

## RAJASTHAN'S CASHLESS ECONOMY: OPPORTUNITIES AND CHALLENGES (WITH SPECIAL REFERENCE TO PALI DISTRICT)

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### ABSTRACT

*The importance of cash to human beings is comparable to that of basic goods. Without money, it is impossible for a human person to continue living. A cashless economy is a mixed economy system in which there is a little or exhausted outflow of currency in the society. Cashless economies are also known as digital economies. The escorting of commodities and the processing of payments through electronic means. It could consist of (internet banking, mobile banking, debit and credit card and digital wallet etc.) the economy will benefit from more openness and accountability if transactions are conducted digitally. In this article, we will concentrate on the topic of opportunities and difficulties in the Pali region. The scheme that is being implemented to make India cashless is called Digital India.*

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**Keywords:** Cash, Cashless Economy, Transparency, Accountability, Challenges.

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### Introduction

A society that does not use physical currency but instead relies only on electronic transactions to settle financial transactions is referred to as a cashless society. Therefore, lawful cash is available. and the sole kind of transaction involved is one that is digital and electronic. In other words, a cashless economy involves an increased ratio of the use of digital mode in transactions and a decreased ratio of the use of money. This economy is mostly centred on either paper or virtual currency. The elimination of cash from commerce is one traditional barrier that will be eliminated. It provides urban and rural populations around the nation with access to low-cost financial services that are also secure and miserable. When referring to the process of transacting money, this may involve the use of online banking, mobile banking, debit and credit cards, point-of-sale machines, and digital wallets. Sweden, China, and the United Kingdom are the only countries in the world that have completely eliminated cash transactions. In India, cashless transactions are used by 95% of the population (Nov,23,2018). After the demonetization of cash, the cashless economy in India and Rajasthan received an additional boost. Even in the Corona period, a cashless economy will prove to be quite beneficial. It turns out that Gujarat, Haryana, and Telangana are the three states in the nation that have the most plentiful number of people becoming cashless.

### States Rankings

- Gujarat
- Telangana
- Haryana
- Uttar Pradesh
- Delhi
- Himachal Pradesh
- Uttarakhand
- Punjab
- Andhra Pradesh
- Maharashtra
- Rajasthan

So, Rajasthan is got 11<sup>th</sup> position in India because many problems and challenges faced accepting cashless economy.

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### **Conceptual Background of Rajasthan and Pali**

Rajasthan is the largest state in India and is sometimes referred to as the "Land of Maharajas." Its entire land area is 342,239 square kilometres, which accounts for 10.4 percent of India's total land area. When looking at India as a whole, the state of Rajasthan holds the seventh-place position in terms of overall population. According to Aadhar India's projections (with recent update: 31 May 2020), the overall population of the nation is expected to be (8.1crores). The Rajasthan state government has been highly active in pushing the state's attempts to move toward a cashless economy in recent years. The Ajmer district in the state of Rajasthan now holds the fifth spot on the list of cashless districts in the whole of India, which is moving in the direction of becoming completely cashless. A payment mechanism that does not accept cash at all has been implemented on the Jaipur metro.

### **Pali**

One of the districts that make up Rajasthan in India, Pali has a population of 2,287,867 people as of the year 2022. (estimates as per aadhar uidai.gov.in Dec 2020 data). According to India's census taken in 2011, the Pali District has a total population of 2,037,573 people, with a male population of 1,025,422 and a female population of 1,012,151. There are 1,085,693 literate persons, with males making up 667,381 and females comprising 418,312. The residents of Pali District rely on a variety of talents to make a livelihood; the overall number of employees in the district is 842,327, with males making up 523,077 of those workers and women making up 319,250. There are a total of 200,091 people whose livelihoods rely on agricultural cultivation, with males cultivating 136,010 acres and women cultivating 64,081 acres. There are 115,844 persons who work in agricultural land as labourers; males make up 59,878 of the workers, while women make up 55,966. The Pali District has 987 females for every 1000 men in the population. The next census for the Pali District will take place in 2022-2023. There are a total of 438 square kilometres of urban space inside the district, which has a total land size of 12,387 square kilometres. There are a total of 2,261,707 people living in the district of Pali. Of that number, 460,006 live in urban areas and 1,577,567 live in rural areas. There are 88,647 households in urban areas, while there are 329,510 in rural areas. 301,905 literate persons are in urban, 783,788 are in rural region.

