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Dynamics of Digital Transaction Methods of Tribal Economy (Issues and Awareness Programmes Launched by Government of India)

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Abstract: "The digital organization has a hybrid nature with flexibility, agility, and innovativeness" Pearl Zhu. India heading towards a significant milestone in digital transactions; value of card usage at POS nears Rs 1 lakh crore in July 2018 was 1 crore and the volume of transactions 466 millions disclosed by NPCI. There has been a significant improvement as far as digital transactions are concerned in 2018 when compared to 2016.The demonetization drive that was implemented in November 2016, gave a good push to the digital payments industry, even in rural and tribal areas across the country. There were many small-scale business owners and petty shop owners who adopted digital payment methods. More and more people from remote villages in India are using various types of payment apps. The use of mobile-based payment methods are catching up, all you need is a Virtual Payment Address (VPA). Nearly 90 percent of millennials today own and are in close contact with their smart phones throughout the day. Most of the studies consumers are currently making over $4 billion worth of purchases from their androids. Researchers find out that the numbers will reach $ 34Billion in just recent years. In a recent study 56 percent of consumers, easy operate use their mobile devices as payment methods even remote areas. Businesses and consumers alike are interested in faster, safer, and more convenient payment methods while utilized Digitalization. Now, "Faceless, Paperless, Cashless" is one of professed role of digital India .However, an amazing reform that scrapping the higher denomination money would either result in these is being brought into the system or the money just disappearing in books of accounts and official records while promote digitalization with the help of GST in tribal communities.

Keywords: Cashless Transactions, Consumer Perception; Digital Payment; Digital Wallets, Pos, e-kyc Demonetization, Credit and debit cards.

I. INTRODUCTION

India has amongst the highest level of currencies in circulation at 12.1 percent of GDP. Cash on hand is an estimated at around 3.2 percent of household assets, higher than investment in equities, or roughly around $ 220 billion. Moreover, this cash mode, one of the most popular instruments for use transactions in Indian Economy. According to RBI's annual report for April 2015 - 2016, these 500 and 1000 notes combined to form 86.4 percent of the total value of the currency 2015-2016, which came to 16.42 trillion Indian rupees. The sum total of the number of digital transactions in December 2017 was 1 billion and the aggregate number of transactions made added up to Rs.125.53 lakh crore, compiled by NPCI. There has been a significant improvement as far as digital transactions are concerned in 2017 than 2016.The demonetization drive that was implemented, gave a good push to the digital payments industry, even in rural and remote tribal areas across the country.

A. Cashless India

The Digital India which is a flagship programme of India with a vision to transform India into a digitally empowered society and knowledge economy in future days. "Faceless, Paperless, Cashless" is one of professed role of our Digital India economy.

B. Objectives

1) To study the experience of impact of digitalization in various countries in past years in the World;
2) To analyze the current the immediate impact of digitalization on Indian tribal economy;
3) To evaluate Positive and Negative impact of digitalization on tribal economy;
4) To work out the probable consequences of the digitalization in tribal communities;

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5) To find the effects on GDP and the Indian Economy due to digitalization;
6) To identified the problems and prospects of public for implementation of digitalization in tribal areas.

II. RESEARCH METHODOLOGY

The paper is based on secondary data. The data has been collected from internet and RBI bulletin and various published journals and articles.

A. Meaning

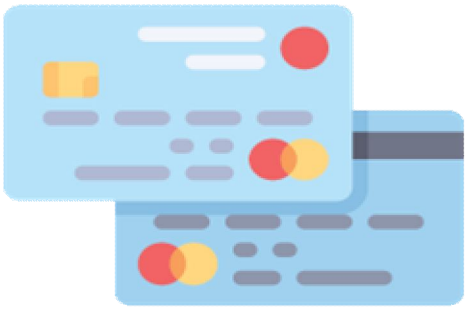
To express in simple words, a digital payment occurs when goods or services are purchased through the use of various electronic mediums. There is no use of cash or cheques in digital payment method.

