Dr. S Jeyalakshmi
Assistant Professor,
Department of Corporate
Secretaryship, PSG College of
Arts and Science, Coimbatore,
Tamil Nadu, India

Cashless economy and empathy

Dr. S Jeyalakshmi

Abstract
Demonetization is very big step took by India after its Independence. The demonetization made the initial step for cashless economy. Already some countries tries this mechanism and get the good result also, but our question is India Have more population how it is possible to make cashless economy. This article not says the way to make cashless economy but it try to say existing system of cashless economy and empathy.

Keywords: Demonetization, Cashless Economy, Empathy

Introduction
Finance can be glue that holds all pieces of our life together. It enables money to be in the right place at the right time for the right situation. To borrow and save is to move money from the future to the present or from the present to the future.

To insure is to move money from a "good" situation to a "bad" one. Ideal financial societies are those which provide safe and convenient ways of managing these simple monetary affairs.

Cashless is king
Our demonetization drama began less than two months ago, but it already seems like forever. No matter your take on the exercise — hard-won triumph, utter farce, or (as I personally believe) a worthy idea with appalling execution, it seems clear that having better design inputs could only have helped the process.

Start with the new Rs 2000 note itself, which has been called an unmitigated design disaster; visual merits aside, the decision to create a note with dimensions that weren't compatible with existing ATM standards, particularly given the context of needing them distributed urgently, has to stand as one of the biggest design fails of the year, if not the decade — a textbook example of shallow design without considering the real world ramifications.

Several aspects of the overall demonetization rollout exhibited a similar lack of consideration for the finer details which would have had any service designer cringing as policies and information shifted on an almost daily, seemingly random basis. Still, what's done is done, so it's time to shift focus to our cashless future.

There's been enough written about some of the key points of the cashless economy, both positive and negative, that we can skip over those and concentrate on some of the more interesting service design opportunities.

One major question is the viability of going cashless when there are still significant parts of the population who are unbanked, have little cellular coverage, and/or low literacy. There are certainly alternative solutions possible from localized, limited use interim currencies, to pictorial representations to convey meaning, but any answer requires a cognitive shift on the part of the people planning the projects.

Thanks to the efforts of Steve Jobs (including this quote), Jony Ive and unnamed countless others, design has never been a larger part of the public lexicon, or of corporate culture, than it was in 2016. Nearly every consumer company spends endless time and resources on creating well-designed products and services. But at the same time, as a designer, it's hard to shake the feeling that we need to be doing more.

Correspondence
Dr. S Jeyalakshmi
Assistant Professor,
Department of Corporate
Secretaryship, PSG College of
Arts and Science, Coimbatore,
Tamil Nadu, India

Cashless economy
Finance minister Arun Jaitley proposed a slew of measures to hasten India's movement to a cashless economy. Among them are bans on cash transactions more than Rs3 lakh, tax breaks for the creation of a cashless infrastructure, greater usage of non-cash modes of payments and making Aadhaar-based payments more widespread.

The government has been pushing for a shift to a less-cash economy, especially after the cancellation of legal tender of high-value notes on 9 November. These measures will create a paper trail for all transactions, thus providing an effective check against tax evasion.

The budget proposed to ban all cash transactions above Rs3 lakh, in line with the recommendations of the special investigative team (SIT) on black money.

The government will make the necessary amendments to the Income Tax Act to facilitate this, the finance minister said. The Supreme Court-constituted SIT, in its report last year, had proposed banning cash transactions above Rs3 lakh and capping cash holdings of individuals and companies at Rs15 lakh.

High-value cash transactions are a common feature in the real estate sector where buyers try to get away with paying lower stamp duty.

Curbing black money is one of the electoral promises of the National Democratic Alliance and the government has announced a number of steps over the last couple of years to check black money, including the recent move to demonetize high-value banknotes.

In the Union budget, the government has sought to incentivize greater use of non-cash transactions for small businesses by lowering the tax rate on presumptive income to 6% from 8% for all non-cash transactions.

A distracting mirage
Consumers may be divided into three categories based upon the degree of access to the digital world: real access, minimal access and no access. 71 crore debit cards have been issued so far; in August 2016, these cards were used to withdraw from ATMs Rs 2, 19, 657 crore but were used to make payments of only Rs 18,370 crore. To put a card or a smartphone in everyone's hand, to provide real access to everyone, and to make everyone adopt the digital mode will require advocacy, education and persuasion, not coercion — and without restricting the person's fundamental right to use cash.

There is also another important issue — privacy. Why should a young adult be forced to disclose that she bought lingerie or shoes or he bought liquor or tobacco? Why should a couple be forced to leave a trail of a private holiday? Why should an elderly person leave a record that he bought adult diapers or medicines for his ailments? Why should the government or its numerous agencies have access to our lives through access to Big Data? I think these questions need to be debated before the country is pushed into embracing the digital mode for all monetary transactions.

Conclusion
However, the existing "bricks and mortar" banking system doesn't work for poor people, in part because most of their transactions are conducted in cash. Handling cash transactions is costly for banks, utility companies, and other institutions, which pass along the costs associated with storing, transporting, and processing cash to their customers. India is currently in the midst of a large effort to modernize its financial services and move individuals into the electronic financial space. The year 2017 is an important milestone and will mark the epochal transition from a cash economy to a less cash and a digital economy.

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