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IMPACT OF DIGITAL MARKETING ON INDIAN ECONOMY

P. Harika¹, Dr. N. Hemalatha²

Abstract – Digital Marketing talks about online marketing and the technology of digital media and its impact on business. Digital marketing is more about E-Commerce and interest of learning the web Technology implementing the strategies to develop the Indian economy. Digital marketing providing lots of job opportunities and providing certified courses. The main objective is to be a SMART (Specific, Measurable, Achievable, Relevant, Time related) economy. In India rising technology demand for digital marketers is rising. The digital marketing mainly focuses on smooth implementation of e-governance in the country. In this article we will know about the pillars of digitalization and the Indian market improves the economic status of India. The use of digital marketing in the digital era not only allows for brands to market their products and services but also allows for online customer support through 24/7 services to make customer feel supported and valued. The use of social media internet marketing allows brands to receive both positive and negative feedback from their customers as well as determining which media platforms work well for them and has become an increased advantage for brands and businesses. Online marketing efforts, digital marketing allows marketers to see accurate results in real time. Digital marketing, it often feel like you're able to see results much faster than you might with offline marketing due to the fact it's easier to measure ROI. However, it ultimately depends entirely on the scale and effectiveness of your digital marketing strategy.

Key words: Digital Marketing, ROI, policies, opportunities, E-Governance.

Introduction

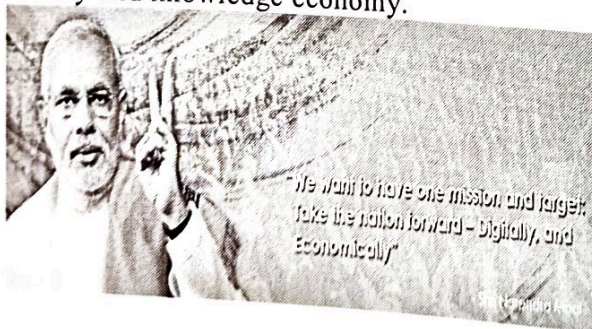
The journey towards a digitally – connected India began in the early 90s and 2000s with the introduction of a range of e – governance programmes. However, its impact was limited.

With a clear vision, the present government is pushing ahead the Digital India initiative to transform the country into a digitally empowered society and a knowledge economy. With the launch of this initiative, the government aims to reach out to citizens in the remotest of locations and make them a part of India's growth story. Since technology is a key driver in causing disruptive change, digital tools will empower citizens and prove to be a game-changer.

Digital India provides the much-needed thrust to the nine pillars of growth areas, namely Broadband Highways, Universal Access to Mobile Connectivity and Public Internet Access Programme, among others.

Vision of Digital India

The vision of Digital India programme is to transform India into a digitally empowered society and knowledge economy.



The Digital India programme is centred on three key vision areas:

Digital Infrastructure as a Core Utility to Empower Citizen

Governance and Services on Demand

• Digital Empowerment of Citizens

The Digital India vision provides the intensified impetus for further momentum and progress for e-Governance and would promote inclusive growth that covers electronic services, products, devices, manufacturing and job opportunities.

• Governance and Services on demand

Digital India aims to create a seamless ecosystem across multiple government departments to make services available on both online and mobile platforms. As part of the initiative, financial transactions would be made cashless and entitlements would be available on the cloud.¹²

• Digital empowerment of citizens

This programme will provide universal digital literacy to enable citizens to use the digital platform. The government services can be accessed in local languages to help users participate in the new governance mechanism. Since technology is the key driver in India's economic growth, it will spur growth in areas of governance and service delivery.

