

UNDERSTANDING EMERGING CULTURE OF CASHLESS TRANSACTIONS AMONG YOUTH

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Abstract

We all have to understand and believe the fact that reducing our dependency on paper money is going to help us and our country. The Government and concerned authorities are already doing their bit in order to improve the situation. Government is providing incentives and tax redemption for every cashless transaction, which is attracting people. (Pappu B Metri, 2017), observed that it will take more than a generation for developing the habit from cash to cashless transactions. (Kaur, 2017), concluded that as the markets are getting globalized, there is been growth in the cashless transactions in the country. People are moving from cash to cashless system. (Parul Mahajan, 2017), stated that financial inclusion is one of the important measures to achieve inclusive growth. There have been several measures taken by the Indian government for financial inclusion. India will still take a longer time for digitally financially included, for making India a cashless digital economy. The main aim of the survey was to understand emerging culture of cashless payments among youth. A pilot study was conducted at college level. The data was collected from 40 college going students from age of 18 years to 30 years. Descriptive survey method was used for data collection. The purposive sampling technique was used for data collection. The tool consists of 10 questions related to the topic of the study. The questions are in MCQs format, all of them are close – ended questions. The outcome of the research discuss the analysis of views of respondents to understand the emerging culture of cashless payments among youth in India



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India continues to be driven by the use of cash; less than 5% of all payments happen electronically. It has a strong need as well as potential for the same; however, there are still some issues that are holding us back from this revolution. We all have to understand and believe the fact that reducing our dependency on paper money is going to help us and our country. We need to start using options like PayTM etc. More and more people should be encouraged to use credit and debit cards in order to pay for their purchases. Electronic payments need to be strictly implemented for transactions related to property and gold. E-wallets should be the next big thing.

The Government and concerned authorities are already doing their bit in order to improve the situation. Government is providing incentives and tax redemption for every cashless transaction, which is attracting people. As an individual, one need to keep your personal

gains aside for a while and think of the greater good. We are already victorious in providing mobile connectivity in even the most remote regions of the country, which is an essential criterion for a nation to go cashless. India is not ready for a cashless economy just yet but is in the process of becoming the epitome of one.

India had been a country where over 90 percent of the transactions were cash-based. There are fewer than 25 million credit cards for a population well over a billion. Only 5% of personal consumption expenditure took place digitally. The 600 million debit cards in circulation were used mostly for ATM withdrawals. The low use and slow growth of credit cards and POS terminals were due to the high cost of infrastructure relative to the cost of the transactions. (Tom Davis, 2017)

(Pappu B Metri, 2017), observed that it will take more than a generation for developing the habit from cash to cashless transactions. (Kaur, 2017), concluded that as the markets are getting globalized, there is been growth in the cashless transactions in the country. People are moving from cash to cashless system. This cashless system is a need for the society more than a requirement. She also opined that cashless transactions are safer and secure and also help in consuming less time. In fact online transactions are based on the transactions which are cashless. Also it helps in recording keeping of the transactions.

(Parul Mahajan, 2017), stated that financial inclusion is one of the important measures to achieve inclusive growth. There have been several measures taken by the Indian government for financial inclusion. India will still take a longer time for digitally financially included. For making India a cashless digital economy and also to tackle the black money circulating in the Indian markets, the Indian government adopted demonetization in November 2016.

(Kamble, 2017) Studied the views of undergraduate and post graduate and working professionals were taken on the introduction of the cashless economy in India. According to his observations, respondents do agree that the government has taken a right decision by introducing this system in India, because cashless will help solve problems like black money, corruption and terrorism.

(Mukhopadhyay, 2016), opined that India is gradually moving towards the cashless economy. It also estimated the amount of cashless transactions happening in the country and analysis of what is the requirements and what improvement needed for the functioning of it. It was found out that since more payments were directly credited into the account, the cashless payments were increased.

The main aim of the survey was to understand emerging culture of cashless transactions among youth. A pilot study was conducted at college level. The data was collected from all the college going students from age of 18 years to 30 years. The study includes data collection from the F. Y. B.Ed. students of B.T.T.C.

