

Digital Payments and Everyday Social Life: A Pilot Study in Ashok Nagar, Hyderabad

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Abstract

This paper examines on how digital payment technologies such as UPI transactions and QR-code scanning, are how it affecting and changing everyday social life in India, in both cities and villages. Drawing on a pilot ethnographic study done in Ashok Nagar, Hyderabad, the research will look how digital transactions are reshaping trust, face-to-face interaction, and the cultural meaning attached to money. Since India has been working to push towards cashless economy, it is leading to changes the meaning of Money due to factors like cashless transactions. Through observation and informal conversations with vendors, auto-rickshaw drivers, students, and residents, the study finds that digital payments are moving trust away from people and onto systems, reducing everyday social interaction, and quietly reshaping how people go about their daily transactions.

Keywords: Digital Payments, Cashless Economy, Social Interaction, Money, Digital Literacy, Digital Poverty

1. Introduction

According to the Better Than Cash Alliance, it is defined as a digital payment is known simply the transfer of value from one payment account to another through a digital device or channel. That covers such as transactions, bank transfers, mobile money, QR codes, and card payments among them, and even whether the transaction is partly, mostly, or fully digital. What draws people to these systems is a mix of convenience, speed, and a sense of security: a transaction can be completed anywhere, at any time, with nothing more than a smartphone or a computer. In India, this shows up as UPI payments, digital wallets, debit and credit cards, and net banking, all of which reduce the need of carrying physical cash. To build confidence among people we have authentication, encryption, and authorisation work to keep these transfers secure and trust worthy to build social contract.

Currently, India recognises more than ten distinct cashless modes of payment, including banking cards, prepaid cards, USSD, Point of Sale terminals, AEPS, internet banking, UPI, mobile banking, mobile wallets, and micro-ATMs (cashlessindia.gov.in, 2023). Adoption, however, has been far from even. Weak infrastructure, unreliable internet, and a continuing reliance on cash all slow things down, particularly outside the major cities. According to Nielsen's data shows that rural India has more internet users than urban India, 352 million,

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about 20% more, yet nearly 60% of that rural population barely uses the internet, largely because of factors in India that is low digital literacy (Srivastava, 2020). Poor bandwidth, patchy electricity supply, and it is happening due to the fact that most digital platforms default to English rather than local languages and navigation and accessibility problems on smartphones.

Digital illiteracy runs deeper still. In 2020, according to NSO survey found that only 14.7% of India's population can use a computer and just 20% can use the internet, while a 2018 assessment by the Digital Empowerment Foundation put the share of people lacking basic digital literacy at around 90%. India's digital revolution carries real promise for economic growth, but it is also creating what researchers have called "digital poverty", the inability to access or benefit from information and communication technologies because the skills or the access are simply not there (Srivastava, 2020). To build better connectivity, stronger financial literacy, and trust in themselves, government, has been working together with payment providers, and civil society.

Looking ahead, experts do not expect physical cards or cash will completely not in use, than what they believe is convergence, a single card, physical or digital, capable of handling debit, credit, and other functions, built on an upgraded version of the existing NCMC card and UPI is expected to keep expanding financial inclusion, helped along by the government's Merchant Discount Rate policy encouraging more merchants to go digital. Mobile wallets still require a person to pull out their phone and complete a few steps, not unlike using a card, so the next step in simplification is likely to be biometric identification, voice, iris, or facial recognition, which would make transactions both faster and more secure. India's fintech sector is already among the fastest-growing in the world on the back of this shift, and a PhonePe and Boston Consulting Group analysis projects the country's digital payments market will more than triple, from three trillion to ten trillion dollars, by 2026 (Economic Times, 2023). Even so, social, culture, gender lead to inequalal to internet access and geographic disparities could still hold back that growth in large parts of the country.

Since 2015, Indian government has been encouraging digital payments with the consistent goal of the Digital India, and the aim of giving every citizen access to secure, convenient, and affordable ways to pay. The platforms like Paytm, PhonePe, and Google Pay, has been growing significantly after demonetisation, and becoming central to everyday economic life and making financial inclusion possible and doable objective, across the country. Physical wallets are steadily being replaced by phones, and monetary exchange increasingly runs through digital infrastructure. Coming to Marx, according to his lens, the forms that economic life takes can change while the underlying inequalities persist, and that tension sits at the heart of India's digital payments story. As the Better Than Cash Alliance puts it, governments, businesses, and individuals are all looking for something that works better than cash, for efficiency, transparency, security, women's economic participation, and inclusive growth.

Much of the existing research heavily focuses on financial inclusion, efficiency, and adoption rates, leaving a gap in our understanding of how these technologies reshape everyday social relations and lived experience. Money has never been purely an economic tool, it is a social institution that shapes relationships, and its move into digital form carries real sociological

weight. This paper takes a Science and Technology Studies (STS) approach, treating digital payments as socio-technical systems that actively reshape social life rather than as neutral tools sitting outside it. STS is useful here, because it looks at how technologies are embedded in social contexts and help produce new forms of interaction, trust, and meaning (Latour, 2005). With this perspective, the study asks questions such how do digital payment technologies reshape trust, social interaction, and everyday life in an urban Indian context?