Successes of Digital India

• E-Pathshala: Transforming Learning through Technology

The Ministry of Human Resource Development introduced the e-Pathshala programme to promote

'learning on the go' among students, teachers and parents. Through this initiative, free access to NCERT books is available to students of classes 1 to 12. These books are available in both Hindi and English.¹⁴

- **eBiz platform**

The initiative, driven by the Department of Industrial Policy and Promotion (DIPP), seeks to provide comprehensive Government-to-Business (G2B) services to business entities with transparency, speed, and certainty. The aim is to reduce several levels of points of contact between business entities and government agencies, establish single-window services and reduce the burden of compliances.¹⁵

- **My Gov platform**

This is a platform for citizens to exchange ideas and suggestions with the government. Through this initiative, the government receives feedback, inputs and ideas from people regarding policy decisions and new initiatives like Digital India, Swachh Bharat, Make in India, among others.¹⁶

- **Jeevan Praman**

The Jeevan Praman programme enables pensioners to conveniently submit their life certificates online through this portal. The certificates are stored in the Life Certificate Repository and available to pensioners and Pension Disbursing agencies.¹⁷

- **Digital Locker System**

DigiLocker is a key initiative under Digital India. This programme is targeted at paperless governance and is a platform for issuance and verification of documents and certificates digitally. A dedicated cloud storage space is given to all those who register for the Digital Locker account. To make it an easy process, this storage is linked to their Aadhar (UIDAI) number. Organisations that are registered with Digital Locker can push electronic copies of documents and certificates (e.g. driving license, Voter ID, School certificates) directly into the citizens' lockers. As per the official website, there are 39, 64, 008 registered users and 50,47,204 uploaded documents.¹⁸

Digital India has been introduced to ensure smooth implementation of e – governance in the country and transform the entire ecosystem of public services through the use of information technology. There is no better way to promote inclusive growth other than through the empowerment of citizens.

Key Pillars

The Digital India programme is based on the following pillars:

- **Broadband Highways²**

Under this programme, high – speed broadband coverage highways will connect 250,000 villages,

various government departments, universities, etc. In addition, National Information Infrastructure (NII) will ensure the integration of the network and cloud infrastructure within the country to provide high-speed connectivity to various government departments. These components include networks such as State Wide Area Network (SWAN), National Knowledge Network (NKN), National Optical Fibre Network (NOFN), Government User Network (GUN) and the MeghRaj Cloud.

- **Universal access to Mobile Connectivity³**

Today, there exist around 55,619 villages in India that have no mobile coverage. To cover remote villages in the northeast, a comprehensive development plan has been initiated that will be carried out in phases.

- **Public Internet Access Programme⁴**

The underlying principle of this initiative is to make 250,000 Common Service Centres (CSCs) operational at the gram Panchayat level for delivery of government services. In a similar move, 150,000 post offices will be converted into multi-service centers.

- **E-governance: Reforming government through technology⁵**

The idea is to use business process re-engineering to transform government processes and make them simple, automated and efficient. Under this, forms will be simplified and only minimum and necessary information will be collected. Similarly, there will be a tracking process for the status of online applications. To further simplify the process, use of online repositories for certificates, educational degrees, identity documents will be encouraged so that these documents do not have to be submitted in the physical form.

- **Ekranti - Electronic Delivery of Services⁶**

This pillar emphasizes on the use of technology for service delivery such as e-education, e-healthcare, technology for planning, final inclusion etc.

- **Information for all⁷**

This is to provide open access to government information and documents available online. This will enable a two – way communication between the citizens and the government through online platforms and social media. The biggest success story is MyGov.in, a platform for citizen engagement in governance, which was launched by the Prime Minister Narendra Modi on 26th July 2014 as a medium to exchange ideas or suggestions with the government.

- **Electronics manufacturing⁸**

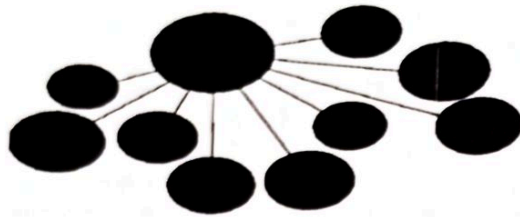
Under this programme, the target is to reach net zero imports by 2020 through implementation in areas such as taxation, economies of scale, skill development, government procurement etc.

IT for jobs⁹

This step will provide the required skills and training to enable youth to find jobs in the IT/ITes sector. This component also emphasises on the setting up of BPOs to enable ICT-enabled growth.