Research Design: Descriptive survey method was used for data collection. The purposive sampling technique was used for data collection. The tool consists of 10 questions related to the topic of the study. The questions are in MCQs format, all of them are close – ended questions. The respondents get various options to choose from, which is less time consuming for the respondents and easy for the researcher to assess. The data has been collected through offline method. Printed forms or questionnaire were given to the students of B.T.T.C. for filling the form. The questionnaire has MCQs type, close- ended questions.

Findings of the Study & Conclusion – The outcome of the research revealed following observations:

- The 100% respondents still prefer cash payment option over other modes such as cheque, Paytm, debit/credit card, online book or bank transfer. Majority of the respondents use cash on daily basis, it shows that circulation of cash is more than the digital mode of payment. Payment through digital mode of payments is way less than that of cash payment.
- Usage of digital mode of payment is only 1- 2 times a week only. There are very few who use digital mode of payment every day. Apart from the goods value below 100, all the other value goods, respondents prefer various options of payments like online, bank transfer, cheque, and debit/credit card. But when the goods valued below 100, all the 100% respondents prefer cash mode of payment.

Inferences drawn from the observations:

- The major reasons for choosing cash payment over other payment options are fraud concerns, security, privacy of information, and cost of payment also tax related reasons.
- On an average each respondent withdraw money from ATM 3 or 5 times in a month, due to transaction charges are there. Also another reason could be that since few of them withdraw cash on weekly or monthly basis, so they must be withdrawing bigger amount at once so that they don't need to withdraw on daily basis.
- Highest level of trust that respondents has is on the cash payments than other modes of payment. It means that the digital modes payment influence little to the over than that of cash payment mode does.

- Most of respondents don't feel safer while using digital mode of payment or it could be that people are not awareness enough about it or that people don't really know how to operate the various digital mode payments.
- The features of the digital payment options do help to influence people for using it over cash payment mode which is an advantage when the economy is going for cashless system. Social media can be the best way to spread awareness about the digital modes of payment as majority of the respondents get information from social media and word of mouth from friends is also a good option.

Comparing findings with other studies

(Ong, 2016), examined the effect of adopting cashless payment in five European Union (EU) countries, namely, Austria, Belgium, France, Germany, and Portugal, for the period of 2000-2012. He concluded that the transformation of the current payment method to a total cashless one may not be possible in the near future, but continuous innovation in technologically aided payment system will certainly expand the society's accessibility to cashless payment. Although the adoption of one type of cashless payment will affect another type of cashless payment in the short run, the consequences of adopting cashless payment on economic growth can only be significantly observed in the long run. He was of the opinion that any policy that promotes cashless payment will not affect the economy immediately. On comparing the study with this study, we can say that there is similarity in outcomes, that total cashless system will take time to affect the economy. Though it's slow but there is development in the country. India is moving gradually towards the cashless payment system. (C.E.V. Borio, 1993), viewed greater certainty of settlement for sub-sets of transactions, as can be gained through a shorting of settlement lags, notably through the introduction of real-time gross settlement systems. According to this study, the cashless system will be a success for the nation.

(Okifo Joseph, 2015), viewed electronic payments provides greater freedom to individual in paying their taxes, licenses, fees, bills, fines and purchase at unconventional locations and at whichever time of the day. The success of e-commerce payment systems is largely depended on consumer preferences, ease of use, cost, industry, agreement, authorization, security, no reputability and acceptability, elimination of many risks involved in carrying large sums of money such as armed robber, fraud, theft and others, elimination of the use of cash to facilitate speedy payments for all transactions. But to a very large extent, the following objectives have not been met. In this study it was observed that there is need for more

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awareness about the entire cashless payment systems. All the stakeholders of the economy must actually educate the youth about the electronic payments so that the people of the country will learn and use the electronic products that are available. Awareness is the basic and first step after of course the security reasons are dealt with.