### **Review of Literature**

**Pathania (2016)** lists the advantages of cashless transactions to countries, including improved GDP by utilising cards and lower social cost, expanded financial inclusion owing to e-payment acceptance, reduced shadow economy, e-commerce growth, and trusted online transactions. India's cash cost is 1.7% of GDP, greater than other wealthy nations. Human resources were greatly affected by digital changes. It affected their workplaces. He lists five current and future human resource concerns. The five issues are: (i) deciding whether to automate vs when to use a human face or voice, (ii) better communicators to use the digital environment, (iii) simplifying data and providing a clear image of their present workforce since data are distributed throughout many systems and gathered in various forms, (iv) legal department fear of social media and (v) HR must determine what functions may be automated and deliver required services.

**Lauby Hunt, 2014**, Discussed a seamless transition from Industrial Era concepts and processes to Digital Era improvements. Social and digital technologies are altering talent management. Social and digital technologies are changing human capital strategy, organisational structure, people, job design, training and development, performance management, and compensation. Demonetization harmed credit, consumption, activity, and government finances (Team, 2016). How much money is restored during the replacement process and how much currency is extinguished determines the shock's medium-term impact.

**Sharma (2017)** polled Jodhpur residents to evaluate India's cashless economy. Estimated household non-cash consumption. Cashless payments were hindered by security, internet connection, card loss, hackers, and technology.

**Kumari D. N.**, Cashless Economy and Common Man in India, The article investigates rural Indian smartphone awareness and usage. Rural India's low literacy rates and lack of internet and power make e-transactions problematic.

**Kumari & Khanna, Cashless Payment: A Behavioural Change to Economic Growth, 2017**, The research explores how cashless payment affects emerging nations' economic growth and development. The report found that a cashless economy may boost financial stability. It seems that the cashless economy has been widely publicised and that a significant percentage of the population is eagerly anticipating its implementation. Cashless economy idea would be of substantial advantages to growing economy; consequently the cashless system will be useful in the fight against corruption and money laundering. The cashless economy's biggest benefit is reducing cash-related risk.

**Kumari D.'s 2016** study highlighted cashless transaction security problems. She adds poor infrastructure also hinders cashless transactions. According to UNESCO, illiteracy hinders cashless transactions. According to Economic Time, cashless transactions are plagued by hacking.

**Garg & Panchal, 2017**, her article illuminated Indians' cashless economy beliefs. Cashless economy reduces black money, counterfeit currency, terrorism, cash-related robberies, and economic development, according to respondents. Cyber fraud, high illiteracy, attitude, and lack of openness and effectiveness in digital payment systems might limit policy implementation. The report suggests that India's cashless economy is a positive development. It boosts India's economy.

#### Objective of Study

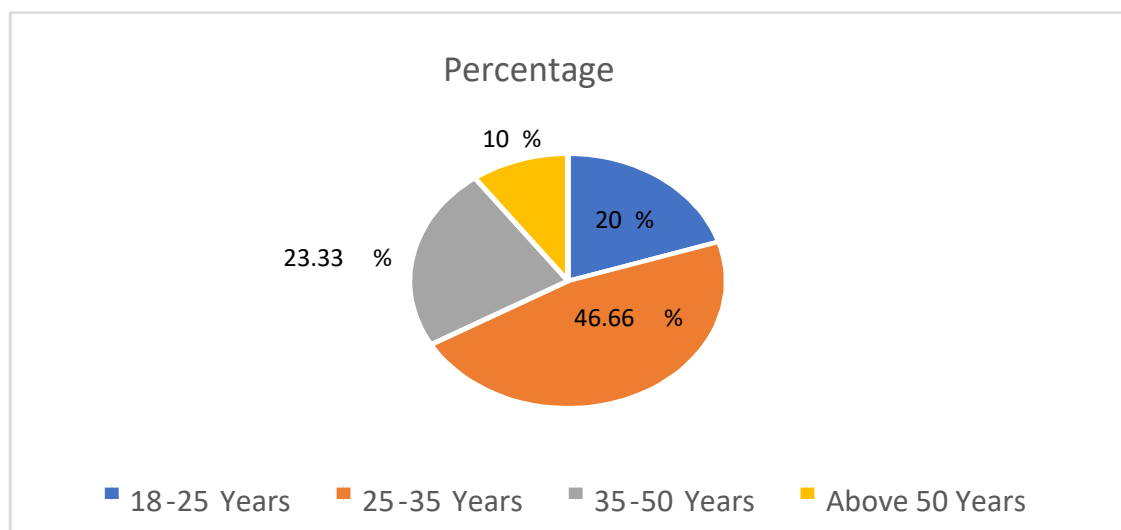
- To Access the status of 'cashless layout' in Pali district.
- To Analysis the various scheme of Rajasthan govt. regarding the cashless transaction.
- To examine the challenges in cashless transaction method in Rajasthan.
- To analyze the effects of cashless transaction methods on consumers.