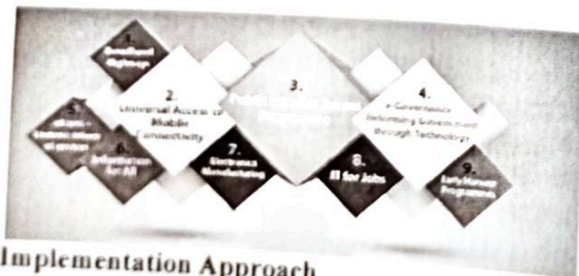
Early harvest programmes¹⁰

These early harvest programmes consist of a range of projects to be carried out within a short timeline. This includes an IT platform for messages, e-greetings from the government, biometric attendance and Wi-Fi in all universities etc.



How Digital India will be realized: Pillars of Digital India

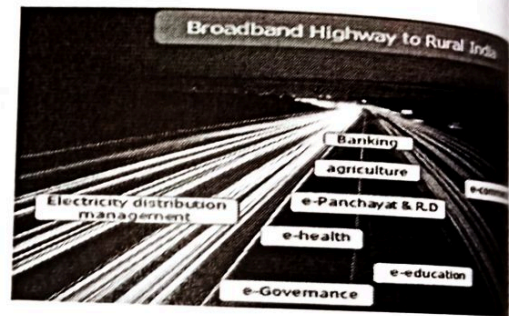
Digital India is an umbrella programme that covers multiple Government Ministries and Departments. It weaves together a large number of ideas and thoughts into a single, comprehensive vision so that each of them can be implemented as part of a larger goal. Each individual element stands on its own, but is also part of the larger picture. Digital India is to be implemented by the entire Government with overall coordination being done by the Department of Electronics and Information Technology (DeitY). Digital India aims to provide the much needed thrust to the nine pillars of growth areas, namely Broadband Highways, Universal Access to Mobile Connectivity, Public Internet Access Programme, e-Governance: Reforming Government through Technology, e-Kranti - Electronic Delivery of Services, Information for All, Electronics Manufacturing, IT for Jobs and Early Harvest Programmes. Each of these areas is a complex programme in itself and cuts across multiple Ministries and Departments.



Implementation Approach

All the initiatives, including establishing and expanding core ICT infrastructure, delivery of services ...etc under the Digital India programme

have definitive completion time targets. Most of the initiatives are planned to be realized within the next three years. The initiatives planned for completion ("Early Harvest Programmes" and citizen communication initiatives ("Information for All") have already started going live and are being completed. The Digital India programme is pulling together many existing programmes and schemes will be restructured, revamped, and focused and will be implemented, revamped in a systematic manner. Many elements are only improvements with minimal cost implications. The common branding of programmes as Digital India highlights their transformative impact. In implementing this programme, there would be consultations across government, industry, society, and citizens to discuss various issues and arrive at innovative solutions for achieving the desired outcomes of Digital India. DeitY has launched a digital platform named as MyGov (http://mygov.in/(link is external)) to facilitate collaborative and participative governance. Moreover, several consultations and workshops have been organized to discuss the implementation approach of the vision areas of Digital India.



Target NET ZERO Imports is a demonstration of intent.

This pillar focuses on promoting electronics manufacturing in the country with the target of NET ZERO Imports by 2020 as a striking demonstration of intent. This ambitious goal requires coordinated action on many fronts, such as:

- Taxation, incentives
- Economies of scale, eliminating disadvantages
- Focus areas – Big Ticket Items
- FABs, Fab-less design, Set top boxes, Mobiles, Consumer & Medical Electronics
- Smart Energy meters, Smart cards, micro-controllers
- Incubators, clusters
- Skill development, Enhancing PhDs
- Government procurement
- Safety Standards – Compulsory registration

Support for Labs and MSMEs

- National Award, Marketing, Brand Building
- National Centres – Flexible Electronics, Security Forces
- R&D in electronics

There are many ongoing programs which will be fine-tuned. Existing structures are inadequate to handle this goal and need strengthening. Demand for electronic goods is increasing with a Compound Annual Growth Rate (CAGR) of 22% and is expected to touch 400 Billion USD by 2020. Indian government is also taking several steps to promote manufacturing and investment in this sector, which puts India high on the list of potential places to invest.

