

SEPTEMBER 2021

# HONING DEBATE ON THE FUTURE OF MONEY



CashEssentials

## HONING DEBATE ON THE FUTURE OF MONEY

Some are calling it the 'New Space Race'. Or is it mere turf wars, marred by self-interest? **In any case, central and commercial banks** – the traditional issuers of money – **are being challenged today** by a flotilla of disruptive newcomers from FinTechs and telcos, to digital platforms and **emerging crypto-assets**.

At stake is the very future of money.

Yet cash continues to play an essential role in the economy ...

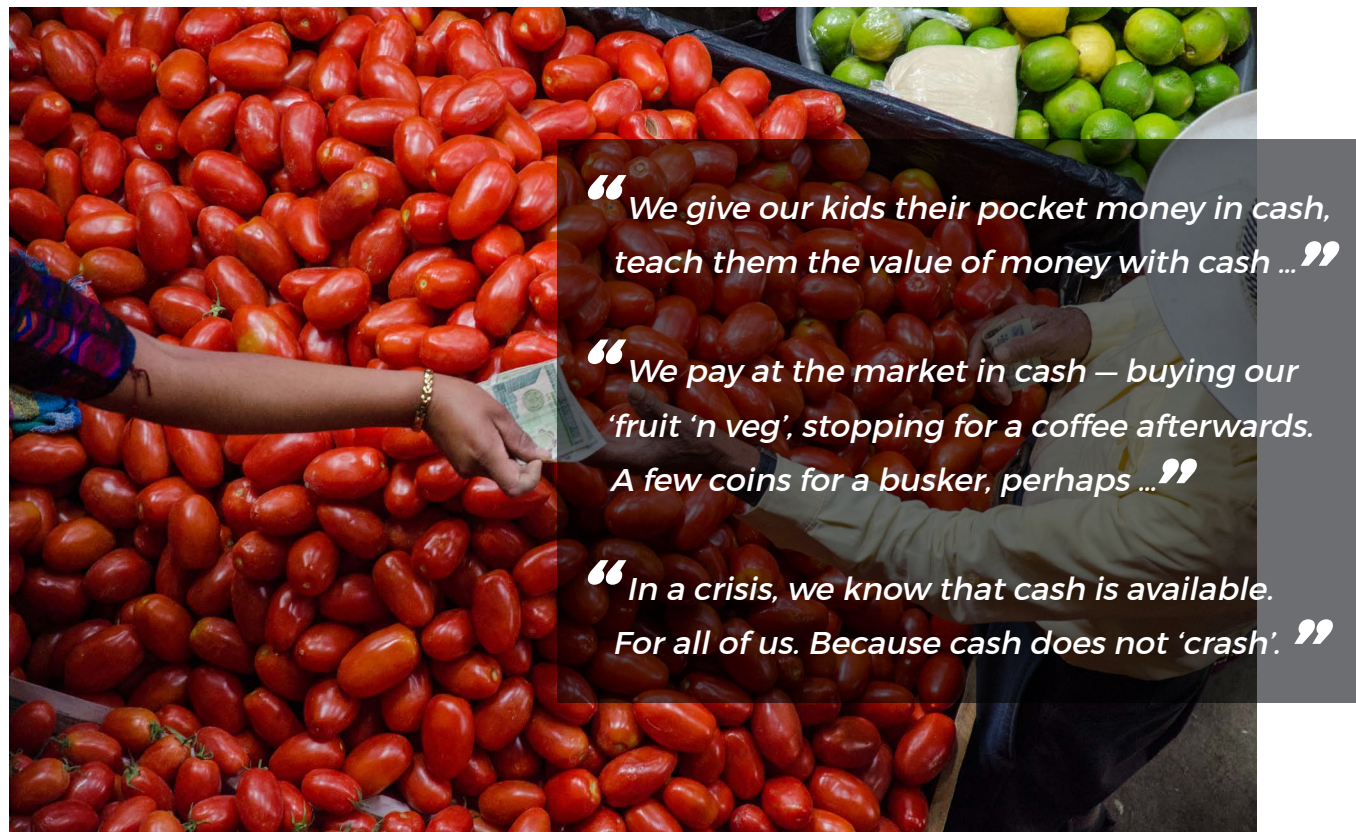
- As the **mostly-used payment instrument**.
- As the **only accessible form of money** for roughly **half the world's population**.
- Because cash in circulation continues to **grow** faster than GDP in most countries.
- Because **cash demand** has experienced **unprecedented growth** in the Covid-19 pandemic.

