

EMPOWERMENT OF UNBANKED CUSTOMERS IN RURAL INDIA THROUGH MOJALOOPE DIGITAL PAYMENT SERVICE

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ABSTRACT

The internet revolutionized digital communication, Mojaloop spark innovation, and democratize the ability to access digital payments, enabling billions of new clients and powering huge economic growth in the emerging markets. Digital Online payment platforms service is considered one of the most remarkable developments for the financial sector during its long history. Nevertheless, despite the numerous advantages that online financial services offer to clients, in addition, there are many significant concerns and challenges for marketers in the online digital payment sector. The Mojaloop innovation of digital payment platforms that will assist unbanked people around the globe access to digital financial services, needy clients to merchants, mobile money suppliers, banks, governments. The new online payment model is designed to offer a reference pattern for the payment interoperability among banks as well as other providers throughout a country's economy. And also this digital payment banking facility plays a crucial role in empowering people to save, send and receive money in a secure manner, as well as to borrow cash for unexpected expenditure deals that assist them to be preferably placed to handle everyday life and investment in creating a healthier future through the digital platform without going to the bank. The revolution of online financial payment service will mark the end of Traditional banking habits, technical issues, security, transaction obstacles, etc., Mojaloop a smart payment method design that was purposely constructed for emerging-market conditions and low-value transactions. Implementation of online digital financial services and techniques to incorporate and help the world's 2 billion people without bank accounts. This paper aims to study the effects of the new invention of the digital financial transformation of mojaloop in payment gateway, how it will help the banking sector, business, and citizens of our country.

Keywords: *Mojaloop, Digital payment, Online Payment gateway, Digital Revolution, Digital Financial Service, Internet.*

INTRODUCTION

The Mojaloop payment programs that will assist people without bank accounts all over the world gain access to the digital financial services. A new payments online model is designed to deliver an allusion pattern for payment interoperability among banks and other service providers throughout a nation's economy. Most recent data by the world bank shows that almost Two billion citizens in developing countries do not have bank accounts and give up the advantages and protection that basic financial services offer. Electronic financial services, for example, mobile money on mobile phones, have rapidly grown over the past two decades since they are accessible for the users and cost-efficient for companies trying to cater to emerging markets.

Digital financial service sector is now available in nearly Hundred countries in accordance with GSMA, an organization that represents mobile phone network operators. Nevertheless, international expansion of such services—particularly for the world's poor has proven to be hampered, in substantial part, by a shortage of interoperability across digital financial services as well as payment platforms. The internet has transformed digital communication, Mojaloop ignites a revolution, and democratize the ability to access digital payments, enabling billions of new clients and powering massive economic development in the emerging markets.

Mojaloop may be able to help expand interoperability from the mobile phone money suppliers to any bank, the trader, or the government organization in a client's economy in a manner that precisely meets the requirements of poor people. Mojaloop is targeted at flattening the economic field by squeezing in professional knowledge and resources to build comprehensive payment models to help the world's poor people.

The Aim of Mojaloop is to reform and expand nationwide and cross border payments infrastructure, the only possible way to sustainably achieve and provide the world's unbanked people is via emerging technologies, as well as offering domestic payment platforms for the coming generation of economic pioneers. Mojaloop offers several exciting new possibilities for accomplishing that in a manner that combines the whole national economy.

The objective of Mojaloop is used by financial institutions and business providers to help develop digital, interoperable payment programs that run financial inclusion on a national basis. In Particular, the platforms will allow for smooth, low-cost transactions between individual users, banks, merchants, suppliers, and even government departments assisting to link poor clients with everyone else in a digital economy.

OBJECTIVES OF THE STUDY:

- To explore the impact of Mojaloop digital payment service on Customers of Indian Rural Banking.
- To know how it will affect the banks at the national and international level and integration with other payment services.
- This study will explore the benefits of Mojaloop for unbanked customers in our country.

METHODOLOGY:

This research primarily uses secondary data. The relevant sources of the information collected are being published and not published sources such as books, magazines, journals, reports, publications, unpublished doctoral dissertations, and the website of numerous online journals, etc.

HOW IT WILL HELP FINANCIAL SECTOR AND CUSTOMER

Mojaloop may be used by financial institutions as well as commercial suppliers, to streamline and lower the cost of creating comprehensive payment platforms. It has been designed to serve up eventually as a role model for national payment switching systems which, for instance, allow the individual's e-wallet to create a connection to the employer's bank account as well as the children's school bank account to finish monthly deals.

EMPOWERING FINANCIAL DEVELOPMENT AND ECONOMIC EMPOWERMENT FOR WOMEN

A key component of Mojaloop implementation initiatives aimed at increasing financial presence and equality between men and women, to guarantee more women take advantage of empowering financial tools and services, like bank accounts, mobile cash, and credit. One way in which we're

working to push progress has been achieved by supporting the digitization of social security programs, which can contribute to improving the speed, security, effectiveness, and precision of such programs as well as providing incentives to encourage women to make use of digital accounts more broadly. Estimates show that digitizing government payments will have the opportunity to help bring informal financial services provided to up to Sixty million females in the neediest families in developing economies. There is clear evidence that such access is broadly helpful to women, as well as their families. For instance, the randomized trial in India discovered that once government payments made to women have been delivered straight into women held bank account, this triggered a 25 % rise in earnings among the women, increased women's bank balance sheets by 60 %, while at the same time caused an 11% rise in participation by women in the labor force. Once women can be fully involved in the economy, they will become the engines of opportunity for their own communities and their own countries, and it can be strong drivers of global economic growth.

