



DIGITAL ECONOMY AND ITS BENEFITS

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Abstract-

Digital technology is a technology, which use of digital or computerised devices, methods and systems etc. use this technology was to start in 20th century, in the beginning it is limited use by various sectors. In 21st century it is used for various purposes. Nowadays, digital technology has adopted by every sector in the world. Without digital technology, we can't do anything. In India Digital technology acquire every sector, Finance sector is not exception of to use digital technology. To using of digital technology money transfer is very easy and efficient way. Digital economy word to firstly coined by Japanese professor and research economist in the midst of Japan recession of the 1990s. The digital economy referred to wide range of economic activities that use digitised information and knowledge as key factor of production. To use of digital economy, people are more cheaply access of products and services from any location. Every sector is friendly with digital economy. Due to digital economy, the people effortlessly transactions of money from any place to another. Digital economy is developing rapidly worldwide. In digital economy, most of the transactions and payments are online modes. For support of digital economy, there are so many apps are emerged. These are Google Pay, Phone Pay, YONO, Bhim, Paytm and many more. The UPI system is also a main gateway of online transaction.

Introduction:

The digital economy make easier to the customers and businesses for receiving their products and order also. The digital economic grades many more benefit to the people. Digital technologies have a potential to boost more inclusive and sustainable growth by spurring Innovation. Digital economy based on the computing. Computing technologies, banking cards. UPI, Mobile wallets, Bank Prepaid Cards, Point of Sale, Internet banking, Mobile Banking and Micro ATMs are the mode of digital payments. These modes are promoting the cashless transaction and converting less cash society.

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Status of digital economy in India:

India is the second largest country in the world in terms of population. More than 60% population live in rural area. The rural area population is not literate of computer knowledge and also they do not have sufficient smartphones with compare to urban population. Digital India is a flagship program of Indian government due to this Program day by day increases the use of digital economy by the citizens, Cashless or digital economy belong to no physical cash is circulated, all types of monetary transactions are done through digitally like E-wallet, Internet Banking, Debit or Credit Cards, Electronic Fund Transfer, Mobile Payments, etc. According to RBI in the finance year 2020-21 the digital payments growth recorded 30.19%. Following table shows the growth rates in selected payment methods.

Table 1. Growth Rates in Selected Payment System

Sr. No.	Payment Systems	Transaction Volume Growth (YoY, per cent)				Transaction Value Growth (YoY, per cent)			
		Jan 2021	Jan 2022	Feb. 2021	Feb. 2022	Jan 2021	Jan 2022	Feb. 2021	Feb. 2022
1	RTGS	14.1	15.7	18.4	14.3	-7.2	13.9	0.7	14.1
2	NEFT	10.3	26.2	13.6	28.8	12.3	12.8	15.1	15.1
3	UPI	76.5	100.5	73.0	97.5	99.4	93.0	91.0	94.5
4	IMPS	33.5	27.0	28.7	32.0	33.1	34.1	28.3	39.7
5	NACH	-14.6	28.8	-18.4	28.0	11.6	26.4	-1.3	30.2
6	NETC	60.4	54.8	44.3	53.3	48.1	50.0	38.8	42.0
7	BBPS	84.0	130.2	89.1	121.2	106.0	148.8	115.7	136.2

Source: RBI Bulletin March 2022.

Above table reflects that how transaction volume and value growth per cent changes in January and February 2021 and January and February 2022 of various methods of digital transactions like Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT), Unified Payments Interface (UPI), Immediate Payment Service (IMPS), National Automated Clearing House

(NACH), National Electronic Toll Collection (NETC) and Bharat Bill Payment System (BBPS).

Table 2 NEFT, RTGS and Mobile Banking Transactions.

National Electronic Funds Transfer (NEFT) - February 2022				
Total	Total Outward Debits		Received Inward Credits	
Number of Banks	No. Of Outward Transactions. (in Lakh)	Amount (Rs. Crore)	No. Of Inward Transactions. (in Lakh)	Amount (Rs. Crore)
226	3632.6	2477058.6	3632.6	2477058.6

Source: RBI Report February 2022

RTGS

Total No. of Banks	Bank Wise RTGS Inward and Outward - February 2022															
	Inward								Outward							
	Volume				Value (in Rupees Crore)				Volume				Value (in Rupees Crore)			
	Interbank	Customer	Total	%	Interbank	Customer	Total	%	Interbank	Customer	Total	%	Interbank	Customer	Total	%
238	113068	17915484	18028552	100	104726	9277355.75	10324617.82	100	113068	17915484	18028552	100	104726	9277355.75	10324617.82	100

