
CASHLESS HARYANA: ACHIEVEMENTS AND CHALLENGES IN THE WAY

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Abstract:

Payment system is very important part of the any economy in the world. In India both Reserve Bank of India and Government of India is promoting cashless transaction. In India the payment include both the paper based and electronic based system for payment. The primary goal of any national payment system is to ensure smooth circulation of money. Haryana government is doing each and every effort to make Haryana digital. To promote cashless transaction in Haryana, Haryana government launched a website named cashlessharyana.nic.in. The main of the paper is to find out scheme, achievements and challenges of Haryana government for the cashless transaction. This paper is descriptive in nature and used secondary method of data collection. Haryana rank among top 3 states of India for the cashless transaction. But there is a long way to go and government is preparing themselves for the future challenges.

Key Words: *Cashless, Transaction, India, Haryana, Government.*

Introduction:

Change is the necessity of the life. Almost everything in the world changed overtime for the betterment. This concept is applied to the paper currency too, now there is time to change the paper currency and move on to cashless transaction. Considering past it is found that barter system is changed through paper currency and now there is a time to change paper currency to modern payment method know as cashless transaction. In the traditional system transactions were performed on the manual basis which are very much time consuming and required lot of human resource to work done but now the time is changed and there is high need to change in the payment system which more convenient and required very less time. Cashless transaction is the step towards the financial inclusion.

Many countries in the world from developed to under developed countries trying to make them cashless economy and it is true in the sense of India also. Payment system is very important part of the any economy in the world. In India both Reserve Bank of India and Government of India is promoting cashless transaction. Reserve Bank of India and Government of India want transparency in transaction for the progress of the country in the real sense. Economy is trying their best to move from cash to cashless society. The primary goal of any national payment system is to ensure smooth circulation of money. For the development of any country efficient and secure payment system is required. In India the payment include both the paper based and electronic based system for payment.

Government of India is trying to make India cashless and Haryana state is supporting this mission by trying to adopt cashless transaction. Haryana government is doing efforts to make Haryana cashless, even for the fulfillment of the purpose Haryana government launching scheme to attract more and more people of Haryana. Haryana government is doing each and every effort to make Haryana digital. To promote cashless transaction in Haryana, Haryana government launched a website named cashlessharyana.nic.in.

Haryana government using a slogan for the cashless Haryana:
Mera Mobile Mera Batua,

Desh Mein Desh Haryana,

Ab Isko Cashless Banana.

Meaning of the lines is “My mobile is my wallet, Haryana is one of the best states, now let’s make it cashless”.

Haryana is promoting cashless economy in a big way. In order to achieve this, Honorable Chief Minister Haryana has taken a lead to transfer appreciation amount of Rs. 5 to each citizen of Haryana, who had carried out at least one cashless transaction. **Total number of registered cashless transactions till 16/03/2017 is 210052¹.**

Government of India has identified following five key methods of digital payments:

- 1) Debit/Credit Cards / Internet Banking
- 2) UPI (Unified Payment Interface) – 28 national banks have on-boarded with VPA (Virtual Payment Account)
- 3) USSID *99# (Unstructured Supplementary Service Data) with MMID (Mobile Money Identifier) and Mobile PIN (MPIN)
- 4) e-Wallet like SBI Buddy, PNB MobiPay, ICICI iMobile, Pay TM, Free charge, Mpaisa, Airtel Money, Oxygen, Mobiquick etc.
- 5) AEPS (Aadhaar Enabled Payment System) using PoS devices and Aadhaar / biometric authentication².

In Haryana Chief Minister Manohar Lal Khattar start making efforts for the cashless Haryana after demonetization of Rs. 500 and Rs. 1000 from November 8, 2016. This paper main purpose is to identify the status of cashless transaction in India.

The reason for the cashless transaction is:

- Less expenditure on storage and distribution
- More convenient
- More transparency
- More tax payment to the government
- Economic development of the country
- Match with the international standard

Review of literature

Kumari (2016)³ studied the topic “Cashless Transaction: Methods, Application and Challenges”. The main purpose of the paper was to discuss methods, benefits and challenges of cashless transaction in India. This study was based on secondary method of data collection. She discussed various method of cashless transaction POS, UPI, E-Wallet, USSD. Benefit of the cashless transaction was to control over black money, control over fake notes, no funding to terrorism, tax payment, illegal political funding, cost of printing and distribution of currency. Challenges of cashless transaction was illiteracy, hacking and insufficient transaction. Finally conclusion of the paper was government trying their best but there was not satisfactory result that means there was a requirement of more efforts.

Kumar (2015)⁴ studied about the growth pattern of cashless transaction. The main aim of the paper was to analyze the growth of cashless transaction system in India. This study was based on secondary data. This paper included the factors contributing to the cashless transaction, risk associated with it, pattern and nature of cashless transaction. He found that cashless transaction was very low in India mostly person dependent on paper money for the exchange of goods and services in India but he also concluded that cashless transaction was growing in India and in future without a doubt that future transaction system definitely be cashless transaction system

Subramanias (2014)⁵ studied about the free payment system in India. The main purpose of the study was to analyze paper free payment system effectiveness in India. The data collected under the study was from secondary source of data collection. The information collected in the study was from financial year 2003-04 to 2012-13. Percentage method was applied to analyze the data. They found that in India 90% payment was through cash and cheque in spite of the all efforts taken by the reserve bank of India and government of India. They suggest that there was still large requirement to give assurance to people for the reliability and accessibility of electronic payment in the developing country India.

