



Cashless Money: A Sociological Study

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Abstract:

In present day time of digitalization Indian government is attempting to foster money less economy at the spot of existing actual cash custom of India. The greatest challenge for going for cash less economy is to keep up with balance between ease of monetary exchanges and checking acts of neglect. To manages issues of dark cash, Hawala, tax evasion Indian Government has left on the credit only economy. Computerized cash began another period in Indian economy. The goal of this paper is to learn about the effect of cashless money in humans from sociological perspective and studied the advantages and disadvantages of cashless money.

Key Words: Digital Payments, Digitalization, Cashless Money, Transaction, Mobile Banking.

Introduction:

In every one of the territories of India, present demonetization endeavors on flawlessly change the Indian economy to credit only exchanges have been a continuous and broadly arising circumstance. Also, with the assistance of credit only exchanges, with the accommodation of the normal individuals and the exchange has become simpler. Also, activities including cash withdrawals are turning out to be safer than exchanges. Credit only exchanges in view of the purchasing behavior and spending example of individuals living in metropolitan and metropolitan regions, Jharkhand is gradually and step by step changing the advantages of this plan on the drive of the public authority by the commoners. So that the reason for the paper can be a finished investigation of the impression of provincial and metropolitan individuals with respect to credit only exchanges. According to the findings of this study, 55% of respondents in both the rural and urban areas of India and the state of Gujarat have begun using cashless transactions. Prior to moving to the cities, most people with higher education used cashless transactions, but now people with lower education are also doing so. As a result, training or awareness programs are gradually becoming an opportunity to organize this action throughout all of India in order to educate the rural population about cashless transactions and the significance they play in the expansion of the economy.

Importance of the research paper:

Credit only exchange is probably the main idea today, Opportunities for a credit only economy in India. The use of mobile wallets and electronic payment systems is the driving force behind about 5% of fund transactions in India. Digital transactions ensure that all financial transactions are recorded, which is one of the main advantages of free transactions. Digitization means that it is practically conceivable to manage dark currency markets, which often indicate harmful public finances. This will help to increase the estimated salary of the institution. Citizens of the county benefit from the risk of carrying banknotes and prevent the loss of hard-earned cash in a cashless economy. The time it takes to execute a transaction, make a payment and deduct transaction costs. Shopping, paying bills and scheduling financial transactions that can be managed from anywhere with a Smartphone make it easy to use a hassle-free payment method. In addition, it reduces the cost of printing and transporting banknotes.

Statement of the Problem:

The problem is that India has the second highest number of people per capita in the world. However, India's economy is one of the fastest growing in the world. As a result, the Government of India is taking steps to grow our economy. Our Honorable Prime Minister introduced the Digital India initiative to encourage adoption of technology and insists that all transactions in our country should be done digitally. Several digital payment systems have been launched to accelerate the implementation of the digital economy concept. These payment systems can affect people's living standards. Many free payment systems like e-payments, online payments like IMPS, NEFT and mobile wallets have been launched in India. The researcher's paper in this study reveals that many free payment systems have been introduced in India and have had an impact since demonetization.

Different kinds of digital payment methods in India :

- a) Cards for banks
- b) USSD
- c) AEPS or the Aadhaar Enabled Payment System
- d) UPI
- e) Portable Wallets
- f) Prepaid cards from banks
- g) Point-of-Sale (PoS)
- h) Online banking
- i) Mobile Banking
- j) Bharat Interface for Money (BHIM) app

Advantages of Cashless methods:

1) Fast:

Card payments are first and foremost three times faster than cash transactions. Timetric's report says that contactless payments only take one or two seconds while cash payments take six to seven seconds to process. While using a credit card may be quicker, what exactly does this mean for customers? Indeed, a study from ACI Speedpay saw that as 35% of shoppers would consider changing their installment strategy to have installments process quicker.

For organizations that frequently end up with robust lines, especially during busy times like driving hours, picking to go credit only will accelerate the look at process fundamentally and assist with overcoming more deals in a day to support benefits. It can eliminate queuing time and increment the opportunity of customers who're in a rush popping in to make a buy.

2) Convenient:

According to a Linnworks study, one of the most important factors in purchasing decisions is customer convenience. Spending money is now easier than ever for consumers thanks to contactless and mobile payments. By going cashless, customers don't have to look for an ATM to withdraw cash or wait in line at their bank's closest branch. It likewise implies that they don't need to stress over conveying sufficient change to make a little buy - which can all be sufficient to put them off totally.

Having a variety of payment options makes cashless transactions more accessible and inclusive, allowing businesses to reach a wider customer base. Cashless transactions encompass a wide range of different payment methods. Businesses can reach people who might not have access to traditional banking services by providing alternatives like digital wallets or mobile payment apps. This helps them reach a wider audience and retain existing customers.

