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SHOULD WE FEAR A CASHLESS SOCIETY?

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INTRODUCTION

1. I am taking you to the age of the barter system, wherein man was learning to live in the immortal world. The barter system was simple and the mutual exchange of goods remained the focal point. However, the five evils i.e. lust, anger, greed, attachment and ego took over mankind and he became greedy. His needs now knew no bounds. He wanted more and more and this journey was not possible with mutual exchange.

2.. Mankind invented or minted coins, probably around 600 BC, and thus began the journey of coins and cash. Gold and silver coins were the major sources of exchange. However, we had rulers in 1300 AD like Muhammad Bin Tughlaq who also introduced brass and copper coins. The adventures of Md. Tughlaq failed as it lacked the expertise of managing currency. Coins, paper bills and bank notes gradually became the norms of the day as technology progressed and so were the innovations in the system.

3. With the advancement of technologies, the cash with its limitations is now no longer a popular option for financial transactions and it is irony that almost 2,500 years we want to be cashless again.

4. A cashless society would seem to be an illusion and also a fiction, but today with the advent of credit cards, debit cards, payment services like Paytm, PayPal, M-Pay, Zapp etc., many of the transactions are already being done without the processing of physical cash. In India, the government brought out a program called JAM trinity which aimed to connect bank accounts, ID cards and mobile services for smooth flow of all benefits.

5. But being cashless does not solve the problem and there are concerns about privacy, risk and too much dependency on technology, losses frauds to banking services not accessible to all or to the last man makes it a fearful environment of the day. Do we need to fear about being cashless or there are ways it can lead to a better society. In this essay we will discuss each aspect in details and see how all the nuisances can be curbed. Let as briefly deal or understand what a cashless society will be.

LETS NOW UNDERSTAND WHAT A CASHLESS SOCIETY IS?

6. In a cashless society there would be no physical cash or coins. The medium of any transaction would be either through the mobile or debit or credit cards. Many payment services like Google Pay, Paytm, BHIM and UPI would also facilitate the financial transactions between people or businesses.

7. So gone are the days when there would be any bank notes or coins to carry. Keep lockers at bank wallet and ladies' purses would be merely used for keeping business cards or ornaments respectively. Bank heist/ thefts would no longer be possible as the transactions would be in electronic form.

8. Back in India money is also related to emotions and many walks of life. Money in cash is being used for festivities, occasions, marriages and it brings joy and warmth to the people. Some of the occasions like first salary to parents by sons and daughters, elders giving money to younger ones on festivals, money wrapped in an envelope on marriages will no longer be part of the millions and the joy togetherness sense of fulfilment hope would be the cosmetics naturally not prevail the way it happens today. So being cashless would also eliminate emotive value of money from our lives.

DIGITAL TRANSACTIONS AND CRYPTOCURRENCY

9. As we know, electronic forms of financial transactions are increasing. It has also given birth to virtual currencies. Cryptocurrency is a virtual currency which is now commonly being used for money transfers and will eventually bring competitions which would keep the costs of transaction low. The rapid increase in digital payments has left no bounds and it is expected to grow with a yearly growth rate of 9.52%. In two years from today, the total volume of transactions would reach $16.9 trillion. But this may not give the correct picture of a cashless society and probably never feasible for the cashless world to rely only on electronic transactions. Digital transactions may offer variety of privileges in respect of convenience and efficiency but it cannot reach the last man.

10. A study shows rapid increase in electronic transactions and decline in usage of cash. Among Americans it has been declined from 24% to 14%. Similarly, the electronic transaction usage has jumped from 24% to 41%. Scheduling payment of utilities through online payment and linking cards to banking accounts are easier ways of being cashless but there are millions who are not even having a bank account, so the dream of being cashless remains far from reality.

WHEN A SYSTEM IS ALREADY IN PLACE AND THE THINGS AROUND US ARE PRETTY OKAY, WHY DO WE NEED TO CHANGE? SO WHAT IS THE NECESSITY OF BEING CASHLESS?

11. Let us now see that advantages of being cashless which is the need of the hour. With the progress of technology, the world is shrinking and becoming a global village, products today are available from the interior part of the world and market is offering the best varieties from every corner of this huge world. What is needed is a robust system which is finding to all, easier to use, fast and convenient. So the answer is a cashless society wherein there is no need to transact in various currencies, no exchange fees for various currency or carry bulk of loads of paper money and use enormous manpower only to secure that money.

12. Being cashless is convenient to a common man. He does not have to carry a volume of money in his pocket or wallet. Today being cashless helps to secure the hard-earned money for people as there is no physical cash and eventually no theft which lowers crime rate. Studies show a decrease in crime rates by almost 10 percent when physical cash is replaced by electronic transactions in some parts of America. Record keeping of cash transactions is easy now and a common man can analyse his spending, manage all receipts and also be able to budget his spending for the future.

13. Tax evasion becomes much difficult and the government tends to gain with cashless transactions. The physical money was often linked with gambling and drugs and this would also reduce as it is very easy to maintain a paper trail with electronic forms of financial transactions. Government has to spend enormous amount of money on minting coins, printing notes, physical shifting of these cash and even secure them in large deposits. The government now gains by being cashless and also is able to secure money with fewer efforts and lesser manpower for the security.

14. Talking once again about the common man, being cashless opens his horizon. The international travel become much easier as there is no exchange of currency and payments being easy with credit card or debit card which are internationally acceptable. We no longer have to stand in a queue in front of the ATM and withdraw cash after umpteen efforts. Being cashless saves time for him and he is free to do any transaction without using the physical cash. The issues of change or lower denomination of money which is always short in supply reduces to zero and even splitting the money between people are being taken care of by bank apps which makes the sharing bills or rent easy.