CashEssentials is the dynamic Paris-based think tank challenging the notion of a **singular future for money** (digital or otherwise). To wit, we frame the discussion about **the future of cash**, not only in technological terms, but as an **all-pervasive societal issue** with fundamental implications for **inclusion and equality, resilience and efficiency**.

In a bid to challenge the dominant narrative – to diversify and sophisticate the outlook – we believe in the imperative of an **open and transparent 'Cash Dialogue'** that embraces all sectors of society.

The future of money and the monetary system must be **fair, resilient** and **respectful of individual privacy**. It must include a vision for human betterment – no less.

...



*“We give our kids their pocket money in cash, teach them the value of money with cash ...”*

*“We pay at the market in cash – buying our 'fruit 'n veg', stopping for a coffee afterwards. A few coins for a busker, perhaps ...”*

*“In a crisis, we know that cash is available. For all of us. Because cash does not 'crash'. ”*

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*“Cash is used by all regardless of age, gender, ethnicity or wealth. It doesn't lead to discrimination, because everyone uses the same notes and coins. Cash contributes to social cohesion ...”*

©Cédric Roux “Cash Me If You Can” 2018 Photo Contest in collaboration with Wipplay



## CASHESENTIALS AND THE BIG PICTURE

**CashEssentials is an independent think tank dedicated to progressive-thinking on cash, payments and monetary ecosystems.** Because 85% of payments world-wide are still made in cash, we are committed to exploring and promoting innovation to meet that continuing demand. To hone the debate about the future of money.

### Truth + denial = absurdity

We recognise the spectacular incursion of digital money. But cash remains the world's preferred method of payment. **To deny that truth is absurd.** To shirk ethical responsibilities. To pander to the latest 'bubble'. To grease the wheels of those aiming to operate outside the existing central bank system.

### Experience first

For **CashEssentials**, experience is the highest authority. The world experiences physical money as convenient, anonymous and egalitarian, as a friend of the poor and underbanked. Whatever the changing profile of the international payments market, **we must seek to maintain the essential positives of cash, even as it is modernised.** To effectively position physical money for the future.

### Digital, too

Paradoxically, **to recognise the truth of cash, is to accurately and honestly puzzle through the possibilities of the alternatives to cash.** In other words, cash is the reference and baseline. **Cash's enduring attraction must be recognised as a friendly, not a hostile, fact.**

People who want cash will go on choosing cash, provided government and regulators, yes, but also **the cash community and its supporters, continue to make that choice possible.** How? **By making cash more efficient.** By making it 'future-proof'.

### Death by silence?

At times **the cash community's silence has been deafening** in the face of the renewed attacks on cash. Cash's opponents have decided that, for consumers to choose digital, the best strategy is to make choosing cash difficult. Next, they tell us people don't want cash. Then that they are responding to 'changing customer preference'. That is a manipulative brand of confidence trick that must be countered. Via **persuasive argument.** Through innovation; research; ideas and ideational products. Via **new technologies and business models.** Through public relations and communication, public diplomacy and media outreach. **These are the things that we do at CashEssentials:** research, debate, communication, innovation.

## OUR MISSION

**CashEssentials** is a specialist think tank whose mission is high-quality research and analysis on cash and the future of cash. We are a platform for balanced and open debate about cash, payments and monetary systems that function for the benefit, commercial viability and well-being of society.

We are independent of any state body or institution, multinational corporation or business federation. We are nobody's in-house research unit. In that sense, we are stand-alone, organisationally autonomous.



