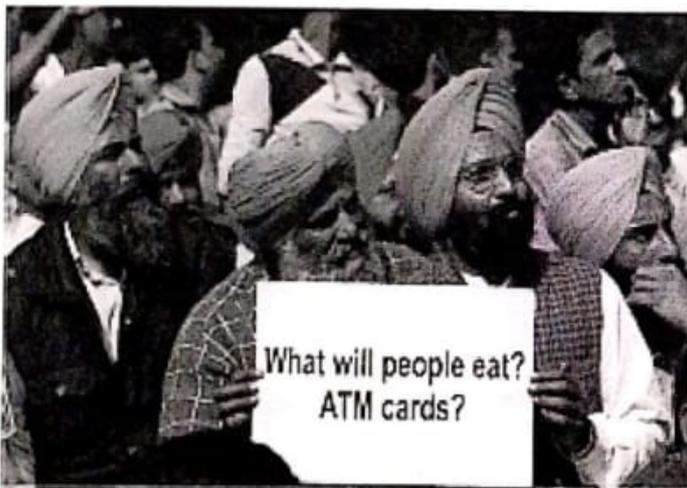


How soon can we give Cashless Society?

India has now become a society where currency notes or cash money are not used in monetary transactions. The present concept of a cashless society or country is a completely new proposal. Here cashless transactions are made with the help of digital currencies. In a truly cashless society, legal money is exchanged and recorded only in the electronic digital forms.



Source: Times of India

Potential Problems Associated With A Cashless Society

The move towards a cashless economy is heavily debated. Several points have been raised about the negative effects of cashless transactions. In a cashless country, the complete control of transactions, individual use of money, information about public monetary assets, and interest rates are with the nation state and third party providers. An individual's money is under external control and is subject to external regulations and restrictions. Negative interest rates might become applicable. Also, in a cashless society, individual transactions and incomes become accessible to legitimate parties like police or tax officials, and chances of hacking also increase.

As reported by Reserve Bank of India, this demonetization is Prime Minister Narendra Modi's attempt to reduce bribery and the black economy so that India may



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shift towards digitalized money transfers, which are more traceable and taxable. Only 2.89% of Indians filed any income taxes. Although the majority of Indian's incomes are probably below the tax threshold in the first place, there is no doubt that India's black market is huge 23.2% of the total economy. It's unsurprising that scrapping the 500 and 1,000 rupee note overnight was a huge shock to India. Nearly 87% of transactions in India use cash. The majority of new bank accounts are empty and only 15% of adults reported using their account to make or receive payments. Crucially, only 39% of account holders in India own a credit or debit card, meaning the remainder would require a bank teller to carry out each transaction. Even online shopping in India is done with cash: about 70% of online commerce is paid with cash on delivery.

India's Demonetization Is a Distraction, Not a Solution

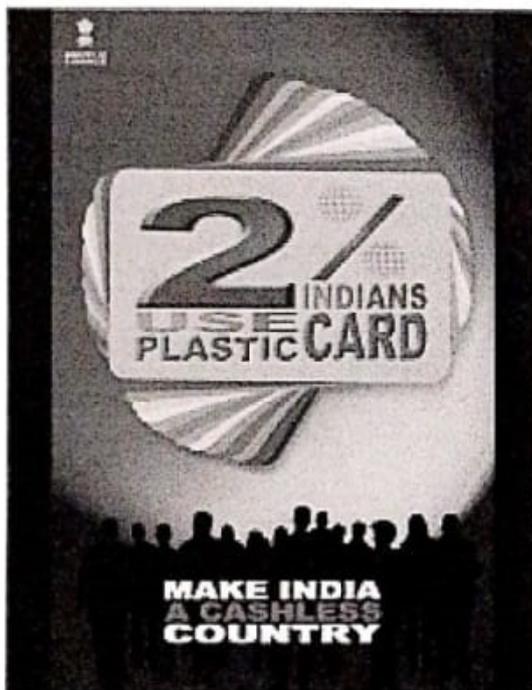
Demonetization will prevent more effective solutions. Indian Prime Minister Narendra Modi's recent demonetization initiative—whereby he unilaterally declared on November 8 that all 500 and 1,000 rupee notes would no longer be accepted as legal tender—has been the genesis of much worry in India. The initiative was heralded as an important step toward cutting off funding for terrorism, reducing corruption, eliminating black money, and accelerating India's transition towards cashless economy.