15. Being cashless society are opening new doors for smaller businesses and it is stimulating their growth too. But where does it pinch?

16. In the afternoon siesta, a telephone ring wakes you up! They know your name, your investment and start disclosing you the insurance plan! Welcome to the tech world. Your personal data has been stolen and it has been handed over to all the operators. Digital transactions or cashless world takes away the privacy and your data with every transaction is no longer secure and in seconds your data is in hands of the people with malicious intent.

17. Millions of the people have been duped by the hackers and unethical people who steal all the money by impersonating as bank employees or officials. Such incidents make you fearful.

18. It doesn't stop here. Any small tech glitches, power failure or even the low battery of your mobile can make you uncomfortable. No transactions will take place, money has been deducted and services not provided or duplicity of the payment can keep you disturbed which does not happen with the physical cash.

19. There are millions of people who still are not well versed with smartphones or have no bank. Their daily wages are too meagre to be kept in banks. Do we leave them aside? Their exclusion can be a concern since we should bring financial inclusivity.

20. Mobile devices, internet providers & mobile apps or pay platforms are monopolies of few millionaires to the charges of each transaction eventually would increase making the normal day to day life costly.

IF YOU BUY A TICKET FROM WEBSITE, WHAT THEY CHARGE IS "CONVENIENCE FEE". WONDER WHOSE CONVENIENCE IT IS? CONSUMER OR SERVICE PROVIDER?

21. Crypto currency has no regulations and does not belong to any country. Its volatile and has a huge risk to deal with. Crypto currency does not enter fair small transactions it is very less preferred.
One hacker can make you bankrupt, so he can take an organization to ransom, steal trillions of money and get away easily with anonymity.

22. So is this the world are we lurking into? The very narrative of the prompt of this essay is the fear of being into a cashless society and the fears have been discussed above overcoming fears?

23. We fear because of our lack of knowledge, lack of trust in technology, no proper bank or hard regulations by the government. We are fearful of frauds, technical glitches, or even simple network failure as they make our life tough and unmanageable.

24. Fear in a cashless society is common and so the common people will We have seen the benefits of these in the above paras and also the nuisances which can hamper our life. Change is persistent and as the saying goes there is nothing permanent except "change". So we would run see in subsequent paras the efforts which as a nation or government is taking. But before we discuss the efforts by various nations let us also see the ways to combat the fear of being cashless.

25. Regular education on all platforms for the basic financial transactions will result in the confidence building measures, making the websites strong, taking heavy penalties for lapses at the end of bank or payment platforms would help the consumers to believe that even the small error by them would not result in losing all their money.

26. As a common people we should be aware of frauds and thefts and also keep data secure, the way we keep our cash "financial health" a new terminology for the mankind which every individual must now and he should check his transaction and report any error to next authority in the shortest frame of time as we do when we are ill. One's "financial health" should be checked on regular intervals and glitches sorted out.

27. Government should take strong steps against the defaulters, banking organisations, mobile providers, network operators or payment platforms for their wrongdoing and theft of data. Very stringent rules must be made for debit/credit cards and the loans of individuals should be insured.

28. We are combating a virtual enemy and so our efforts are to be swift, accurate and persuasive.

29. Let's now see what the governments in various countries are doing to be cashless.

28. In 2016, India was shaken by the announcement of banning 500 & 1000 rupees notes. This was the step to check illegal trade practices, tax evasion, money laundering and also a step towards the cashless society.

30. But it is still time for India to reach where Sweden is. In Sweden in the reports are suggesting that only 10% people use cash.

31. How do we decide the indicators where in country can be termed as cashless? A country with a vast population using banking services, very few cash transactions and wide adoption of payments through electronic transactions which will turn the country to be cashless.

32. Norway, Sweden, Finland & Netherlands have very low percentage of unbanked population, least cash transactions and very few ATMs per 100,000 people.

33. India has shown significant improvement by adopting Jan Dhan Yojna, Japan with its Cashless Vision 2025 initiative, China with Digital Yuan pilot project, Sweden with E-krona project and European Union with launching of PSD2 are various measures taken by the states to move towards a new phase of financial life. In this para we will discuss what's the way ahead for being a cashless society.

34. The roads are very tough and challenging for all of us as everyone may love the convenience and efficiency but unable to deal with the threats it poses.

35. The government cannot be standalone and it has to participate in each transaction by the individual. With the backing of the state, security of transactions would increase and insecurity would decrease.

36. Being cashless should be done in a phased manner. Cash will always be persistent but the efforts of the either payee or receiver should be to curb the usage of cash transactions.

37. Banking system must reach every individual. Cards whether debit or credit should be treated as property and violations of the same should curbed.

38. Payment platforms to be simple and robust. Easy to use networks like finger touch screen and dual/triple layer of security should be the norms of the day.

39. Mobiles will become the wallet or bank and even the custodian of the currency so mobile manufacturers has to build a strong as well as simple to use machine.

40. We have discussed every aspect of being cashless and in conclusion of this essay what I want to bring out to the readies that cash dependency should be reduced gradually.

41. Being cashless should be a "change" and a change which technology is thrusting on us but we cannot combat the nuisances by being fearful. Our aim should be to stand united in every stakeholder included businesses, consumers, financial institutions and of course the state.

42. As human we can be cashless but we should aim of the world where the people are united with each other with the strings of humanity.

43. "Credit or debit everything is settled here."