#### Research Methodology

The study is of a descriptive and quantitative character, and it makes use of both primary and secondary data as well as other sources of information. A straightforward passive design, also known as a correlation design, is one in which the variables are described in terms of their connection. The structure of the study is strict since the participants are purposefully selected to represent a variety of customer types. Data obtained by secondary methods such as field surveys, questionnaires, and personal interviews conducted directly with respondents. Additionally, the data is gathered by the Department of Economy and Statistics, the report from the Reserve Bank of India, and the digital payment committee. This research focuses on the difficulties encountered by the cashless economy in the setting of the Pali area. Additionally, this study demonstrates the opportunities presented by the context of the cashless economy. In this research, I used mean and correlation to determine the precise association between cashless transaction and responder (directly or indirectly) through reports of bank and various sorts of individuals. The data that was obtained will be examined using statistical methods such as the mean, the F-test, the T-test, as well as correlation mean and standard deviation.

**Table 1: Age wise Classification of the Applicants.**

Age Group	F	%	Valid %	CF%
18-25 years	30	20	20	20
25-35 years	70	46.66	46.66	66.66
35-50 years	35	23.33	23.33	89.99
Above 50 years	15	10	10	99.99
<b>Total</b>	<b>150</b>	<b>100</b>	<b>100</b>	



**Fig. 1: Age wise Classification of the Applicants**

Figure 1 shows that the age group between 25 and 35 years old had the highest number of applications (70), while the age group over 50 years old had the lowest number (15). The mean of these numbers comes in at 30.17.

### Challenges of Cashless Society

- **Financial Inclusion:** Approximately 60 per cent of the country's population have a checking or savings account. A significant portion of the population does not yet have a bank account (also Pali district). Under the Pradhan Mantri Jan Dhan Yojana (PMJDY) initiative, more than 228 million new savings accounts were established.
- **Shortage of Infrastructure:** According to the population, automated teller machine (ATM) facilities are not present in rural or urban areas. Inadequate deployment of essential resources because of limited financial resources is another significant issue.
- **Lack of Education:** a lack of education among the regular population living in rural areas. They do not have any accounts with any financial institutions (specially women). Despite the fact that the Pali districts have a high literacy rate, they are unable to implement this system because they do not have the necessary technical skills. It is impossible for the folks to use the cards properly. The villagers are unaware of the safety precautions, which include things like pin numbers and the like.
- **Accessibility of Technology:** Technology is a fundamental prerequisite for the completion of banking transactions. Cashless transactions must comply with this requirement. People are able to do tasks more effectively and efficiently with the assistance of technology. We are able to complete a maximum number of cashless transactions thanks to the assistance of technology. However, by the time it reached the rural region, it had not yet been completely developed.
- **Hesitation to Join Cashless System:** In most cases, individuals have reservations about switching to cashless transactions. The familiarity with many technological systems is one of the primary causes behind this phenomenon. The price of its resources is the second primary factor in its decline. The fact that the area is seeing an increase in cybercrime is another reason why it will not be accepted.
- **Preservation Issue:** The problem of preservation is a significant obstacle for hopefuls. Because of their lack of awareness, some individuals carelessly share their ATM card and PIN information with others.
- **Senior Citizen:** Senior citizen finds it difficult to understand cashless translations.
- **Other Challenges:** The profile of the participants is uneven, the amount of time it takes to complete transactions, there is a lack of consumer awareness, there is a language issue, there are ability concerns in the payment system, and so on. These are some of the other significant obstacles we face.

### Merits of Cashless Economy

- Both demonetization and the use of digital payment systems are given a boost.
- Following this method will bring one to the path that facilitates economic growth.
- Another way that this arrangement benefits is by contributing to a lower interest rate.
- Innovative technology that is suitable for the whole planet.
- The "Hawala channel" is capable of preventing the circulation of illegal funds via the channel even if cash transactions take place.

### Suggestions

- A discount should be given for transactions that do not include cash.
- The community should become more technologically advanced, and its inhabitants should be educated on the advantages of doing so.
- In order to facilitate a smoother transition away from cash, the government has to develop new policies.
- Cybercrime should be subject to strict legal repercussions, and these repercussions should be legislated.

**Conclusion**

In spite of the inherent difficulties, cashless economies have provided supports in the context of anti-corruption and anti-money laundering efforts. It made the process of purchasing and paying for goods much simpler. It was discovered through a field survey and direct personal interview that despite having a great deal of difficulties in their lives. The Pali district is in the process of adopting this system. However, a number of smaller merchants have not yet adopted it despite its low cost and high level of safety; consequently, the null hypothesis must be rejected.

In this investigation, I discovered that the number of cashless transactions has been on the rise, and I determined the average value using a variety of approaches and factors.

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