



## Merchant Digitization Summit 2021

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### Why In News

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Recently, the **Government of India**, **Federation of Indian Chambers of Commerce and Industry (FICCI)**, and UN-based **Better Than Cash Alliance** hosted **Merchant Digitization Summit 2021: Towards Atma Nirbhar (Self Reliance) Bharat**.

The Summit brought together leaders from the public and private sectors to **accelerate responsible digitization of merchants in India's North-Eastern and Himalayan regions, and Aspirational districts**.

### Key Points

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- **Highlights of the Summit:**

- **Empowering women merchants** who play critical roles in their communities is one of the priorities to help achieve the mission of **Digital India**.
- The **National Language Translation Mission** can be used to disseminate digital payments information, privacy clauses and consent in local languages for trust and empowerment.
- Identified opportunities to **address the challenges of connectivity, access to smartphones, and digital literacy** for merchants at the last mile.
- Along with the increased focus on '**Make in India**' through Atmanirbhar Bharat Scheme, responsible digitization must more strongly include rural networks such as **Self Help Groups** and community enablers.

This will lead to creation of the local digital ecosystems to **help millions of merchants join the formal economy**, access credit, and grow their business.

- From an average of 2-3 billion digital transactions monthly, **India has set an ambitious target for 1 billion digital transactions per day**.
- **Person to Merchant (P2M) digital payment transactions will scale to 10-12 billion transactions every month** to contribute to India's digital economy.

- **Related Recent initiatives:**
  - **Digital Payments Index.**
  - **Payments Infrastructure Development Fund (PIDF) scheme.**
  - Relaxations in **Merchant Discount Rate.**
- **Better Than Cash Alliance (BTCA):**
  - **About:** BTCA is a partnership of governments, companies, and international organizations that accelerates the transition from cash to responsible digital payments to help achieve the **Sustainable Development Goals.**
  - **Foundation:** It was launched by the United Nations Capital Development Fund, the United States Agency for International Development, the Bill & Melinda Gates Foundation, Citigroup, the Ford Foundation, the Omidyar Network, and Visa Inc.
    - It is based at the **United Nations.**
    - It was **created in 2012.**
  - **Members:** The Alliance has **75 members** which are committed to digitizing payments in order to boost efficiency, transparency, women’s economic participation and financial inclusion, helping build economies that are digital and inclusive.
    - Members do not want to abolish physical cash but rather want to provide responsible digital payment options that are “better than cash”.
    - **India became a member of the Better Than Cash Alliance in 2015** to digitize payments to achieve financial inclusion and to share success stories from **Pradhan Mantri Jan Dhan Yojana**, the world's largest financial inclusion program.
- **Federation of Indian Chambers of Commerce & Industry (FICCI):**
  - FICCI is a **non-government, not-for-profit organisation established in 1927.**
  - It is the largest and oldest apex business organisation in India whose history is closely interwoven with India's struggle for independence, its industrialization, and its emergence as one of the most rapidly growing global economies.

**Source: PIB**