FINANCIAL SERVICE SECTOR CHALLENGES

Providing financial services to poor people is excessively challenging for many enterprises due to the fact that they struggle to spend sufficiently in sophisticated technology while at the same time maintaining a pledge to low-cost, comprehensive services. This has resulted in a predominance of consumer payment choices that are beyond reach for many individuals in the developing countries, or that restrict the customers' capacity to manage across products, borders, and banks.

The interoperability of digital payment service has proved to be the most difficult obstacle for the financial services sector to be overcome. Through Mojaloop, technology has ultimately accomplished a solution that could be applied to any service. At the same time since the internet revolutionized digital communication. Mojaloop will be able to spark innovation as well as to democratize the ability to access digital payment services, enabling billions of new clients and guiding huge economic development in the developing markets.

Digital as well as mobile technologies are making it possible to achieve new customers in emerging markets through innovative, low-expense financial services. The absence of a common platform, however, implies that financial providers need to build everything by themselves. This increases the costs and prevents the digital financial service sector from expanding and transforming as quickly as it could.

FEATURES OF MOJALOOOP

It contains four parts:

- a) Interoperability layer, mobile money wallets, connecting the bank accounts, and merchants in an open loop.
- b) Directory service layer, which navigates the various techniques that service providers use to recognize accounts on both sides of a transaction.
- c) Transactions settlement layer, which will make payments immediate and irreversible while at the same time, the components that safeguard against fraud.

INTEGRATION CHALLENGES WORLDWIDE

Digital technologies as well as changes that have taken place in national policy are clearing out barriers that once prevented digital financial services beyond achieve for several, but difficult challenges continue. For Digital Finance Service to reach its full potential, business leaders and policymakers will have to invest in the correct payment infrastructure, regulatory standards, and the customer activation policies in order to guarantee sustained progress to be made towards the potential of financial inclusion.

REGULATORY BARRIERS -International Banks requires their own security encryption used for the storage of pins and password that Mojaloop is outfitted to manage this and how they could make it to a case to the regulatory authority and to any bank members they would have been in conformity with the regulatory system. It would validate both software and hardware-based security.

TECHNICAL CAPACITY -The technical capability of banks in those countries have been properly outfitted to make use of the technology Mojaloop is built on; technologies that can be hard to source the appropriate level of engineering skill inside to create and deploy solutions built on those technologies.

MOJALOOP WORKING SCENARIOS

Mojaloop focuses on a certain number of situations in which assistance the poor to fulfill their financial and banking requirements. There are many different paths for each of the following scenarios, involving potential time limit problems and reversals (that are being processed as a distinct transaction). The most frequent paths include: a) You can send money to anybody b) Buy goods from anywhere in the globe c) You can process the Bulk Payments d) Monitor, Manage, Tier Risk Levels d) You can Fraud Checks and Blacklists e) Able to do Account Management f) Able to Check Account and POS.

RESULTS AND DISCUSSION:

The analysis of data has suggested that the Mojaloop digital payment financial service has a significant impact on Indian rural customers. Nearly every person in rural India has a Smart mobile phone, Thus Mojaloop digital payment service can be easily accessed. The banks have launched digital payments although rural customers do not have the ability to utilize the digital transaction efficiently because they feel it is difficult to operate. If they switch to Mojaloop digital payment service, they will find it to be much more convenient. India has higher than 100 crore functional mobile connections and more than 30 crore mobile phone customers as of March 2018. This sum is going to rise further along with a high-speed internet 4G/5G. Internet penetration in India is around 80%. The rural penetration in terms of internet use has also improved. Further, the awareness of digital payment financial service for rural banking has improved. At present, Digital payment tools are now acceptable in rural banking of India.

SUGGESTIONS

How to resolve unbanked poor people from rural areas using Mojaloop.

- The government will be able to ensure to the community that the functioning of Mojaloop digital payment financial transactions is free of charge from transactions cost which will in turn facilitates the customers of several transactions to buy online.

- The government can provide discounts to retail traders, retailers and other vendors who sell the products and services through Mojaloop DFS as well as this will in turn will promote all the vendors to become e-vendor.
- Regular Training Programmes can be arranged by the government to educate all the public to make use of Mojaloop digital transactions.
- Actions to stop the usage of cash, by creating charges on pulling out of money beyond a limit.
- A financial education campaign must be carried out by the government every once in a while, to make up the rural population conscious of the benefits of digital payment service.
- Customers should be able to abide by the general terms and conditions of Mojaloop Digital payment techniques, In Mojaloop customers can track and manage the transactions, and if any mistake transaction made, they can revert back possible, especially after each transaction.

CONCLUSION:

Good work has been placed into Mojaloop, and it has the ability to turn into the standard interface for the payment interoperability, speeding up the way to the completely digital financial services that are accessible to the poor throughout the entire developing countries. The advantages underlying the usage of digital payment services are based upon client awareness of the usage of information technology. The use of information technology in buying Mojaloop banking products would lead to a promising future of India from a business standpoint. Indian Government should increase the adoption rate of technology so as to ensure that the growth of industry may be sustained. A sustainable model of digital financial service can be suggested so as to ensure that the prospects of Indian rural banking are maintained. The Mojaloop digital payment financial service can be very helpful to those living in rural areas where they don't have bank accounts once it is fully integrated into the banking service. This research may additionally be considered up for those who want to explore the factors of Mojaloop digital finance service that empower the rural consumers in the adoption of technology.

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