B. Benefits of Digital Payments

1) Faster, easier, more convenient
2) Transaction fee
3) Waivers Rebate and cash backs
4) One stop solution for paying bills: Helps keep black money under control

III. DIGITAL PAYMENT METHODS

A. Banking Cards (Debit / Credit / Cash / Travel / Others)



Recently, Banking cards offer consumers more security, convenience, and control than any other old payment method. The wide variety available of popular bank cards available including credit, debit and prepaid offers enormous flexibility, as well. These cards provide two factor authentications for secure payments e.g secure PIN and OTP. RuPay. Payment cards create people the power to purchase items in stores, on the internet, through mail-order catalogues and over the smart phone.

1) Transaction Cost
a) NIL to customer for merchant transactions.
b) To allow annual fee and limits on ATM transaction by banks discretion,0.50% to 2.25% paid by merchant
c) To provide Cash-out charged to customer in case of credit cards @ 1% to 3.5% of transaction value.

2) Services Offered
a) To provide Authenticated Cards can be used at Point of Sale machines, ATMs, micro ATMs, Shops, wallets, online transactions, and for e-commerce websites easily when any wherein the world.
b) To avail International cards can be used across globe for multiple currencies

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B. Unstructured Supplementary Service Data (USSD)

USSD service allows mobile banking transactions using basic features of androids. Usually, there is no need to have mobile internet data facility for using USSD based mobile banking system in case of digital payments.

1) Transaction Cost
a) NIL by system
b) Rs. 0.50 charged to customer by without system
2) Services Offered
a) Balance enquiry
b) Mini Statement
c) Funds transfer
d) Know MMID
e) Change M-PIN
f) Generate OTP

C. Aadhaar Enabled Payment System (AEPS)

Now, Aadhaar Enabled Payment System is the one of the popular model in India which allows online interoperable financial transaction with Point of Sale or Micro ATM through the Business Correspondent who helps Bank Mitra of any bank using the Aadhaar authentication.

1) Transaction Cost
a) Transaction cost does not charged to customer
b) Merchant get charged or paid based on bank‘s discretion
2) Services Offered
a) Balance Enquiry
b) Cash Withdrawal
c) Cash Deposit
d) Aadhaar to Aadhaar funds transfer
e) Payment Transactions (C2B, C2G Transactions)

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D. Unified Payments Interface (UPI)

Unified Payments Interface is a system that powers multiple bank accounts into a single mobile application, merging several banking features, seamless fund routing and merchant payments into single window on line system. Usually "Peer to Peer" collect request which can be scheduled and paid as per requirement and convenience for consumer transactions their requirements. However, each Bank provides its own UPI App for Android.

1) Transaction Cost

a) Nil to customer by most Banks

b) Customer pays for nominal data charges

E. Mobile Wallets

A mobile wallet is one of the methods to carry cash in digital format. It can link your credit card or debit card information in mobile device to mobile wallet application or you can transfer money online to mobile wallet. In the process, an individual's account is required to be linked to the **digital wallet** to load money in it for doing digital transactions. Morever, most of the banks provides their e-wallets and some private companies like Paytm, Freecharge, Mobikwik, Oxigen, mRuppee, Airtel Money, Jio Money, SBI Buddy, itz Cash, Citrus Pay, Vodafone M-Pesa, Axis Bank Lime, ICICI Pockets, SpeedPay **etc.**

1) Transaction Cost

a) To customer pays for remittances to bank accounts @ 0.5 percent -2.5 percent of fixed fee.

b) To pay for data charges in self-service mode only.

2) Services Offered

a) Balance Enquiry

b) Passbook/ Transaction history

c) Add money

i) Bank A/c

ii) All Cards

iii) Cash-In

d) Accept Money

e) Pay money

i) Another wallet (mobile no.) with same provider

ii) Pay merchant

iii) Bar Code reader

f) Manage Profile

g) Notifications

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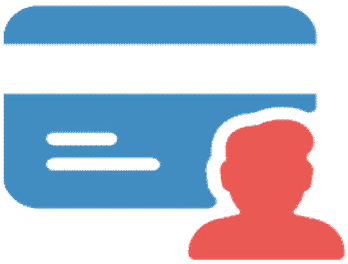
F. Banks Pre-paid Cards