2. Review of Literature

What we see, the digital money is not a neutral or purely technical instrument, it takes shape through in everyday practices, social norms, and power relations (Srinivasan, 2021). As payments move onto digital platforms, transactions get tracked and sorted by data-driven infrastructure, opening up new forms of governance and control over financial life (Mützel, 2021). This produces a real contradiction: digital payments expand financial inclusion for some while deepening exclusion for others, depending on who has access, who is digitally literate, and who has a dependable connection. India's digital literacy rate, at around 30%, sits at the centre of this divide, and the gap between urban and rural India shows up clearly in who gets left out of the digital payments system, older users especially, who often distrust the technology or find it hard to use in daily life.

At the level of everyday interaction, digital payments do not simply replace older forms of exchange, they reshape them. Research shows that trust in a digital transaction is built through social cues as much as through the technology itself, since confirmation of payment is not equally visible to everyone involved (Greiffenhagen, Li, & Llewellyn, 2022). Peer-to-peer digital payments similarly change how people read fairness, obligation, and closeness in a relationship, which suggests these systems function as social arrangements just as much as technical ones (Li, Freeman, & Knijnenburg, 2024). Digital payments also change what money feels like. With less physical handling of cash, people report less of what researchers call the "pain of paying," which in turn reshapes spending behaviour (Shah, Khan, & Khan, 2024). This points to a broader shift in what money means socially, it becomes more abstract, less something a person can hold, especially as cryptocurrency and other digital-only forms of value become more common.

More broadly, digital payments are tied to the growth of cashless economies and wider economic transformation (Bhuiyan, Akter, & Islam, 2024). But this growth carries its own inequalities. Computer literacy in India stands at around 30%, and while roughly 60% of the population uses a phone, women are underrepresented in both figures, held back by patriarchal barriers, a low share of women in STEM education (around 20%), and high dropout rates linked to issues such as menstruation and a lack of basic facilities in schools. Older adults face a related but distinct problem: many have had no training in digital systems, and the sharp rise in "digital arrest" scams and similar fraud over the past decade has only deepened their mistrust of these platforms.

Even with all this research, relatively little work looks at how digital payment technologies reshape everyday social interaction, trust, and lived experience in specific local settings, particularly within informal economies, where much of India's day-to-day economic life

actually happens. This study tries to address that gap through an ethnographic approach centred on a single Hyderabad neighbourhood.

Theoretical Framework

This study draws on four key ideas from sociology and STS. Giddens' (1990) concept of trust in abstract systems helps explain why people increasingly rely on technological and institutional infrastructure rather than trusting another person directly. Digital payment systems are a clear example, users place their trust in invisible systems, banks, servers, and apps, rather than in the person standing in front of them. In the field, this showed up quite literally: payment apps confirm a transaction through a recorded voice notification (a well-known actor's voice, for instance, for Telugu-speaking users), and both the payer and the recipient treat that voice as sufficient proof that the money has moved. A familiar public figure's recorded voice, in effect, stands in for the trust that used to sit between two people.

Actor-Network Theory (Latour, 2005) offers another way of looking at this. Objects such as QR codes, smartphones, and payment apps are not passive tools sitting outside social life, they act as participants within it, shaping how people interact. QR codes have become so normalised in Indian commerce that many transactions simply cannot happen without one, which means the QR code itself functions as an actor within a wider network, holding the whole digital payments ecosystem together.

Marx's (1867) concept of alienation helps explain how repeated, technology-mediated transactions can drain the meaning out of an everyday exchange. A vendor busy serving customers and a customer scanning a QR code both go through the motions almost without thinking, the interaction becomes mechanical, stripped of the small human exchanges that used to accompany a cash payment. Marx's broader point about a society divided into those who have and those who do not also applies here, who gets included in, and who gets excluded from, everyday digital payment life tends to follow familiar lines of inequality.

Zelizer (1994) argues that money is never purely an economic instrument, it carries social and cultural meaning. The shift from cash to digital payment changes how people read value, respect, and authority in a transaction. Something as simple as the difference between carrying a wallet full of notes and carrying a phone with a payment app can change how confident, or how exposed, a person feels while paying.

3. Objectives of the Study

- To examine how digital payment technologies, particularly UPI and QR-code transactions, are reshaping trust in everyday economic exchanges.
- To understand how digital payments affect the nature and frequency of social interaction in day-to-day transactions.
- To explore how the cultural and symbolic meaning of money changes as transactions move from cash to digital form.
- To identify the social inequalities, generational, gendered, and infrastructural, that shape unequal access to and experience of digital payment systems.

