

Cash Less Economy

What was the issue?

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State bank of India started promoting cash less transactions.

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What is digitized economy?

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- Digital economy refers to an economy that is based on digital computing technologies.

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- The digital economy is also sometimes called the Internet Economy.

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- Increasingly, the "digital economy" is intertwined with the traditional economy making a clear delineation harder.

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What are the advantages of digital economy?

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- Transactions are digital, no need of safe guarding physical currencies.

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- Time saving and faster means of exchange.

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- The government able to track any transaction.

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- There is increasing tax revenue.

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- Dealing with criminal transactions is easier.

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What are the issues with digital economy?

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- Physical cash often offers the easiest and cheapest way to deal in many low-value transactions.

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- It make no economic sense for small businesses to build the infrastructure required for digital payments

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- Cash less economy would threaten the stability of the banking system.

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- Cash acts as a natural check on inflationary government policies.

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\n**Source: The Hindu**

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