

## UNIT 3 - Better Than Cash Alliance Network - Explained



### Introduction

The move towards cashless economy in India has its roots from Jan Dhan Yojana triggered through UN's Better Than Cash Alliance Network

### Background

- Better than Cash Alliance Network is an initiative of United Nations Capital Development Fund (UNCDF)
- UNCDF is the secretariat of the alliance based at United Nations
- It is a partnership of international agencies, companies and countries
- Alliance is funded by Bill and Melinda Gates foundation, Master card, Citi foundation, Visa, Omidyar network and Ford foundation

## Aims and Benefits

- Aim is to help countries to make a transition to electronic or digital payments
- Alliance promotes inclusive growth
- It reduces poverty by helping nations to benefit poor directly
- The alliance promotes financial inclusion
- It enhances digital finance
- Reduce costs for countries
- Women empowerment
- Increases transparency levels

## Implications for India

- Better than Cash Alliance fueled the world's largest financial inclusion system of Jan Dhan Yojana in India
- Helped open about 180 million accounts in a year accumulating to \$3 billion in deposits in India
- Brought nearly 300 million Indian citizens under formal banking sector in 3 years
- The financial inclusion along with Aadhar identification will help in identification of beneficiaries to provide subsidies
- The LPG subsidy is a major success in India through DBT saving \$2billion to GOI annually
- India can enhance its research and technology by joining in the alliance
- India gained a policy partner through the alliance
- India is a great case study and success story of Better than cash alliance

## Conclusion

- India has benefited a lot from the alliance in the recent demonetization scenario
- GOI has partnered with the alliance to make a change to cashless economy
- It has improved transparency levels to a great extent by bringing most of the financial transactions under formal banking sector

- Alliance has given India the required infrastructure and technical expertise to change to a cashless economy
- The alliance has helped India develop a digital economy
- Creating awareness and changing the attitude of the Indians from traditional to modern methods is a big challenge
- India is progressing to a cashless economy despite facing a lot of hurdles and challenges
- UN Better than cash alliance is an aid to India's "Digital India" Mission
- Overall, India is changing with the partnership of the UN Better than cash alliance

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