4. Research Methodology

This study is based on a pilot ethnographic project carried out in Ashok Nagar, a residential and commercial neighbourhood in Hyderabad. Data came from two main sources: direct observation of everyday transactions as they happened, and informal, semi-structured interviews. Around twelve participants took part, including street vendors, auto-rickshaw drivers, college students, a government employee, and women from a range of social backgrounds. Rather than aiming for a large or representative sample, the study focuses on micro-level interactions, the small, often unnoticed moments where digital payment technology meets everyday life, to understand how these systems become embedded in ordinary routines.

5. Results and Discussion

Everyday Routine and the Mechanical Rhythm of Transactions

Digital payments have settled firmly into the rhythm of daily life in Ashok Nagar. During observation, people reached for their phones rather than their wallets almost automatically, and transactions happened quickly and without much thought, the way habits usually do. This fits Marx's account of alienation well: because these small transactions repeat so often, especially in larger retail shops, they slip into the background, and customers move through their day a little more mechanically, with fewer of the small social moments that once accompanied paying in cash.

Generational Divide and the Decline of Social Interaction

A clear generational split emerged from the interviews. Younger participants used digital systems confidently, while older participants often leaned on family members, or even strangers, to complete a transaction. This is not simply a matter of individual comfort with technology, it reflects a deeper, socially structured inequality that plays out differently depending on who someone is and where they live. Alongside this, observation showed that digital transactions themselves involve very little conversation, a customer scans a QR code and leaves, often without a word exchanged. Cash transactions, by contrast, used to involve some back-and-forth, a bit of negotiation, a brief exchange. What is happening, in short, is a shift from relational interaction to purely transactional interaction, closely in line with Marx's idea of alienation.

Conditional Trust and the Limits of System Dependence

Even though digital payments are now widely used, the trust behind them remains partial and, at times, fragile. Vendors described situations where a customer claimed to have paid without actually completing the transaction, which meant every payment needed some form of verification, a notification sound (often a recorded voice confirming receipt) or a screenshot showing the payment had gone through. Auto drivers in the area, mostly older men, said they found it harder to spot a fraudulent digital payment than fake cash, a telling shift in how people judge risk. Technical failures, network drops, delayed transactions, created real moments of panic. Participants described disputes over whether a payment had actually gone through, and in a few cases these disputes carried an undertone of caste or class-based tension. What this

shows is that, however automated the technology becomes, some amount of social negotiation between the two people involved is still needed to make a transaction feel complete.

The Changing Meaning of Money

Participants spoke about cash in ways that carried real weight, folding notes into a pocket or dropping them into a shop's counter box seemed to signal a kind of respect and authority that digital money simply does not carry in the same way. Digital payments, several said, felt more abstract, less psychologically and physically "real." This lines up with Zelizer's (1994) argument that money is never purely economic, it is embedded with cultural and social meaning, and that meaning shifts as the form money takes changes.

Power, Surveillance, and Control

A number of participants raised concerns about government monitoring, bank charges, and the general lack of control they felt over digital systems, all signs of a new kind of institutional power operating through these infrastructures. There was also a clear sense, among lower- and middle-income participants especially, that these reforms mainly serve the interests of the wealthy and powerful, while ordinary people end up under closer surveillance of their spending habits and choices, creating its own quiet tension in daily life.

Gendered and Older-Age Experiences

Women in the study described a mixed experience. Digital payments gave them more independence and privacy, particularly around everyday shopping decisions, but this came alongside real worries about fraud and continued reliance on male family members for help. Fraud came up repeatedly as a reason vendors and older customers hesitated to fully trust digital systems, and for some older participants this distrust seemed to shade into a kind of resignation, a sense that these matters were now simply out of their hands.

Informal Economy and Adaptation

Small vendors, for the most part, did not choose to adopt digital payments so much as they were pushed into it by customer demand. Refusing to accept QR-code payments risked losing customers altogether, which meant adoption was less a decision than a necessity forced by the wider shift toward cashless transactions, a clear example of the structural pressure informal workers face.

Discussion

Considering all, these findings suggest that digital payments work as socio-technical systems, reshaping everyday life along several dimensions at once and Trust moves away from people and toward technical systems, but it never becomes unconditional, it still depends on some form of verification, which we can see in the field work studies and also studies shows that social interaction becomes thinner and more transactional, with fewer of the small exchanges that once accompanied paying in cash. And technology settles into daily routine so completely that it starts to reshape habits, meanings, and economic practices almost without anyone noticing. Even where digital systems work smoothly, they still produce real social consequences, new inequalities, and less room for interpersonal contact. This is, in many ways,

the central insight of Science and Technology Studies: technology and society are not separate forces acting on one another, but are produced together.

6. Conclusion

This study suggests that digital payment technologies are not simply neutral tools for exchanging money, but do actively reshape social life. Like, they change how trust works, how people interact, and what money means, while also introducing new risks and inequalities in this new form of addition to social phenomenon. As a pilot study, these findings are exploratory rather than conclusive. Future research would benefit from a larger sample, comparisons across different social groups, and a longitudinal approach that can track how these transformations continue to help to find out new findings over the time.

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