1) Transaction Cost

a) Pre-paid cards Customers may pay service charges for transaction or fixed fee, upfront + each transaction for level of service rendered.

b) Loading wallets is mostly free.

c) Merchant is charged in terms of fee 0.50 percent to 2.50 percent

d) Cash out is charged to customer as fixed fee or 1 percent to 2.5 percent of value of transaction only from selected cards

2) Services Offered

a) Balance Enquiry

b) Passbook/ Transaction history

c) Add money

i) Bank A/c

ii) All Cards

d) Accept Money

e) Pay money

i) Another wallet (mobile no.) with same provider

ii) Pay merchant

iii) Bar Code reader

iv) Cash-Out (Cash withdrawal)

v) Touch and Pay

f) Manage Profile

g) Notifications

G. Point of Sale

A point of sale is the place where sales are done immediately. On a macro level, point of sale likes a mall, a market or a city. On the other hand, point of sale, considers being the area where a customer completes a transaction, such as a checkout counter retailers. It is also known as a point of purchase centers.

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H. Internet Banking

Internet banking also known as is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. This is most popular method frequently utilized in rural areas of India.

1) *Different Types Of Online Financial Transactions:* National Electronic Funds Transfer (NEFT) is a nation-wide payment system facilitating one-to-one funds transfer immediately. Individuals, firms or corporate firms maintaining accounts with a bank branch can transfer funds using NEFT easy, quick and prompt way.
2) *RTGS:* Now, RTGS system is primarily designed for huge value of bulk transactions. The minimum amount fixed by RTGS is 2 lakh while, there is no upper ceiling in case of RTGS transactions.
3) *Electronic Clearing System (ECS):* Recently, al most of all payments through ECS is an alternative method for effecting payment in respect of the utility-bill-payments like telephone bills, electricity bills, insurance premium payments and loan repayments, etc. instead of traditional methods of transactions.
4) Immediate Payment Service (IMPS) The famous service available round the clock i.e. 24X7; it reveals interbank electronic fund transfer service through android phones. However, IMPS system is an emphatic tool to transfer money instantly within banks across India through mobile, internet and ATM.

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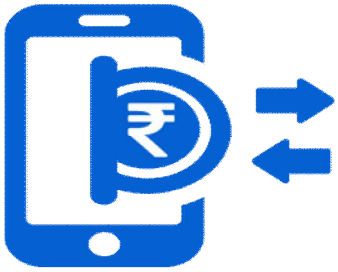
I. Mobile Banking



Now, Mobile banking is one of the services provided by either bank or financial institution that allows its customers to conduct different types of financial transactions remotely using a mobile device such as an android or tablet they required even rural and remote areas in India. It uses software, usually called an app, Each Bank provides it's own and special mobile banking App for Android eg. Airtel mobile banking

J. Micro ATMs

Micro ATMs which low cost device that will be connected to banks across the country quick transaction remittance. The system enable a person to instantly deposit or withdraw funds regardless of the bank associated with a particular business correspond. This is special device will be based on a mobile phone connection and would be made available at every BC like double edged sward.

K. Findings

1) *Foot Falls Into Bank Branches Drop To 20 Percent:* As a result of digitalization, banks such as State Bank of India, ICICI Bank and Punjab National Bank are reporting a sharp rise in digital transactions, especially in net banking, point of sale (PoS) and mobile banking. On March 2018, internet, mobile banking and PoS transactions combined stood at 37 per cent for SBI, while they were only 31 per cent in the previous year. Similarly, ATM and Business Correspondents are also included it goes up to 80 per cent. With 6.10 lakh PoS terminals, SBI now commands 20.20 per cent market share in the segment.

Growth of digital payments in india during the period april - december 2017 (inrs. Crore)

Month	Total digital pay	UPI	PPI	Debit & credit cards	No of POS Terminals
Apr	909.60	7.00	89.20	231.10	2.61
May	926.55	9.16	91.30	233.40	2.69
June	920.20	10.15	84.70	232.40	2.77
July	938.00	11.44	88.70	237.60	2.84
Aug	964.40	16.60	89.70	243.00	2.88
Sep	958.60	30.70	87.50	240.30	2.90
Oct	1048.30	76.70	96.20	255.70	2.95
Nov	1081.58	104.80	92.80	244.60	2.99
Dec	1150.28	145.40	99.10	263.90	3.11

Source: NPCI Billiton 2016-17 and 2017-18.