©Michel Mahe "Happy Cash, When Cash Connects People" 2017 Photo Contest in collaboration with Wipplay

## OUR STRUCTURE

**CashEssentials** is a **not-for-profit** association registered in France. The General Assembly, comprising CashEssentials' members, elects a Board and a Chairman, who decide on the strategy and budget. An independent Steering Committee, appointed by the Board, **advises CashEssentials on its program, contributes to its projects and evaluates the quality of its research.**

### Balanced and open debate

*For the world as it is ...*

Why cash, still? Because cash remains the 'people's money'. Cash corners the market across all regions. So **CashEssentials** is about preserving cash – not 'in aspic' or 'under glass'. But the debate needs a sense of proportion. Not to say



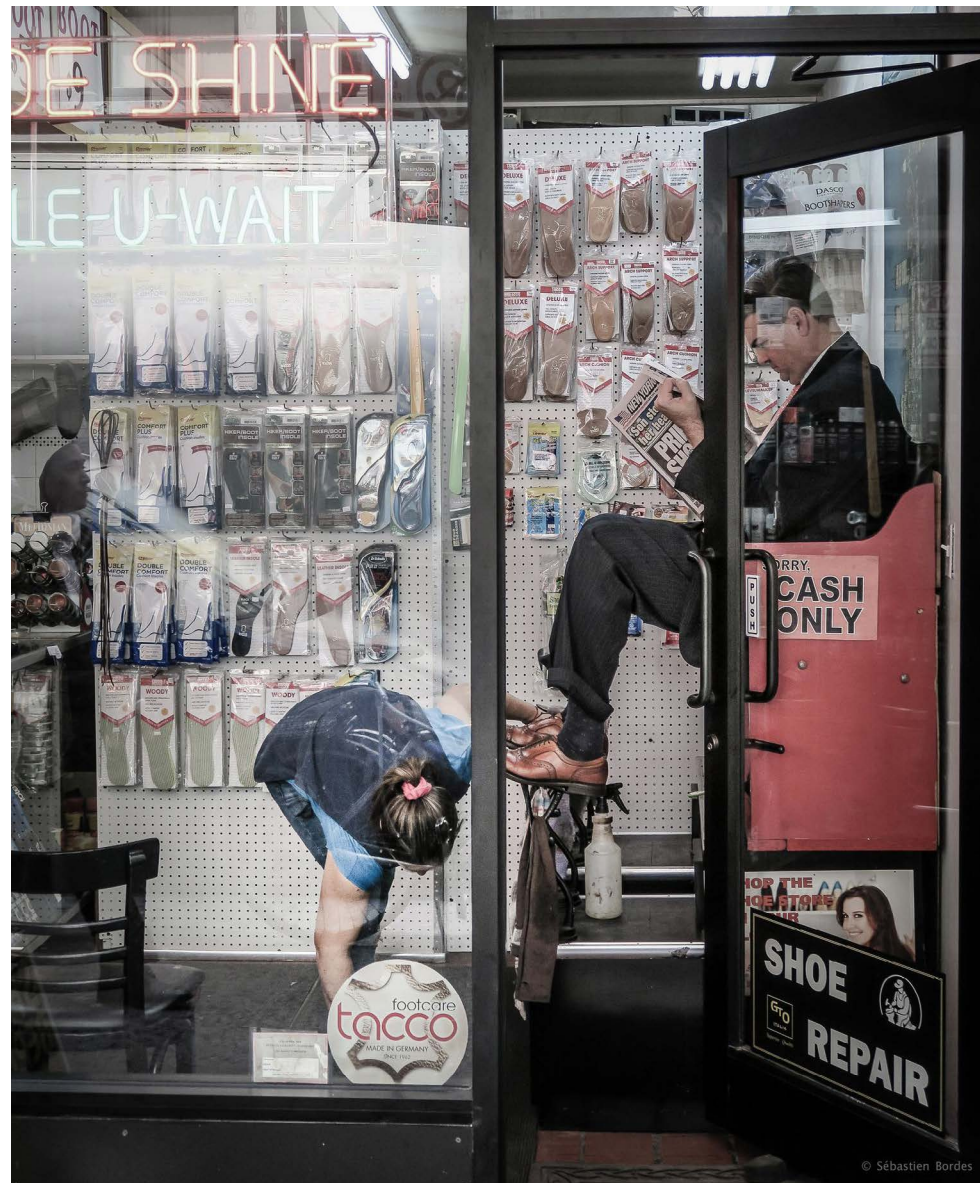
orderliness. The cash community, its supporters and benefactors, must better structure and organise. **Otherwise, the on-going, high-stakes debate** about the future of cash, money and payments systems, **will happen without us.**

### Research and innovation

*For the world as we want to see it ...*

Gearing cash to the future. 'Opening the eyes' of incumbents. The future of money is not only an issue of technology, it is an all-pervasive issue of society. We believe in the imperative of government, regulatory authorities and business — opinion-formers and the commentariat — understanding how cash works to serve the consumer economy, for the benefit of society as a whole. Flatly: **that comprehension must not be the preserve of payments market specialists given the bad consequences of ignorance — like slavish investment in 'the next big thing'.** Our approach to the cash ecology is democratic. Aimed at specialists, but with a view to cultivating a general appreciation of cash and its societal role.

