

The benefits of Cash

Cash is the only means of payment that enables all citizens to participate economically, regardless of whether they have a bank account or not. This also includes children, for whom cash is usually the first and sometimes the only way to participate in economic life and to learn how to handle money. In addition, cash protects the privacy of its users.

A current survey by the consumer advice center shows why people in this country still prefer to pay with cash. Those surveyed gave the most common reasons for paying with cash: control over spending (35 percent), personal freedom over the form of payment (17 percent), data protection (13 percent), habit (13 percent) and a fundamental support for cash as a means of payment (13 percent).

May 24, 2022 will be remembered by many. On the day, those who carried cash had an advantage. The reason: A failure of many card payment terminals in retail did not allow card payments. Such disruptions impressively demonstrate that cash is still an integral part of payment transactions.

The crowding out of cash

Basically, it's all card payers who are driving the end of cash, a recent study found. Accordingly, young people carry fewer and fewer notes and coins with them and pay more and more often by card or mobile. As a result, ATMs are disappearing, and older people can no longer get cash as easily as they used to.

For economic reasons and security reasons private business will eventually only allow non-cash payment for their business.

It looks, that there will be a crowding out of cash, caused by consumers and private business. But at what point will this have severe secondary consequences?

Electronic Payment allows better Control

Electronic payment cannot be hidden by taxpayers. Enforcing of private use of electronic payment was a main method of the Greece state to increase tax income.

A Money Laundering Act in Germany prohibits paying in cash for real estate, land, houses and apartments.

Regardless of this, the upper cash limit is also under discussion.

"A 30,000-euro cash purchase of jewelry or watches should soon be a thing of the past."

As upper limit 10,000 € is discussed.

Bringing more than 10.000€ cash to a Bank, causes you to explain the clean source of the money.

But can or will such regulations cause cash to vanish?

These are means to better control and push back organized crime.

The example China

Example: If you cannot buy a flight ticket or a train ticket by cash, and the electronic system does not allow you to pay for such purposes, then your freedom is severely blocked.

Would this be a reason to reject electronic payment?

Or is this a reason to fight for a democratic controlled state?