to unearth the black money from the whole system.In the monthly All India Radio Program Mr. Narendra Modi in his MANN KI BAAT once mentioned the fact that –

“CASHLESS ECONOMY IS A CHALLENGING , HENCE IT HAD URGED THE PUBLIC TO MOVE TOWARDS THE LESS CASH SOCIETY”

Not only this but his words while taking this big decision influenced the whole economy and those words are.....

“A CASHLESS ECONOMY IS SECURE.IT IS CLEAN .YOU HAVE A LEADERSHIP ROLE TO PLAY IN TAKING INDIA TOWARDS AN INCREASINGLY DIGITAL ECONOMY”

This step was literally very difficult but a big change in the whole economy. Though it created a big problem but had made a big conclusion in which many political leaders and big-big businessmen were arrested for the black money which they have in their own accounts.

In this present era, digital transactions or cashless payment is something which will continue to be introduced .But the Indians need to know about the risk involved in electronic payment instruments which are to be used carefully.

A Report by GOOGLE INDIA revealed that last year around 75% of transactions were cash based compared to any other developing countries it was 20% to 25% . There is a big challenge for India to adopt this big change to go digital. The low Literacy Rate in Rural India along with infrastructure make things extremely difficult for people to adopt this e-route. The financial

safety over digital payment channels is important for pushing this idea. Currently, there is a mix of cash and cashless transactions which are done across the country, while many enablers are working towards this dream to come true in a reality. However, it will take time even more than a generation to change this habit from cash to no cash transaction. Rushing the economy into a cashless economy without any proper planning and infrastructure will be everlasting and it is a right way forward step. It is more easier and safer spending option when you are travelling. The benefits are enormous if you leave out the low income group which will face a huge challenge and for the rest of country it is constructive and simple. If all transactions are on record it will be very easy for people to keep track of their spending in of scrutiny people will find it easy to explain. Various apps and tools will help people to analyse their spending patterns and throw some good insights over a couple of years. The most finest benefit is if you go digital you will get more discounts.

This step have some aspects positive as well negative. So if the major drawbacks are seen so there is higher risk of hacking of identity theft. This risk of hacking will only grow people hop on the digital platform. Another thing is that you need to keep your phone constantly charged with the proper networking system as availability of internet connection is important. The most important need is the literacy rate.

While after observing these drawbacks there are several steps which are taken by the RBI and Government of India which will definitely help in discouraging use of cash. Though, it will take time for moving towards a complete cashless economy as efforts should be made. Therefore different trajectories need to be planned for migration to cashless economy.

Handling of demonetization was fault and yes it has left an economic scar but there is a bright spot to it.....