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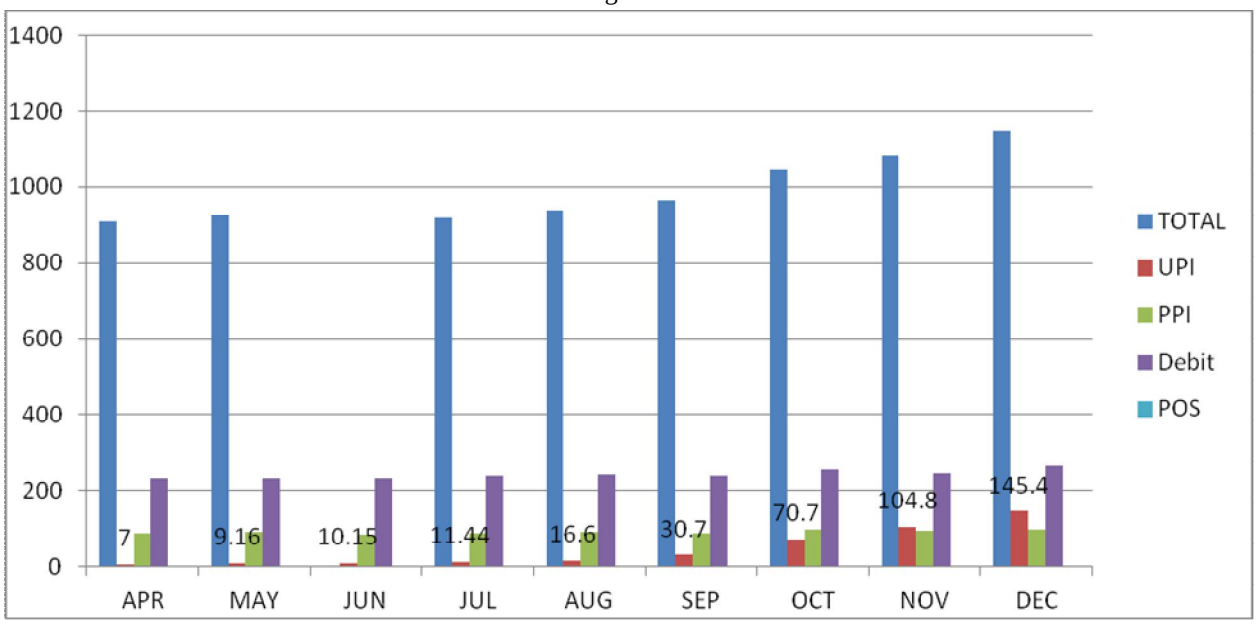
Figure-1



Enunciated the table-1 evaluated 9 months progress of digital payments on various aspects such as UPI, PPI, debit and credit cards and number of POS terminals during the period 2016-17. It can evidence from the table UPI payments are gradually increased entire period, except in the months of June and September PPI indicates growth rate of payments. However, Debit and credit cards and POS terminals increased constantly during 9 months

IV. CONCLUSION

According to the report of RBI more than ten modes of electronic and banking payment modes implemented in tribal people our country. However it is unfair to expect because it is a first step to cashless society which is good for country. In present world, invites 2G currency for advance living people. Whenever, experience from different countries observed that the move was one of the series that failed to fix a debt burdened and inflation-ridden economy. Finally as a result both Government and suffering public mutually share their experiences and increase public participation while wide spread awareness among alternative funds such as PAN, Paytm, Credit cards ,Online shopping etc. In the view of Prof. Charan Singh famous Economist in IIM Bangaluru, advocates for Rs. 66.53 crore during 2016-17 and Rs. 84.21crore, it reveals 26.6 percent progress in form of tax collection. Finally conclude tribal communities vastly used latest digital transaction methods like other communities.