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"Small Bill, Big Thrill"  
2019 Photo Contest  
in collaboration  
with Wipplay



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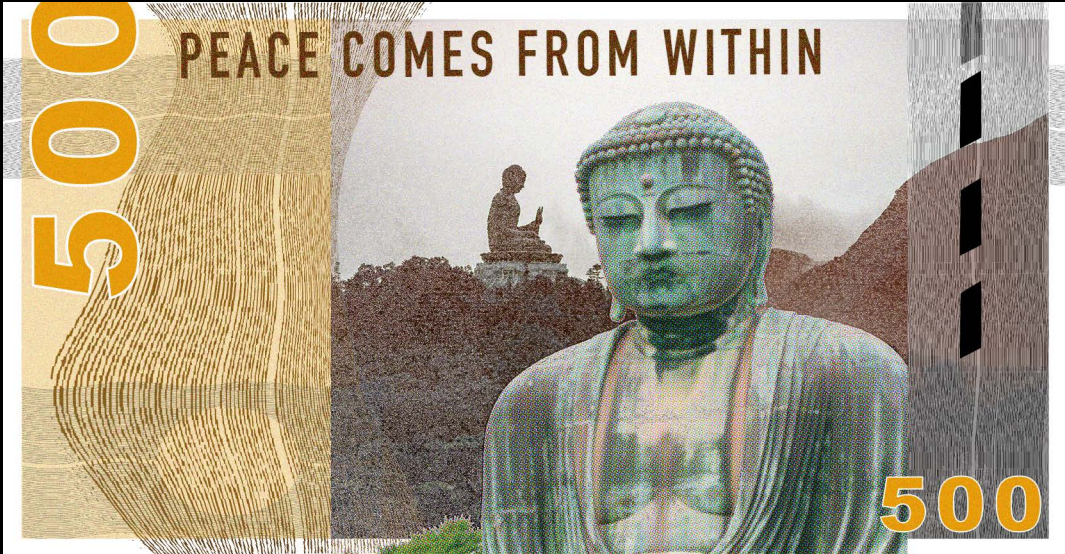


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“IMAGINE CURRENCY”  
2021 Photo Contest in collaboration with Wipplay

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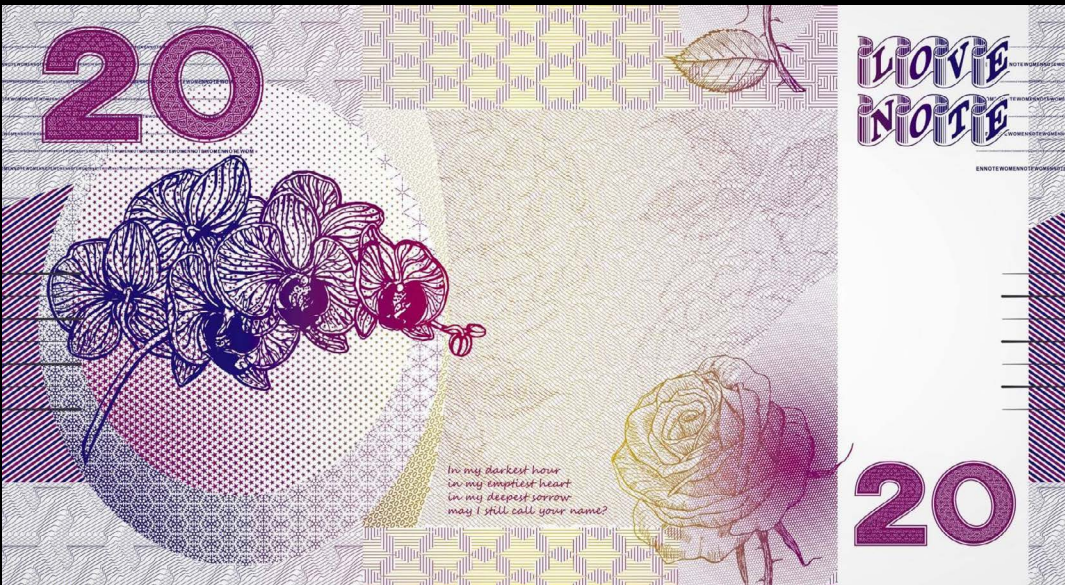
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## WHAT WE DO