Prospects for developing the culture of cashless transactions

- The Jan Dhan Aadhaar Mobile (JAM) can encourage digital transaction culture. It is spreading to reach each remote corner of the country. A large number of government transfers (DBT) are made through JAM mode. This will help people to get digital transaction awareness.
- The role of the government in these cases will be to make cashless transactions mandatory for certain payments and make it mandatory for certain services exceeding a certain amount which has already been initiated.
- A tax rebate (of say 1% to 2%) on payments made by households as salary to unorganised sector (domestic servants, sweepers etc) can boost cashless payments.
- This will do two things, one the households will have an incentive to go cashless and two, large portion of the unorganised sector will be financially included.
- The 5 A's of promoting financial inclusion through cashless payment instruments which are availability, accessibility, acceptability, affordability and awareness.
- Government should assure basic necessities in rural areas and focus on developing infrastructure. Special drives through schools, colleges, panchayats etc. can help create awareness about cashless/ banking transactions.
- Financial literacy is a must for bringing more and more people to the digital platform. Digital payment or payment through banks, instead of paying cash should be encouraged.
- Linkage of all welfare activities with bank accounts is a very strategic step. A strong banking base is the basic prerequisite for the cashless economy.
- Targeted financial education programs can improve financial skills and Credit Management, and increase account ownership in rural India.

Perspectives for emerging the culture of cashless economy

- More and more money will come to the banking system in the form of either current or savings account. The savings will push up investment and lead to capital formation in the economy.

- The opening of new bank accounts for depositing the banned currencies shows that it has promoted banking literacy among the general population and connected the common man who was out of the net of the banking system with the banking system.
- It has strengthened the banking system, as many Bank branches were facing acute problem of NPA. The capabilities of banks to lend more will be enhanced which would raise investment in the economy.
- The excess income deposited in the banks can generate taxable income for the government which can be spent on various welfare programmes for the poor in different sectors of the economy.
- People who have earned black money through corruption and unfair means will be exposed and be punished so that it will pave the way towards a corruption free society. It will help to create a corruption free administrative and political environment in the country.
- It will enhance the flow of FDI to the economy, as the foreign investment requires a corruption free environment and it will also be helpful to control the outflow of illicit money to other developed countries for foreign bank accounts.
- It will promote social and cultural development in the society. Corruption and black money erodes social and cultural systems. It will put a break on unethical social development.
- It will help the nation to achieve a real and cleaner economic growth rate, not an artificial and dirty economic growth rate achieved with the help of Black Money.
- Any growth rate achieved through distributive justice and with less economic inequality is the true growth rate for a developing country like India.
- Less growth rate with less poverty and lower income inequality is more desirable and better for the Happiness Index than high growth rate with more number of people living below the poverty line and there is huge income inequality between the rich and poor.
- India is a great democracy where the people at large despite inconvenience supported the demonetization drive by the government for unearthing black money and counterfeit currency.

Suggestions for all the stakeholders of economy

- Demonetization should be a continuous exercise by the government and be repeated at suitable intervals to discourage the hoarding of Black Money in the form of cash.

- The self-help groups (SHGs) can be of great help to the people in the promotion of digital banking systems in the rural areas. More and more SHGs must be given the charge of Bank Mitras (friend) who can extend their help to the bank, post offices and Bank corresponding for proliferation of digital economy.
- Rural social infrastructure such as Youth Clubs and Mahila Mandals and Panchayati Raj Institutions should be energized for the propagation of digital rural economy.
- The Gram Sabhas in Panchayati Raj Institutions and Ward Sabhas in ULBs must take up the issue of digital economy at the village level.
- All the line department functionaries such as school teachers, health workers, village Development officers, anganwadi workers, etc. must educate the people about the financial inclusion and digital economy
- Like Pulse Polio Campaign, the Digital India Campaign twice or thrice in a year in a mass scale can be conducted in the country. It is an appropriate way to propagate the digital India campaign both in rural as well as urban areas.
- Strong political will among both the ruling and opposition parties is necessary for the implementation of any economic reforms including demonetization and cashless economy in the country. (Kumar G. R., 2017)

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