Demonetization's impacts, especially in an economy as large and complex as India's, are poorly understood. While the initiative may have long-term economic benefits, these

will likely prove to be underwhelming in comparison to Modi's high-flying vision of defeating terrorism, eradicating black money, and catapulting India into the digital century.

Do people know the benefit of transactions via card or internet? Big question remains unsolved because of unavailability of nation-wide internet connections. In remote places opening of a new bank account is a big hassle. Millions are losing their jobs from lower segments of people, every day.

Probably communication through advertising would be a great idea to reach the length and breadth of our country. This includes remote places. Advertising will motivate people to understand how to do transactions without cash.



Countries Going Cashless

The most cashless societies of the world have been enlisted below. In Belgium, France, and Canada over 90% of consumer payments are made by via cashless modes. The United Kingdom, Sweden, Australia, Netherland & U.S. also have high rates of consumers payments. (80 % and over) made via non- cashless modes. Germany and south Korea also use cashless payments as the major mode of consumers payment. The Later is the only Asian country featuring in the list of the top ten 10 cashless societies while no country from Africa or south America finds a position in the list. Only time will tell if Indian citizens also favor cashless transactions methods over cash transactions and the effect of cashless transaction on the Indian society and economy.



"This is a public sector innovation unthought-of - of in history. A cultural - economic revolution in the making!" exclaimed Monishankar Prashad, a New Delhi - Based Author and editor, About India's demonetization initiative and subsequent drive towards developing a cashless economy.

The biggest problem with India suddenly removing 86% of its currency from circulation without having an adequate supply of new notes ready to take their place is that fact that India is more reliant on cash than almost any other country on earth. Suddenly, Hundreds of millions of people were left without the means of engage economically, to buy the things they wanted and need it, and myriad businesses were left without a readily available mechanism to receive payment for their goods, to buy supplies, or pay their staff.

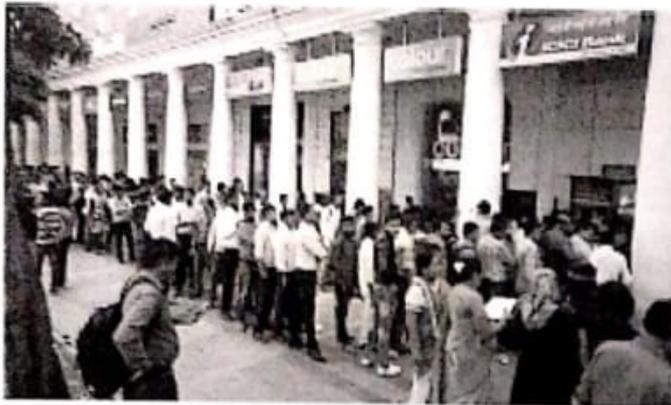
One of Modi's main brands is that of a corruption fighter, and his demonetization initiative was rushed into effect in an attempt to catch the black market of guard which could potentially lead to a big pay day for the central bank if large amount of illicit cash wasn't redeemed. That plan flopped, as almost all of the recalled notes were officially accounted for one way or another.

India was an incredibly cash- centric economy. Cash accounted for upwards of 95% of all transactions, 90% of Vendors didn't have card readers or the means of accepting electronic payments, 85% of Workers were paid in cash, and almost half of the population didn't even have bank accounts. Even Uber in India accepted cash - the Only country in the world where this option is available- and "Cash on Delivery was the preferred choice of 70 % of all online shoppers.

However, reservations about the timing of India's big cashless push at this point are irrelevant. It's happening ready or not.

India is currently in the middle of an all out movement to modernize the way things are paid for. New Bank

Accounts are been opened at a heightened rate , e- payment services are seen rapid growth, cash -on - delivery in e- commerce has crashed, and digitally- focused sectors like the online grocery business have started blooming.



Modi's note ban will go down in history as one of the biggest failures of government policy ever to have been seen in any country ever. Not only has there been immense misery and suffering for common people across the country and irreparable economic lose. but even the announced goals of this foolish plan have not been met.



