

## Agriculture and Cashless Economy: Challenges and Issues in Implementation

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### Introduction

The revolutionary step of declaring the existing stock of Rs.1000 and Rs.500 notes on nov 8 2016, as illegal tender has addressed multiple issues with one stroke. Cost reductions, risk reduction, connivance in transactions, improvement in tax base are some of the benefits of the digital transactions. Generally, in Cashless economy corruption rate is less as in comparison to economies highly depended on cash. If we simply defined the word cashless economy "it is a situation in which country's economy operates without the use of paper notes and all the transactions must be through electronic channels such as debit card, credit card, electronic clearings and payment systems such as immediate payment service, National electronic fund transfer, Real time gross settlement in India. Recently government Launched Unified Payments Interface (UPI) to facilitate cashless transactions. But Government faces lot of hurdles in implementing the dream of cashless economy, especially in our rural or agriculture sector. Demonetization has pushed many farmers to go digital platform like the agri hub, Agro star, Big haat and RML Ag tech that provide services and products to farmers.

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~ *The chapter is based on the paper presented in "National Conference on Emerging Trends and Scope in Digital Banking, Cashless Economy & Innovations in Commerce and Modern Management & International Seminar on Global Economy: Opportunities and Challenges" Organized by Inspira Research Association (IRA), Jaipur & Shri Bhawani Niketan Girls P.G. College, Jaipur, Rajasthan, India. 29-30 September, 2018.*

### **Will Indian Agriculture Become a Cashless Economy?**

If we try to find an answer to this question will our agriculture sector, which is highly a cash based sector, turn out in cashless economy. The answer is not quite simple because it will happen only when farmers and agribusiness people accepting the cashless transactions. It highly depends upon readiness of citizens of the any country like me and you for accepting cashless transactions and merchants to accept cashless modes payments i.e the plastic money. There are some other hurdles too in the way of cashless agriculture economy.

#### **Challenges in Implementation**

- **Proper Training Program:** There is a need of proper training program for farmers, so they can use their mobile phones to access the financial services.
- **Lack of Internet Services:** Proper internet services is the basic need for implementation of dream of cashless economy but even today our country have some villages where proper internet services are not available.
- **24 Hours Electricity:** Lack of availability of 24 hours electricity in villages is another challenge face by government in turning cash based economy to cashless economy.
- **Availability of Smart Phones:** Smart phones are one of the basic requirements of cashless economy but in villages each and every farmer not has such smart phones.

#### **Negative Impact on Agriculture Sector**

- **Painful for Big Farmers and Business Traders:** Big farmers and Business Trader who have unaccounted cash will definitely resist the adoption of digital mode as well as the commodity traders, artisans and commission agents in the mantis who commonly deals in cash will necessarily feel the Pain.
- **Have to Declare Farm and Non Farm Income Separately:** Income of commission agents comprises both farm and nonfarm. The move will lead to show separate declarations to the banks while depositing the cash.
- **Lack of Access to Financial Service:** poorer people are less likely to have access to financial services, and are more likely to use cash in their daily lives. Unless the poor people have cheap or free access to the financial services, they feel at disadvantage in being purchase things in a cashless economy.
- **Possibility of Discrimination:** Just like the 21st century turned smokers into the new untouchables; there is a possibility that those transacting in cash would be discriminated against cashless transaction.

- **Danger of Cyber Fraud and Hacking:** As our farmers are not much educated and have less knowledge about the digital world. So there is a greater possibility of cyber fraud and hacking with them.
- **Fear of Losing Secrecy and Privacy:** What if every transaction you did was recorded in a central server and an unethical person had access to it. Even the Government can track all kind of transaction/spending, where cash comes and goes. Then we lose our privacy.
- **Cause Reduction in Our Saving Habit:** Women's in rural India make small savings with the cash they get from their work or from any other occasion. But with a more use of debit or credit cards in shopping, we keep swiping and after a while we will probably end up not looking at the notifications or statements. These habits increase our unnecessary expenses and reduce the small savings.

### **Issues of Cashless Transactions in Agriculture**

However, the benefits of this move have now started trickling in with more and more people switching to digital modes of receiving and making payment. India has now gradually moving from a cash-based economy to cashless economy. As Digital transactions is easily traceable, therefore leaving less scope for tax evaders and less room for the circulation of black money. The whole country is undergoing through the process of modernization in there transactions, where digital payment gaining unprecedented momentum but there are some questions rises regarding the transformation of agriculture sector into cashless economy.

- Whether cash less transaction is suitable to implement in Primary Sector?
- Whether rural people will accept the move from cash to cashless movement?
- Is it Possible to provide necessary infrastructure to nook and corner of the villages, to meet the requirement of both farmers and Agribusiness men?
- Main important thing is how to create awareness to the low literate rural masses?
- Who will be the Best Choice to make use them to create awareness and Training Program?
- How to change the minds of farmers and agribusiness and the entire rural masses to switchover from cash to cashless system of economy?

### **Suggestion for Agricultural Cashless Economy**

- **Create Required Infrastructure:** First and foremost thing is that government should set up more and more rural banking branches with digital mode of system, swipe machines, ensure availability of smart phones in rural areas.

- **Proper Training Programs to Rural Masses:** There is a need to plan proper training program for farmers or other rural masses to through representatives of the government organization and other organizations like college students including NCC, NSS, Rovers & Rangers and other Volunteers Including Teaching staff.
- **Awareness about Safety Measures:** Media can be use to spread awareness about safety measures in cashless rural economy.
- **Efficient Grievance Redressal Mechanism:** Government should assure the safety and Security, when anything/any transaction went wrong and quick settlement of the problem through Grievance Redressal Mechanism.
- **Bank Recovery should be Justifiable:** Before Deductions of Loan Dues, Banks should inform and analyze their repaying capacity, without their knowledge banks are not suppose to deduct the loan dues.
- **Remove the Fear Among the People to Use These Facilities:** There is a need to spread widespread knowledge and allay the fears amongst the public to use these facilities. As Government of India has already engaged in various programmes for sensitizing public to make maximum use of digital payments. Simultaneously, issues related to the use of these modes like internet connectivity, transactions security and ease of transactions, data protection and user charges are also being addressed by government in serious mode.

### Conclusion

The Study, Agriculture in cashless economy: Issues and Challenges focused on the challenges and impact of cashless transactions in the rural areas. As we know that our primary sector is highly a cash transaction based sector, and a large part of the population resides in the rural areas is still outside the coverage of good internet connectivity and unable to reduce its dependency on cash. According to a 2015 report by PricewaterhouseCoopers, India's unbanked population was at 233 million. Even for people having access to banking facilities, they are not able to use their debit or credit card because there are only about 1.46 million points of sale which accept payments through cards. In India, especially in rural areas, there is a general preference for cash transactions. Merchants prefer not to keep records in order to avoid paying taxes and buyers find cash payments more convenient. Although cashless transactions in the country have increasing with rapid rate, a meaningful transition will depend on a number of things such as awareness among people about digital modes, technological developments and government intervention. The government will have to create conditions-not necessarily by creating cash shortages-to push cashless transactions to a threshold level after which the network effect will take over. It is not easy for India to become a cashless economy in the foreseeable future, but with the efforts of government as well as citizens of the country, it needs to

reduce its unusually high dependence on cash to bring in much needed transparency and efficiency in the system.

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