National Policy on Electronics (NPE)

Government of India has approved National Policy on Electronics launched in 2012 (NPE 12) which is holistic, investor friendly and market driven towards creating a conducive environment to attract global and domestic companies to invest towards the growing Electronics System Design & Manufacturing (ESDM) sector in India. This gives unique opportunity for companies to consider India as a destination in ESDM sector and be part of the next largest Electronic Manufacturing Hub of the world and also provide value added manufacturing involving medium and high technologies.

Significant progress has been made by Government of India to establish the strong foundation for the (NPE) 2012 framework. This will help for value added manufacturing involving medium and high technologies. The highlights of the policy initiative taken by Government of India include:

Modified Special Incentive Package Scheme (MSIPs) subsidy of 25% of capital expenditure (20% in SEZs) is available and all excise/CVD paid on capital equipment is reimbursed.

Electronic Manufacturing Clusters Scheme which provides 50% of the cost for development of infrastructure and common facilities in Greenfield clusters (undeveloped or underdeveloped area from electronic manufacturing point of view) and 75% of the cost for Brownfield clusters (area where a significant number of existing EMC exists). Land can be made readily available in several of the new Electronic Manufacturing Clusters being supported by the Government of India. Currently around 30 Electronic Manufacturing clusters are notified and GoI is targeting for 200 Electronic Manufacturing clusters by 2020. Preference to domestically manufactured goods in Government procurement.

Extent of government procurement will not be less than 30%. Around 30 electronic products are already notified under this scheme. Export of domestically manufactured Set top boxes and other electronic products are eligible for 2-5 % incentive in Focus Product Scheme under the Foreign Trade Policy. Electronic Development Funds for Research & Development and Innovation in Electronics sector is under active consideration to support start-ups in electronics and IP generation in the area of electronics. Department has accorded approval for setting up of two semiconductor wafer Fabrication (FAB) manufacturing facilities in the country.

To promote greater research in electronics and IT, Government of India will fund PhD students in Universities across the country for research in industry specific needs. 3000 PhDs will be generated through this program in the area of electronics & IT/ITES. Providing opportunities for skill development for the private sector through two Sector Skills Councils- Telecom and Electronics. Under the scheme for providing support for skill development, Government of India provides 75% to 100% of training cost for industry specific skills for skilled and semi-skilled workers. Opportunities for investment in testing laboratory infrastructure under the mandatory standards regime brought in force.

Several State Governments, including Andhra Pradesh and Karnataka have already announced complementary incentives as part of their State Electronic Policies. Electronic Manufacturing Clusters have been announced by states of Madhya Pradesh, Andhra Pradesh, Punjab, and Kerala. Other states are also in process of taking similar initiatives, thereby offering a host of incentives and facilities for ESDM investors. In addition, to recognize and motivate the Micro Small and Medium Scale Enterprises (MSMEs) in the Electronic System Design & Manufacturing (ESDM) sector, the Government of India (GoI) has announced a national scheme for the sector. The Scheme aims at providing financial support to MSMEs to promote manufacturing, to build quality into Indian manufacturing & also to encourage exporters. The support under the Scheme will be provided in the form of reimbursement to the manufacturers in the MSMEs. The scheme for providing financial support as Grant in Aid is expected to benefit the manufacturers, domestic industry, exporters in the electronics sector. This will also assist to attract value added manufacturing involving medium and high technologies. The Scheme will provide GIA for the following activities: Reimbursement of expenses relating to compliance of electronic goods with

"Indian Standards" notified by DitY. The total GIA for one model is limited to `1 Lac, only for 200 models (maximum). Reimbursement of expenses for testing and certification required for export. The total GIA under the Scheme for one model is `1.25 Lac, 800 models (maximum). Development of Electronic Manufacturing Clusters by MSMEs for diagnostic study, soft intervention and for preparing Detailed Project Reports, etc. The Total GIA available under this Section of the Scheme for Development of Clusters of `10 Lac /Cluster (max) would be available for setting up of 20 Clusters. All these incentives are available for electronics design and manufacturing unit. This is also available for relocation of manufacturing plant from foreign country. Some of the sector includes Semiconductor FAB, Telecom products, LED FAB and products, automotive electronics, Semiconductor ATMPs, Consumer Electronics and Appliances, Hand-held devices including Smartphone and Tablets, Strategic Electronics, EMC, Avionics and Medical Electronics etc. The product based R&D expenditure has also been included under MSIPS. Approach and Methodology for Digital India Programme are: Ministries / Departments / States would fully leverage the Common and Support ICT Infrastructure established by GoI. DeitY would also evolve/ lay down standards and policy guidelines, provide technical and handholding support, undertake capacity building, R&D, etc.

