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CASHLESS REVOLUTION: DYNAMIC LIVES AND UPLIFTING HUMANITY



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ashless technology facilitates enhanced financial inclusion by granting underprivileged communities access to banking and financial services. By providing individuals and communities with the necessary resources, they can gain the ability to successfully manage their finances, save for the future, and actively engage in the formal economy. Cashless technology can enhance the efficiency of delivering social services, such as the distribution of welfare payments or the provision of relief in emergencies. Cashless systems can effectively mitigate poverty and enhance the welfare of vulnerable groups by ensuring secure and rapid delivery of payments to their intended beneficiaries.

The implementation of cashless technology promotes innovation and entrepreneurship by generating fresh prospects for businesses to provide inventive payment solutions and financial services. By driving economic growth, generating employment opportunities, and enabling individuals to pursue their entrepreneurial ambitions, this has the potential to transform lives and make significant contributions to the progress of society. To summarize, cashless technology has the potential to profoundly impact society by increasing financial inclusion, improving efficiency and transparency, facilitating the provision of social services, encouraging innovation and entrepreneurship, and advancing sustainability. By using the capabilities of cashless systems, society can strive towards establishing a future characterized by inclusivity, fairness, and prosperity for everyone.



Cashless transactions provide enhanced security compared to cash-based transactions, mitigating the potential for theft or loss related to the handling of actual currency. Enhancing the feeling of safety can enhance the overall well-being of individuals and communities, particularly in regions susceptible to criminal activity or instability. This, in turn, enables them to concentrate on personal and economic development. The pandemic has sped up digital transformation in the country, as an increasing number of individuals are using cashless payment options. Originally designed as a preventive precaution against diseases transmitted by physical currency, the use of cashless platforms has evolved into a routine that will continue to expand as technology advances rapidly. Due to its convenience, cashless payments have rapidly become the standard. Instead of hastily going to an ATM to withdraw cash, individuals can now rely on e-wallets or online payment gateways to simplify their transactions. Gradually, the nation is observing the use of novel technologies that are significantly improving the payment experience to a greater extent than ever before.



Malaysia is anticipated to transition into a cashless society by year 2050, owing to the favorable effects of the cashless revolution on individual's lives. The Malaysian government is dedicated to advancing the agenda of a cashless society by actively encouraging the adoption of e-wallets through the implementation of the Interoperable Credit Transfer Framework (ICTF) policy in 2018 and the subsequent introduction of the digital economy blueprint MyDIGITAL in February 2021. The Malaysia Digital Economy Blueprint, known as MyDIGITAL, sets out the strategies to expedite Malaysia's development as a sophisticated digital economy. MyDIGITAL plays a crucial role in facilitating the implementation of the Twelfth Malaysia Plan 2021-2025 (RMK-12) to achieve the shared vision of Wawasan Kemakmuran Bersama 2030. The Jendela (Jalinan Digital Negara) initiative aims to establish Malaysia as a leading force in the digital economy by 2025. Its objective is to provide digital connectivity to every family, school, and industry in the country. This undertaking involves a combined investment of RM21 billion from both the government and private sector. The implementation of 5G technology is a crucial element of this strategy, with plans to expand it to all densely populated areas by 2023.

In addition, the Malaysian government has shown its endorsement of cashless transactions, particularly the adoption of e-wallets, since 2020. In the past, the government provided RM 1.2 billion in

2020 to encourage the adoption of e-wallets in Malaysia. They offered one-time digital rewards of RM 30 and RM 50 to Malaysians who were 18 years old and higher and had an annual salary below RM 100,000. Starting 2021, the focus on recipients changed to the younger generation rather than the B40 demographic. The shift is apparent in the 2021 budget, which allocated RM 75 million for more than 1.5 million young individuals. In addition, a sum of RM 300 million was transferred into the e-wallet accounts of individuals between the ages of 18 and 20, as well as full-time higher education students, in the year 2022. The 2023 budget saw the elimination of the eWallet ePemula program for the B40 group (individuals earning less than RM 100,000 per year). Instead, an allocation of RM 200 was provided for 2 million youth aged 18 to 20 through e-wallets.

The widespread use of cashless platforms is of utmost importance today, and it is crucial to promote its adoption among the people of Malaysia. An eminent benefit of switching to a cashless society is the significant decrease in crime rates. As the amount of physical currency in circulation decreases, the frequency of bank robberies, burglaries, and corruption tends to decline. This is because cash provides a level of anonymity that criminals can take advantage of. In contrast, digital currencies involve a higher level of responsibility and can be quickly restricted if used improperly. Hence, the implementation of a cashless society should be tailored to ensure the overall advantage for everyone. The government must implement strategic steps to ensure the successful realization of its vision. Prioritizing advancements and advances in technology and internet connectivity is crucial. This should include not only persons with poor incomes or debts but also rural areas and elderly inhabitants who may prefer real cash and have limited technological skills.

Malaysia could use the Unstructured Supplementary Service Data (USSD) system, like the Indian government, to reach rural areas with low internet connectivity and smartphone usage. USSD is a mobile payment method that can be used to tap into these markets. This solution allows for mobile banking transactions to utilize simple feature phones without the requirement for mobile internet data, thus promoting financial inclusion and expanding access to mainstream banking services. Malaysia's government can use effective techniques from countries such as India and China to further its public reforms. It is crucial to prioritize guaranteeing the presence, excellence, ease of use, and dependability of fintech services, particularly e-wallets. This requires creating a conducive atmosphere for users to interact with e-wallets effortlessly, consistently updating systems, and actively promoting their use. The Malaysian government can emulate China's strategy by providing incentives for e-wallet use, such as in-app vouchers, promotions, and virtual membership cards that offer increasing discounts based on loyalty levels. These activities increase the pace at which e-wallets are accepted, generating a feeling of passion and excitement in society to adopt them, similar to the success seen in China.

Based on this discovery, it is advised that cashless service providers prioritize enhancing customer trust. This can be achieved by implementing a trustworthy brand, enhancing security measures, improving the quality of service to inspire trust, and evaluating reliable strategies for the growth of the cashless payment system. For growth to occur and for a more favorable attitude towards cashless adoption to develop, there are several essential aspects. These include the presence of reliable technical skills, trustworthy investment opportunities, and the introduction of dependable alternative business models and services. The establishment of this reliable digital payment system is dependent on government assistance in the form of laws, incentives, well-defined regulatory frameworks, and a mindset that encourages entrepreneurship and innovation. The widespread acceptance of cashless transactions is been made possible by key stakeholders in different nations who have made substantial endeavors to establish a secure platform for growth.

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