3) Safe:

There are three ways cashless transactions are safer:

a) They lower the likelihood of robbery. According to the 2019 Access to Cash Review, criminals are more likely to target businesses for cash because it is harder to trace because it can't be found, there is abundant evidence that cash plays a significant role in facilitating crime.

b) They dispose of staff burglary — Exploration shows representative robbery costs UK organizations Rs.140,000 every year. Even though it's hoped you won't have to deal with it, cashless transactions remove the worry.

c) The security of card payments is constantly being improved and tightened, making them less vulnerable to fraud. With cash installments, there's generally a gamble of fake cash. For instance, 199,000 counterfeit notes totaling Rs. 4.4 million were removed from circulation in 2022.

4) More Spending:

Consumers spend up to 18% more when they use their credit card than when they use cash, as demonstrated by a Dun & Bradstreet study that is frequently cited. Why? Because if you only have a certain amount of cash in your wallet, you won't be able to spend as much as you would with a credit card.

Specialists in the field have begat this 'contact free spending', however a few examinations have even found that buyers are molded to need to spend more at only seeing a Visa logo.

5) Improvement of Accounting:

You've put in 10 to 12 hours of hard work at work, and now it's time to close up shop. However, you won't do so until you've gone through the till, which you find to be short. How do you proceed next? You must determine what went wrong.

Imagine having a simple log of every transaction instead of having to sift through the books, receipts, and paperwork to figure out why this is. When you use an epos system to process digital transactions, automated electronic records are created that can be sent directly to your accountant or seamlessly integrated into accounting software.

Going credit only makes book keeping a doddle, yet it can likewise be significantly more exact than taking care of money since you cut out the event of human blunder while passing out change. Cashless payment methods improve overall operational efficiency by reducing the need to manage cash and registers.

6) Rewarding

Customers who use credit cards to earn rewards points or cashback may be drawn to businesses that accept cashless payments. Many huge Visa organizations offer focuses plans or money refunds each time they enter or tap their card for an exchange - for instance, American Express proposals up to 5% cashback for the initial three months. This has clear advantages for the client, yet these plans can likewise assist organizations with turning out to be more productive. If they get something in return, customers may be more likely to spend, which in turn helps businesses increase sales.

Disadvantages of Cashless methods:

1. **Low Education Rate:** The low literacy rate is a major factor in a number of current problems. It is not an easy task to establish a cashless economy or digitally literate India. Electricity and water are still scarce in many locales. Therefore, computers and the internet are vastly superior. Most of the population resides in the majority of rural areas, which lack these necessities. People in these disadvantaged areas are entirely dependent on cash. If they have to rely on someone else for their online activities, they could be duped.
2. **Chances of defilement:** Notwithstanding being one of the focuses for digitizing monetary exchanges, one can't ensure wrongdoing to decline. A person offering a bribe in cash may in the future require it in the form of a mobile phone or computer system—this is all speculation.
3. **Disparity in Earnings:** Smart phones and other electronic devices may need to be purchased if the current method of payment is completely replaced by a cashless system. A smart phone is unquestionably a luxury that the poor cannot afford in a nation like India, where many people work hard to provide for their basic needs and food. Inequality will be evident in society if cashless transactions become the norm because not everyone can afford them.
4. **Crime online:** Due to global bank and private account hacking, India will need to strengthen its cyber security. A nation like India, which is still in its infancy when it comes to cyber security, might be more susceptible to these kinds of threats.
5. **Overspending:** There is no questioning reality that credit only exchanges are clearer to make just by a simple snap; Payments can be made by people. This benefit of exchanges prompts an overspending inclination, especially among the cutting edge age.
6. **Fraud with identification:** The gamble of character misrepresentation is one of the critical hindrances of the credit only economy in the Indian subcontinent. Hacking is becoming more risky as the rate of online fraud continues to rise. Not everyone is exceptionally tech-savvy or knowledgeable about all technical devices. A lot of people might lose their personal identity in the online forum of creepy lurkers while attempting to make digital transactions.

Findings:

1. Only credits exchanges help reduce block money, which means all exchanges are legal.
2. This cashless event helps people avoid carrying cash and being robbed in banks and other public places.
3. This advanced exchange helps move money efficiently from one person to another in emergency situations.
4. By using advanced exchanges, customers get benefits like discounts, gifts, offers etc...
5. In cashless transactions, people should not be physically present in the bank, stand in line or discuss unnecessarily with the banker.
6. Most of these free transactions help banks to avoid large crowds and staff pressure.

Conclusion:

After demonetization in 2016, 440 percentage points more people are using digital payment apps in our country every day. According to Reserve Bank of India (RBI) and National Payments Corporation of India (NPCI), cashless transactions were more prevalent through traditional channels such as NEFT, mobile wallets, mobile banking, BHIM, bank cards and internet banking. For any digital payment application, Internet, Mobile, Android and IOS are the most important for transactions. The number of users has steadily increased in recent days, especially among young people and adults, especially students and government and private workers who use digital payment applications. Generally, all digital payment apps are best for users because they allow fast payments, no need to carry cash, save time, are very secure, get discounts and offers, easy to download and are environmentally friendly. As a result, Indian citizens are changing their mindset and making digital payment apps a great place to start a cashless or less coin based economy. As a result, India is moving towards a more digital and advanced economy.

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