Odi & Richard (2013)⁶ studied about the electronic payment in cashless economy in Nigeria. The main aim of the study was to evaluate the effect of the cashless system in the economy of Nigeria. This study used secondary data. Descriptive research design was followed in the study. This paper discussed about the problem and prospects in the Nigeria economy due to cashless transaction. They found that negligible internet penetration, petty traders, no electronic security, less power supply etc made less use of cashless transaction in Nigeria. At last, they suggested that comfortable method, easiness, focus on the low income group, government initiative, and security provider were the ways to reach to the target of cashless society.

Objective of the paper:

The objectives of the research paper are:

1. To find out the scheme launched by the government of Haryana for the promotion of cashless transaction.
2. To study the achievements in cashless transaction in Haryana.
3. To analyze challenges faced by the Haryana government to make Haryana cashless.

Research Methodology:

This study is descriptive in nature and used secondary method of data collection. For the secondary data collection journals, magazine, newspaper, internet etc is used.

Schemes launched by the government for promotion:

Haryana government is trying their best for the promotion of the cashless transaction in Haryana. Chief Minister Manohar Lal Khattar introduced following scheme for the promotion of cashless transaction in Haryana:

- There shall be three categories of prizes on daily basis till 31st December 2016, selected randomly through electronic mode, for the citizens / stakeholders who will be registering and transacting proactively towards cash less transactions. The prizes/ awards will be drawn from the reduplicated unique records, entered/ uploaded on the portal date wise. The proposed amount is as under:
 - a. 1st: 5 prizes of Rs. 10,000 each
 - b. 2nd: 10 prizes of Rs. 5,000 each
 - c. 3rd: 50 prizes of Rs. 1,000 each

- Onetime welcome/ appreciation money of Rs. 5/- to be transferred to the bank account of the citizens, who registers under any of the three cashless modes (namely UPI, USSD, e-Wallet) and executing a successful & valid transaction in his/her bank account.
- In addition to VLEs, Re. 1/- per transaction be given to the motivator/ facilitator outside banks to promote cashless transactions.
- In order to promote cashless transactions in India Central Government has also launched Lucky Grahak Yojana and Digi Dhan Vyapar Yojana in which monetary benefits will be provided to citizens using cashless means for transactions⁷.
- TO promote Prime Minister [Narendra Modi](#)'s vision of a cashless economy, the BJP government in Haryana has ordered its employees to make at least one digital transaction within the next seven days from their mobile phones and submit "certificates" of compliance⁸.
- The Haryana government has decided to observe a 'cashless week' from January 20 to January 27 to promote digital payment in the state. The government has also decided to engage college students and staff (both teaching and non teaching) to promote the mission⁹.
- Digidhan mela was organized in gurugram district of Haryana to promote cashless transaction in Haryana.

Achievement of the Haryana Government in making Haryana cashless:

Haryana Government is promoting cashless Haryana from the day of demonization in India. These are the following achievements by the government so far:

- In Haryana panipat (shatipur village) is the first district to go cashless. Around 6000 person from 1037 houses agreed to adopt cashless transaction system. All 22 shops within village limits linked to three-wallet-system in Haryana¹⁰.
- Gujarat, Telangana and Haryana rank among the top 3 states in the "cashless transaction scorecard" in India.
- **Total number of registered cashless transactions till 18/08/2017 is 230292 in Haryana and this number is increasing very fast day by day.**
- 3,000 accounts were opened and about 7,000 were imparted training during the first 'DigiDhan Mela' in Haryana¹¹.

Challenges faced by the government for cashless transaction:

In spite of the all efforts done by the government of Haryana making Haryana is not easy task. These are the following challenges faced by the Haryana government:

- All efforts are done by the Haryana government to make it cashless but the truth is even the developed countries are not successful to make their country fully cashless so by considering the case of Haryana it is not possible off course. The status of cashless transaction in USA- 45%, Australia- 35%, Japan- 14%, China- 10% and India- 2% only. So these figures clearly prove the difficulty which the government may encounter in the future.
- It is very difficult for the people to adopt cashless system in their daily routine because cash become the habit of the people.
- According to the Dr. Mahabir Jaglan Professor of the Geography Department in Kurukshetra University, a large majority of people, laborers and farmers did not have bank account what they earn in a day spend in the evening. It is very difficult for the illiterate person to adopt such a modern system of payment.
- The BJP government in Haryana has ordered its employees to make at least one digital transaction within the next seven days from their mobile phones and submit "certificates" of

compliance. The order was issued on 2nd December, 2016 and date of compliance has been given on 9th December, 2016 but this order is not implemented till now because departments don't receive any directives for it. This thing is showing a very big failure of the scheme.

- Rush in the bank lines and ATM is the one of the biggest challenge that is difficult to encounter.
- Security risk, less technology oriented people, network reliability; charges per transaction are the some problems encounter by the people.
- Inadequate infrastructure of the country becomes obstacles in the cashless transaction.

Conclusion:

In India the government of India and reserve bank of India is promoting cashless transaction in India. All the states are doing efforts to make their state cashless, Haryana state is also one of them. Chief Minister Manohar Lal Khattar launched a website cashlessharyana.nic.in to promote cashless transaction in Haryana. Haryana rank among top 3 states of India for the cashless transaction. But there is a long way to go and government is preparing themselves for the future challenges.

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