PLASTIC MONEY: SIGN OF MODERNIZING ECONOMY

Money is always regard as an important medium of exchange and payment tool. Initially barter system was used as the significance mode of payment. Over the years, money has changed its form from coins to paper cash and today's it s available in formless form as electronic money or plastic card. Hence, the major change in brands which has been brought n by technology is through introduction of products which are alternative to cash or paper money. Last five years, payments by cards is now becoming a much preferred mode for making retail payments in the country (Report on trend and progress of banking in India 2006 -07, RBI). Thus, Plastic Cards are such payment tool which gives a customer an opportunity of non cash payment of goods and services and are designed to facilitate small value retail payment by offering a substitute for bank notes and coins and thus to compliment traditional payment instruments. The role of various parties involved in plastic cards payment.

I. Customers or Cardholder: The authorized person holding the card and can use it for purchase of goods and services also .

II Card issuing bank: The bank or institution which issues the card to its eligible customers.

III Merchants: Entities which sell the goods and services to the cardholder and duly agree to accept the card for payment.

Debit card is one of the best online e- payment tool through which the amount of purchase is immediately deducted from customer account and credited to merchants account provided if that much amount is available in customers account. It has overcome the delayed payment process of cheques, due to which sometime merchants have to suffer. There are currently two ways that debit cards transactions are process. 1. Online Debit (also known as PIN) 2. Offline Debit (also

- | | |
|---------------------|---------------------|
| 1. Gujarat | 16. Kerala |
| 2. Telangana | 17. Goa |
| 3. Haryana | 18. West Bengal |
| 4. Uttar Pradesh | 19. Chhattisgarh |
| 5. Himachal Pradesh | 20. Odisha |
| 6. Uttarakhand | 21. Bihar |
| 7. Punjab | 22. Madhya Pradesh |
| 8. Andhra Pradesh | 23. Nagaland |
| 9. Maharashtra | 24. Arunachal |
| 10. Rajasthan | 25. Mizoram |
| 11. Karnataka | 26. Sikkim |
| 12. Tamil Nadu | 27. Tripura |
| 13. Jharkhand | 28. Manipur |
| 14. Meghalaya | 29. Jammu & Kashmir |
| 15. Assam | |

known as signature debit) ATM cards. These cards are typically used at automatic teller machines (ATM's) to withdraw cash, make deposits funds between accounts. ATM card is used by inserting the card into an automatic teller machine and enter a personal identification number , or PIN, for security. The system checks the account for adequate funds before permitting any transaction. Purchasing Power: Credit or Debit cards made it easier to purchase things. Now, we don't have any need to carry hard cash in a large amount. Plastic money is accepted everywhere, anytime. Steps taken by the other countries towards cashless transaction: As per a recent Washington post article, in Sweden, only 3 % of transaction involve cash. Credit and Debit cards are dominant in Sweden payment system. Not only in Sweden, but in most of the developed countries, above 90% of transaction are cashless. Mobile Payments is bringing new way of cashless payment system.

Source : Master card Advisor's Measuring progress toward a cashless society

Cashless : According to Times Of India, in a country where 76% population does not have Internet coverage and just 17% people have smart- phones, it is a farce to think that people will adopt cashless payments in any significant way. Be that as it may, to force people into adopting cashless transactions by the disastrous note ban is nothing short of an open attack on the lives and rights of people. More than that, it is also a way of privatization of cash transactions and allowing private companies to make a profit every time you buy something. The govt. has thus acted only in favor of big corporations in pushing this line.

Let's see, how soon our nation can go completely cashless. At present, India is just at the bottom of the chart among the top cashless countries with only 2% cashless transaction.



Demonetization impact : Note ban plays party pooper TOP CASHLESS COUNTRIES

S NO.	COUNTRIES	CASHLESS TRANSACTIONS
1.	Singapore	61%
2.	Netherland	60%
3.	France	59%
4.	Sweden	59%
5.	Canada	57%
6.	Belgium	56%
7.	United Kingdom	52%
8.	USA	45%
9.	Australia	35%
10.	Germany	33%
11.	South Korea	29%
12.	Spain	16%
13.	Brazil	15%
14.	Japan	14%
15.	China	10%
16.	India	2%