## // Research and Analysis

We produce reports with a view to outcomes: encouraging a regulatory change; bringing influence to bear on the political class; sensitising business to innovation across the cash and payments industry; arguing the 'case for cash' creatively in the public policy space. We are domain-specific specialists, but we encourage an open forum approach because cash is the province of the citizenry.

### Some of the major CashEssentials reports

*Principled, innovative, thought-provoking ...*

Foundational: “Cash Essentials - Beyond Payments” (2016)” (2016)

CashEssentials' "Beyond Payments" puts a floor under the enduring case for physical money. After books by academic economists calling for 'the death of cash', "Beyond Payments" puts some balance and perspective back into the debate about the future of money, stating clearly and simply the enduring benefits of cash (see below, "The Essentials of Cash"). Thus, "Beyond Payments" sets out CashEssentials' foundational ideas.

*Innovative Practical: “CashTech: Taking Cash Forward.” (2020)*

A compound term coined by CashEssentials, CashTech is the encounter of cash and technology. It brings together innovative companies who leverage software and modern communications technology to improve cash services; access to cash; acceptance of cash and the efficiency of the cash cycle for all stakeholders.

Creative: *"Future of Cash, a novel approach"* (2020)

Thinking outside the box, the ‘novel approach’ herein, defies the commonly held cash narrative, of ever-increasing uniformity, and ever-decreasing choice. In short: digital only. Instead, the report identifies multiple plausible futures, recognising different pathways and, more importantly, imagining “**desirable societal futures**”.

As well: *“The Hidden Costs of Cards”* (2016) opened a Pandora’s box on the dissimulated outlays associated with cards: around data breaches, failed transactions, fraud and the cost of meeting anti-fraud compliance standards. *“Understanding Cash Usage”* (2019) showed how growth in cash demand, and in particular, non-transactional or store-of-value demand, impacts issues of financial inclusion, competition and the robustness of the payments infrastructure.

*// The go-to website on cash payments and money*

The **CashEssentials** website offers reporting and critical appraisal of the major developments across cash and payments, as they happen. With half a million hits annually, the **CashEssentials** site has become a trusted source of ready and reliable information on all things cash. It has a broadly educational and awareness-raising role, making instantly transferable the knowledge, insights and expertise of **CashEssentials** and its supporters. Already a sectoral reference, it is also a **CashEssentials** 'performance indicator'.