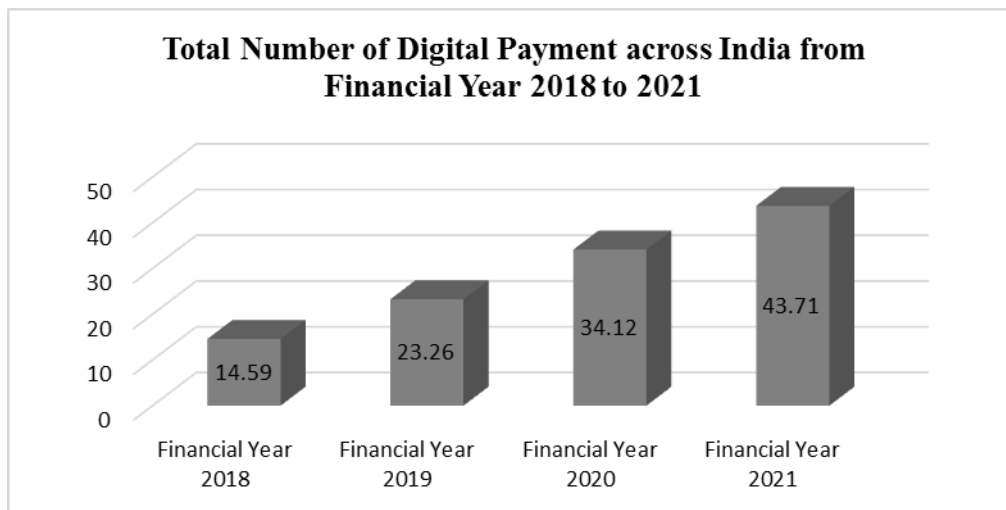
Source: RBI Report February 2022

Mobile Banking

Mobile Banking Transactions For The Month Of February 2022		
Total Number of Banks	Volume (in Lakh)	Value (in Crore)
462	48508	1395093

Source: RBI Report February 2022

Above table's reveals that the fund transfer in February 2022 by Indians using NEFT, RTGS and Mobile Banking.

Digital Payment across India:

Source: Statista.

According to above graph total number of digital payment across India in financial year 2018 was 14.59 to 43.71 in financial year 2021. This pattern shows to continue increases of digital payments in the country.

Benefits of Digital Economy:

There are so many benefits of digital economy, here are several important benefits.

Faster Payment:

In digital economy electronic payment system use for money transaction. It is a faster and instant payment method. There is no need to wait for transactions. The traditional transaction methods are too much lengthy. Now you don't need to line up for payment. Everyone can make payments at any time from any location.

Security:

Digitally transfer money is more secure than the traditional methods. To carry cash is a risky because of thefts and other reasons, but electronically transfer money is more secure because electronic payment uses secure gateway which are very hard to tamper and no need to carry physical cash.

Wide Range of Options:

Traditionally limited ways to transfer and withdraw money, but in digital economy there are so many ways to transfer money, like different cards, e-

wallets, different apps and many more. To use of this options people no need to line up for payment transfer and withdraw. More options are helps to faster payments.

Easily Track:

In online or digital payments all online transaction activities stored in merchants database, due to this merchant and customers are easily track online transactions. This helps to avoid confusions of payment transactions.

Convenient:

digital payments are more convenient with compare to traditional methods. Everywhere and anytime you don't need to carry physical money for any purpose. Digitally you transfer money for any task.

Save Processing Cost:

When we use traditional methods we need to spend some money for transaction, the bankers charge processing fee for transactions and this charges are depend on the how amount is for transfer. But in electronic mode we don't need to spend some money as a processing fee. This is a most important benefits for customers as well as merchants.

Transparency:

In every field transparency is an essential for trust. Traditionally it is lengthy method to detect payments for merchants, to use of electronic payment methods no worry about payments. Every record of credit and debit are electronically save on the servers. Merchant and customers easily access this record. Due to this maintain transparency in payment transactions.

User Friendly:

Traditional payments methods are complex and not easy to understand for common people. The new and advanced electronically or digital payments methods are very easy and user friendly. This method provide various range of payment facilities and also users view their payment details.

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