The existing/ ongoing e-Governance initiatives would be suitably revamped to align them with the principles of Digital India. Scope enhancement, Process Reengineering, use of integrated & interoperable systems and deployment of emerging technologies like cloud & mobile would be undertaken to enhance the delivery of Government services to citizens. States would be given flexibility to identify for inclusion additional state-specific projects, which are relevant for their socio-economic needs.

- E-Governance would be promoted through a centralised initiative to the extent necessary, to ensure citizen centric service orientation, interoperability of various e-Governance applications and optimal utilisation of ICT infrastructure/ resources, while adopting a decentralised implementation model. Successes would be identified and their replication promoted proactively with the required productization and customisation wherever needed.

- Public Private Partnerships would be preferred wherever feasible to implement e-Governance projects with adequate management and strategic control.
- Adoption of Unique ID would be promoted to facilitate identification, authentication and delivery of benefits.
- Restructuring of NIC would be undertaken to strengthen the IT support to all government departments at Centre and State levels.

The positions of Chief Information Officers (CIO) would be created in at least 10 key Ministries so that various e-Governance projects could be designed, developed and implemented faster. CIO positions will be at Additional Secretary/Joint Secretary level with over-riding powers on IT in the respective Ministry.

Conclusion

The digital marketing will minimize the cost of marketing and online marketing will be found and the increase the awareness, the promotion of business through online will reduce the cost and increase the product sales. The digitalization will bring new technologies and applications in to the nation. E-commerce will have long term sustainability development in the business and it finds a good way to retain their profits in the business.

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WHITHER CASHLESS ECONOMY?

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Abstract- In this article we will try to explore the theme of 'Cashless Economy' by raising a few pertinent questions to present an informed critique on the prospects of cashless economy in India. The queries raised and answered are: What exactly is a cashless economy? What are the benefits of a cashless economy? What are the challenges in making India a cashless economy? What steps are taken by the Reserve Bank of India and the Government of India to discourage use of cash in India? and What more steps are needed to make India a cashless society as envisaged by Prime Minister Narendra Modi?.

The paper is primarily based on secondary data and it seeks to provide a sketchy picture of the drive or overdrive for cashless economy.

Key words: Demonetisation, Cashless economy, Digital payments, Payment banks, E-payments, Counterfeit currency, Black money, Unified payment infrastructure (UPI)

Introduction

In the context of the Indian economy being driven by the excessive use of cash, where in only less than 5% of all payments happened electronically, the Union Finance Minister Arun Jaitley hinted about the idea of making India a cashless economy in his 2016 budget speech with the aim of curbing the flow of black money. Prime Minister Modi had announced demonetization of high denomination currency notes of Rs 1000 and Rs 500 on 9th of November, 2016. By taking everybody by surprise he announced the demonetization move that has become a major talking point ever since. The RBI has also recently unveiled a document — “Payments and Settlement Systems in India: Vision 2018” — setting out a plan to encourage electronic payments and to enable India to move towards a cashless economy in the medium and long term. The move was ostensibly aimed at three sinister features of the Indian economy viz., black money, counterfeit currency and terror funding. The NDA Government, headed by Narendra Modi, has been on the mission of reforming the financial management of India on a scale no hitherto government has ever tried.

Firstly, it orchestrated and unveiled a pan-India uniform goods and services tax (GST) regime.

Secondly, it scrapped the age-old exclusive Railway Budget and merged it with the general budget.

Thirdly it preponed timing of the Union Budget session by a month to commence 1st February instead of the usual 28th February. The demonetization move has come as the fourth major reform in the financial sector.

One does not know whether this is the last financial sector reform of the current NDA Government but one can say with certainty that the move towards

cashless economy is a bold step forward of the government. It attracted both national and international attention as well as controversy because of its suddenness, lack of proper homework and the inconvenience caused to the people at large.

What is a cashless economy?

