



“An Analysis of Usage of Digital Gateway for Payment in Rural Citizens” w.s.r.t Ahmednagar of Maharashtra State

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Introduction:

The Government of India has planned to empower the people of the country digitally. On 8th November 2016, the government announced demonetization of high value currency notes of 500 and 1,000 rupee. It resulted in voiding 86 percent of cash in circulation. Subsequently, as a fallout of this decision, focus also shifted to urging people to go digital and move towards a cashless form of transaction.

Rural citizens faced acute problems of the currency crunch in this period. The government organized a crash course demonstration at various places to show the benefits of digital services. The aim was to educate people how to use digital services, access their bank account without going to their respective banks

Internet connectivity has become basic amenity today. The concept behind the government's Digital India programme aims to expand the digital infrastructure to connect the entire country and provide a digital platform for banking, governance, healthcare and educational services which will improve efficiencies and allows effective auditing also.

To accelerate digital literacy in rural India, Intel India announced three innovative initiatives to strengthen its support for Digital India. Rs. 1,800 crore (\$265 million) are allocated to Digital Literacy Mission for 60 million people through which approx Rs. 300 will be spent on each person for training in rural area to bridge the gulf between those who have access to, can use computers, internet and those who don't.

The government target is to make almost 40 per cent of rural population digitally literate in three years. Underserved rural areas will get the benefit of remote access to a range of digital services, including healthcare, education and banking.

The focus on rural India is not just about Corporate Social Responsibility (CSR) and outreach but equally beneficial for corporate seeking businesses. The private sector has been actively engaging with rural after e-commerce has expanded.

The data has been collected from the district Ahmednagar from various respondents who are living in the area. For that simple random sampling method used and analysed in computer. The data collected from various categories of rural people like servicemen, businessmen, small scale retailers and teachers etc.

The population of India is 1.2 billion with 623 million males and 586 million females. The total literacy rate in the country at present is 74.04%. (Census: 2011)

The village economy is based on subsistence agriculture with 94% of females and 84% of males engaged in farming.

It is observed that in rural part of Maharashtra the numbers of mobile phones users are high and the number is increasing day by day. After analyzing selected sample data it is observed that in rural Maharashtra generally people use mobile phones mainly for communication purpose. Approximately 85% people reported that their prime requirement is communication. The rests 15% those are not using mobile phones comprised the category of housewives, school going children and older persons in the family.

Basically the College going students are using mobile phone which is provided by their parents and they use it for communicating their friends and for internet surfing. It is also found that popularity of social media site Facebook is high and WhatsApp is the primary set of communication.

Women mobile phone users reported that they use mobile phones for to communicate with their relatives and neighborhood around. They are familiar with WhatsApp and Facebook etc. even if they do not use. But most of them do not know any digital payment gateway apps available. Only 20 percent women said that they have heard about it but have not downloaded in their mobile phones as they have never thought of using it.

Older people above 70 years of age are unenthusiastic and reluctant towards its use as they find it difficult and inoperable to use. 15% nonuser of mobile phones said that their head members of family felt expensive.

It is found that the rural people do not rely on digital payment gateway for making any payment as they find its critical, expensive and risky in use. Only 30% people have shown readiness of its use in future subject to the condition that bank assure them for not charging any extra charges and they will have not to pay any tax on the particular transactions. Rest mentioned that they would continue to prefer cash payment only as digital payment

transactions require smart phones; internet connection which is not available everywhere in the interior part and connectivity is also a problem.

Though Ecommerce success is largely endorsed to the growth of various digital payment technologies such as card payments, electronic fund transfers, payment gateways, ePayments, smart cards, mobile money wallets etc. however around 90% people in rural areas are still unaware about its utility. They have mentioned that such types of transactions must require hassle free and high security measures otherwise they will not able to opt the same even if it is made available freely to them. Even if they receive training for its use the purpose will not solve.

Though the people in rural Maharashtra have access of mobile phones and internet connectivity, very few of them are familiar with the terms digital banking, M-wallet and NEFT etc. only 5 percent people mentioned that they have used it once in a while. Mostly they prefer cash transactions. This is because the retail shopkeepers in their area do not have facilities like swipe machine. While registering for ecommerce site it is essential to provide Aadhar number, email accounts etc. which may not available at time and this result into failed transaction. Shopkeepers also prefer cash in their hand because they buy goods from wholesalers on credit. It is also found in the data that rural people are not familiar with various other popular digital payment gateway sites that are exist in the market except PaytM, newly launched Bhim.

According to a study by the Boston Consulting Group in 2016, rural internet users are overwhelmingly male, with women a scant 2%. Initiatives to address this gender disparity in rural India have yielded results. Several corporations that have social responsibility have started their initiatives to take technology to the villages, with a special focus on women.

Digitalization is also aimed to empower women of rural India. The concerted efforts are made to prepare them to transact online.

However it is observed that due to gender discrimination in the rural area, women are forcibly kept away from online transaction as male don't consider online transactions as secure and are cynical of any fraudulent activity. Around 89 percent have said that they are not allowed women to shop online but they have access to nearby shops where they can go for shopping and pay by cash. There is no restriction on that. Due to short distance of market from their house they can go easily and can choose goods or things by their own choice. Shopkeepers give them things on credit even if they do not have money sometime. So they prefer cash transactions.

Conclusion

As India moves to control its cash-driven economy way towards a more digital economy, there are still many challenges. Online transactions are still in less number as most people use cards to withdraw only cash at ATMs. The aim of the government is to curb the black economy and bring people and businesses into formal banking and digitalization. Digitalization should make services faster, cheaper, reliable and more accessible to people.

However due to lack of awareness, restrictions on women, poor connectivity in rural part of India people still prefer cash transactions. If given proper training, good accessibility of internet connectivity, assurance of data, money security people will transform to digital economy and thus accelerate digitalization.

References:

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