A. Suggestions

1) To create awareness programmes in digital transactions in tribal areas.
2) To provide cash back for using digital transactions made by tribal communities.
3) To enhance digital/ on line payments instead of cash.
4) To introduce digital literacy programme for all.
5) To constitute accessibility of internet.

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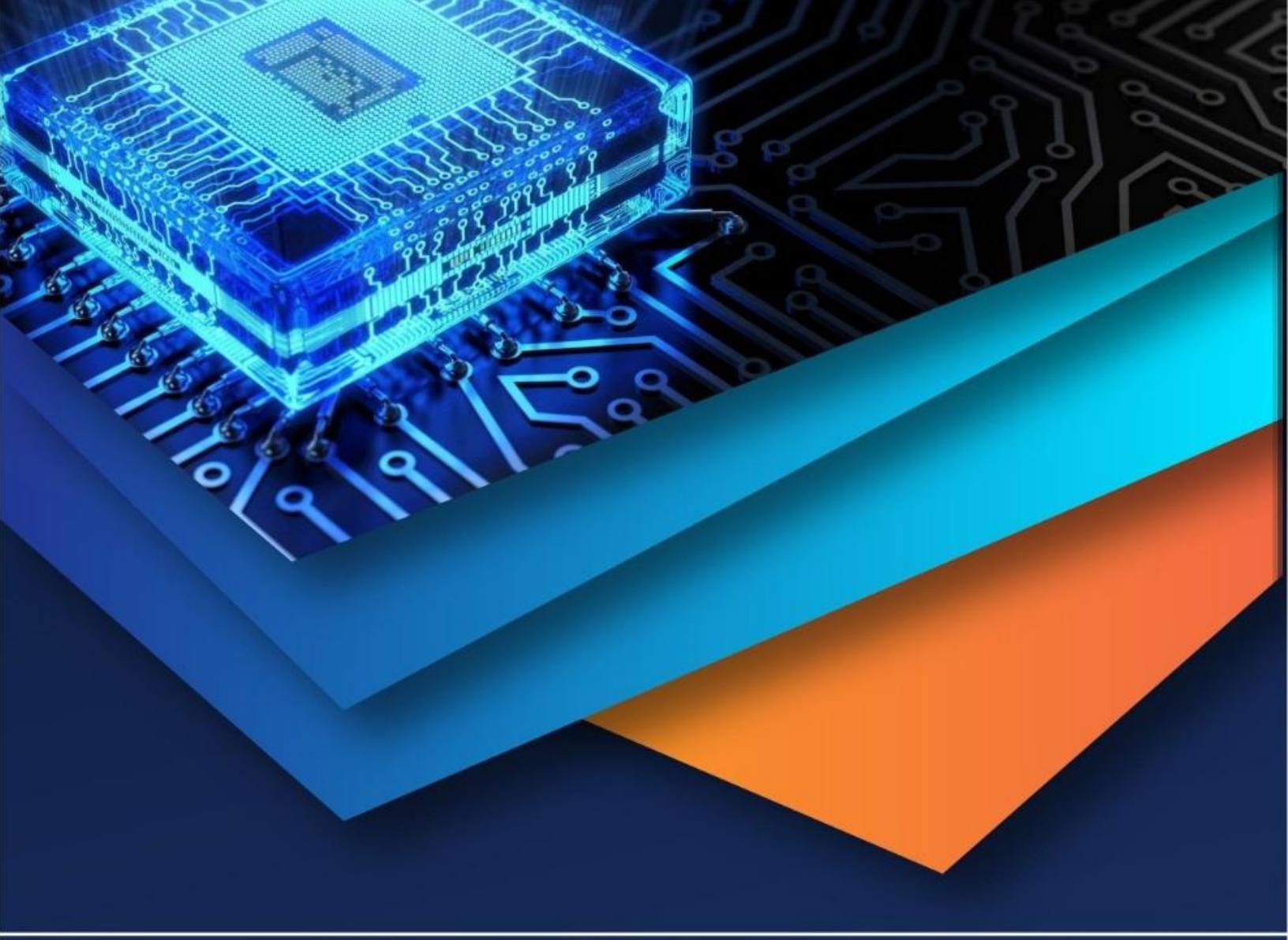

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