A cashless economy is one in which all the transactions are done using cards or digital means like credit cards, debit cards, electronic fund transfer, mobile payments, internet banking, mobile wallets and other newly evolved channels which will leave very little scope for flow of hard cash in economy. This is an economy where circulation of physical currency and coins is reduced to the absolute minimum. This is also called as digital economy by some.

Where does India stand in cashless economy?

The Indian economy guzzles too much of cash for personal as well as business transactions. Only less than 5% of all payments in India are done electronically. The ratio of cash to gross domestic product in India is one of the highest in the world— 12.42% in 2014, compared with 9.47% in China or 4% in Brazil.

The number of currency notes in circulation in India is also far higher than in other large economies. India had 76.47 billion currency notes in circulation in 2012-13 as against 34.5 billion currency notes in the United States of America. Studies have shown that cash dominates even in malls, which are visited by people who are likely to have credit cards. It is no surprise that cash dominates in other markets as well.

Merits of Cashless Economy

Cashless economy has several merits. In fact cashless economy is an ideal about which there can be no dispute. There is however dispute about the

difficulties involved in realising the ideal of cashless economy. Listed below are the major benefits of an economy sans cash.

- The first benefit will be that there will not be the problem of fake currency. According to one estimate one out of every seven high denomination currency notes in India are counterfeit.
- It reduces scope for tax evasion because in a financial institution-based cashless economy transaction trails are left for detecting tax frauds.
- It will curb generation of black money.
- It will help unearth black money as imprints are left at both ends of digital transaction.
- It will bring down realty prices because of curbs on black money. As of now much black money is invested in real estate ventures and investments.
- Lot of savings can be effected in financial transactions done digitally. For example, in fiscal 2016 alone, the RBI had spent about Rs 21000 crore just on the issuance and management of currency. This huge expenditure could be avoided if we become a cashless economy.
- Digitalisation will eventually lead to universal availability of banking services to all as no physical infrastructure is needed other than digital.
- There will be heightened targeting of welfare programmes as money can be wired directly into the accounts of recipients. Once money is transferred directly into a beneficiary's bank account, the entire process becomes transparent. Payments can be easily traced and collected, and corruption will drop. People will no longer have to grease the palms of corrupt officials to collect what is rightfully theirs.
- The transaction costs across the economy will come down drastically.
- Soiled, tobacco or sweat stained notes full of germs are a norm in India. There are numerous occasions when we knowingly or unknowingly give and take germs in the form of currency notes. This could be avoided if we move towards a cashless economy.
- Operating ATMs will be a lot cheaper for banks as people will not be needing loads of currency in a cashless economy.
- Cashless transactions are likely to improve credit access and financial inclusion of marginalised sectors of society.
- Speedy customer operations, reduction in delays and queues, skipping of interactions with bank staff are a few other advantages we can think of.
- The increased use of credit cards will reduce the amount of cash that people will carry and as a

consequence, there will be reduced risk and cost associated with that. The scope for theft will be significantly reduced with cashless transactions.

Challenges of transition to a cashless economy

The transition to a cashless economy is easier than done. Cashless economy presupposes infrastructure related facilities and preconditions without which cash will continue to be used. A few such facilities and preconditions may be listed as follows:

- Availability of internet connection everywhere is a crucial precondition for cashless transactions. Sadly a vast majority of people in India do not have basic net connectivity. Even some of those who have net connectivity have other problems like erratic power supply, low band width or faulty electronic devices etcetera.
- Financial literacy is necessary for use of digital avenues of transactions. This is woefully lacking with uneducated masses, women, children and old people.
- Though a large number of bank accounts have been opened through Jan Dhan Yojana as a means of financial inclusion, most of them are laying inoperational. Unless people start operating bank accounts the shift to a cashless economy is not possible.
- There are vested interests that scuttle the move towards cashless economy. Particularly people with huge black money will oppose and scuttle progress to cashless mode to the extent possible.
- India is dominated by small retailers. They don't have enough resources to invest in electronic payment infrastructure. Some these people such as the Kiraana store operators give goods on credit for which cashless transaction cannot be a solution. Many poor people need credit for their basic needs.
- The financial safety over digital payments channels is important for pushing the cashless economy forward. Theft of credit cards and pass words, machinations of digital hackers can lead to a whole host of issues like denied payments, identity theft, account takeover, fraudulent transactions and data breaches. According to Gemito, a digital security company, more than one billion personal records were compromised in the year 2014.
- The perception of consumers sometimes is also acting as a barrier. The benefit of cashless transactions is not evident to even those who have credit cards. Cash, on the other hand, is still perceived to be the fastest way of transacting for

a vast majority of credit card users. It is universally believed that having cash helps one to negotiate better. The Indian market place is well known for bargaining and it is plain that cash can lure a better bargain than card based transactions.

