

PROS AND CONS OF CASHLESS ECONOMY

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Technology advancement has provided an effective payment system devoid cash and carries syndrome. The specifically electronic payment system provides a platform through which economic exchanges takes place without any physical transaction and interaction of the people, or visiting the banks. A cashless economy refers to a system based on credit cards, debit cards, digital wallets, and many others which replace the physical stream of a national exchange. Digital transactions such as net banking, mobile banking, digital wallets, debit cards, and credit cards replace the traditional way of payment like the use of cash or coins (maurya, 2019). In this mode of transaction, electronic money is preferred over transactions involving coins or physical notes as it has a limited number of cash transactions. The dream of a cashless economy is embraced by many governments and institutions although there are benefits and challenges in implementing it.

The economy has always moved through a period of transformation from time to time although, it has been impacted by several challenges. Counterfeit currency has been one of the biggest challenges that slowly hurts the economy of many countries for a long time. People who are involved in money laundry accumulate their wealth in cash fearing that government would question that particular source of income if they keep their money in the bank. It, therefore, becomes a challenge to the people and government as the price of commodities increases due to more money getting circulated in the country (mili & duwarah, 2021).

A cashless economy is an effective way of eliminating counterfeit currency in the market as it involves only digital transactions thus eliminating the use of coins and notes. Transparent system. It is difficult for anyone to precisely know how much money in cash circulates in the system at any point in time. Economists have tried to estimate the flow of cash but it is partly due to the difficulty arising from tracking cash transactions and the impossibility of monitoring cash-related exchange patterns and preferences. The development of a cashless economy will curb the parallel black economy which runs on a cash basis and is trackable and more transparent. An electronic transaction always leaves a statement beneficial to both parties hence making it more transparent and compliant (mili & duwarah, 2021). The know-how of exactly and when the money is spent would increase transparency, and efficiency, reduce waste and unveil both formal and informal transactions. More tax collection. Taxation makes a strong impact on the national economy as it is the one which drives the cash flow of the real economy of the country. The existing mode of a cash transaction is a big challenge to governments as most individuals don't pay taxes despite having large incomes. Through the cashless system, tax collection will drastically raise as the payments made through digital means are trackable thus making it easier for the governments to track and bring more people into the tax fold (madhav.). Taxation will be convenient as it will be easy to track sales through the digital economy and the merchants will be bound to pay the tax sales to the government thus resulting in financial status increment of the country.

**Job opportunity**.

The digital economy has a huge potential to enhance job opportunities in the markets and also increase employment opportunities in some occupations in the government. Learned individuals are now able to access better jobs to manage and run the growing cashless community. Low crime rates. Carrying cash makes it easier for criminals to target and rob a consumer. It would be difficult to track that cash or prove it is yours once it is in the criminal's wallet. Through the use of digital transactions, there will be a decrement in crime rates because a consumer can't be targeted in street crimes. A cashless economy makes it easier for international payment. Traveling to a country that accepts cashless transactions will be easier and more convenient. It will not be necessary for one to do the physical money exchange. Instead, the digital transaction will handle everything, especially through mobile phones.

Cons however, as society moves from physical cash transactions to digital cashless transactions, there are several challenges associated with the transition. Among the challenges are the difficulties the ordinary people experienced when moving from a cash transaction to a cashless economy like confusion and ignorance (behera & balaji, 2019). They are not conversant with the technology used in digital transactions due to their low level of education thus becoming a challenge to them. Cashless transaction is exposed to hacking risks. A cashless society could lead to increased risks to personal and national security. The payment card industry security standards council warned that moving towards a cashless society has its dangers as digital transaction systems are not immune to online cybercrime. Scammers are more organized and tend to use more sophisticated strategies to steal customers' data.

A cashless economy requires high security and protection for it to function adequately. It may lead to denied payments, identity theft, fraudulent transactions, and data breaches lack of internet and electricity connectivity. This is a big challenge to a cashless society as a lot of regions especially rural ones do not have uninterrupted electricity and internet supply. This can make a consumer whose phone is switched off or is not connected to a good internet cutoff from accessing his funds. It, therefore, becomes burdensome to encourage digital transactions since the concepts of internet and electricity connectivity will be out of the question in such places. Overspending. According to behavioural theorists, "the pain of parting with money is more felt intensely in the usage of solid cash". It becomes easier to overspend because all you need is to tap, swipe or click and you have made a purchase. A consumer can easily be a loser with their money when it exists in an evasive digital form, they can spend that money they could not have spent if they were to do the same transaction with physical money. The cashless effect is dangerous because it not only led to overspending but also can cause depression and anxiety disorders. Therefore, when one is transitioning to a cashless society should first have a disciplined mentality.

Conclusion realistically the future is already here and the increasing use of cashless payment is a sign that cash may become obsolete one day. As with any other developing process, the digital transaction has its advantages and disadvantages. Consumers from every strata of society should be educated so they can understand the digital process, and its features and suitably adapt to them. Governments and institutions should also provide greater security and enhanced technology to support the ongoing cashless payment approaches. Conclusively, while a cashless economy has many potential benefits, including efficiency, accessibility, and financial inclusion for all, it also has some drawbacks, including privacy invasion, security breaches, and the exclusion of vulnerable groups...........................................

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