- Most card users fear that they will be charged more if they use cards. Further, non-users of credit cards are not aware of certain benefits of credit cards.
- Indian banks are wittingly or otherwise making it difficult for digital wallets issued by private sector companies to be used on the respective bank websites. It could be restrictions on using bank accounts to refill digital wallets or a lack of access to payment gateways. Economic regulators will have to take a tough stand against such rent-seeking behaviour by the banks.

Steps being taken to discourage use of cash

The RBI and the Government of India have taken a few steps to discourage cash transactions. They include the following:

- Licenses have been issued for establishment of Payment Banks, Paytms and post-payment banks to promote digital transactions.
- Government is also promoting mobile wallets that allow users to instantly send money, pay bills, recharge mobiles, book movie tickets, and send physical and e-gifts both online and offline. Recently, the RBI had issued guidelines that allow the users to increase their limit to Rs 1,00,000 based on a certain KYC verification.
- Promotion of e-commerce by liberalizing the FDI norms for this sector.
- Government has also launched the Unified Payment Interface (UPI) which makes electronic transaction much faster and simpler which the UPI bank account holders can send or receive money from their smart phones.
- Government has also withdrawn surcharge, service charge on cards and digital payments to promote non-cash transactions.

Steps needed further

There is a need for more steps to make a paradigm shift to the cashless mode. The following are a few steps that come to mind.

- Bank accounts need to be opened for all citizens and steps should also be taken to make them operational.
- Abolition of government fees on credit card transactions; reduction of interchange fee on card transactions; increase in taxes on ATM

withdrawals are all important steps forward and they should be taken by the Government.

- Tax rebates should be extended to consumers and merchants who adopt electronic payment modes.
- Electronic payment infrastructure should made completely safe and secure so that incidents of cyber crimes could be minimized and people develop faith in electronic payment system.
- Creating a culture of saving and faith in financial system among the rural poor is also important.
- The Reserve Bank of India too will have to come to terms with a few issues like figuring out what digital payments across borders means for its capital controls to how the new modes of payment affect key monetary variables such as the velocity of money.

Further the RBI will also have to shed some of its conservatism. It has often seen itself as the protector of banking interests rather than promoting the overall financial development.

- The regulators also need to keep a sharp eye on any potential restrictive practices that banks may indulge in to maintain their current dominance over the lucrative payments business.

Conclusion

Though it will take time for moving towards a complete cashless economy, efforts should be made to convert urban areas as cashless areas. As 70% of India's GDP comes from urban areas if government can convert that into cashless it will be a huge gain. Therefore, different trajectories need to be planned for migration to cashless transactions for those having bank account and for those not having.

The low literacy rate, a still higher rate of financial illiteracy along with lack of adequate and dependable digital infrastructure are problems that will continue to bedevil efforts in the route of e-transactions for moving towards a cashless economy.

Cash is like water for the economy, a basic necessity without which the survival of economy now is difficulties and even impossible. However although it would be fool hardy to dream of cashless economy in India in the short term. It can be a long term goal. The government should have a multi-phased plan to reach a cashless economy over a decade or so instead of going for it at one go. Perhaps a 'less cash economy' can be a more relevant slogan than a cashless economy for now. For now there is no way out of the situation where in 'cash is king' for the incredibly cash-centric Indian economy.

Even as electronic payments have sneaked into the transacting behaviour of customers in the recent past, there are interesting variants like cash on delivery that reinforce the stubbornness of cash. To achieve actual disruption of cash, the ecosystem requires seamlessness that will drive complete fungibility between cash and electronic payments.

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