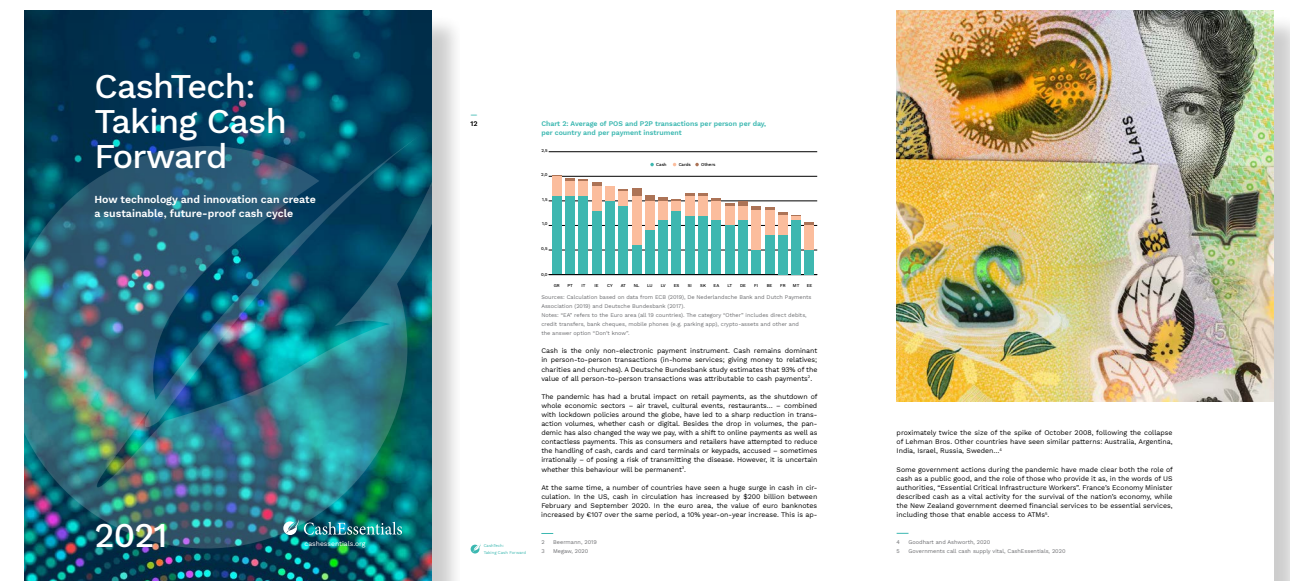
## // Seminars and webinars

**CashEssentials** regularly hosts topical seminars and webinars, often holding multiple sessions in series form. Recent events have covered **the future of cash and trends in cash usage**, while a triumvirate on **the impact of the coronavirus on payments**, attracted attendees from more than 80 countries. Participating specialists include payments industry experts, economists, central bankers, disaster management consultants, aid workers and futurists.

## WHAT WE ALSO DO

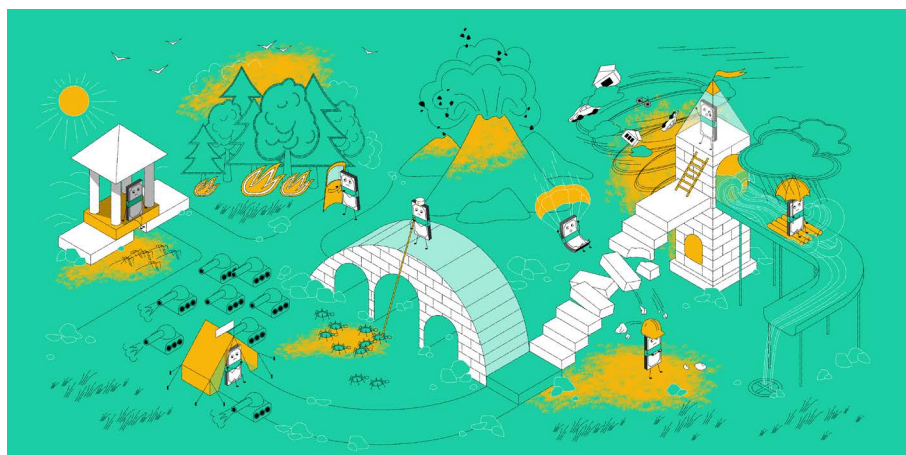
► **CashTech Forum**

New on the **CashEssentials** website, the **CashTech Forum** is a promotional platform enabling innovators across the sector to showcase leading-edge technologies, as well as their original thinking on such industry perennials as bottle-necks in the cash cycle and the costs associated with cash. Via the Forum, we encourage discussion and exchange around best practices, with a view to identifying sectoral obstacles and opportunities, to enable co-operation between start-ups, banks, regulators, charities and other non-state interests groups. The Forum is emblematic of CashEssentials' broadly collegiate approach.



## ► Cash and Crises

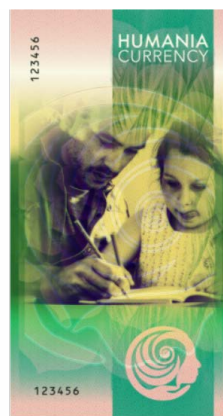
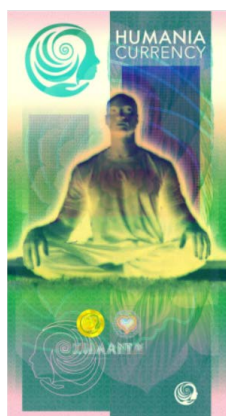
The pandemic has shown how cash figures prominently over the length of the crisis management cycle, as a failsafe method of payment in phase one, as a trusted store-of-value further into the cycle. It's also true, however, that since vested interests began their most recent attacks on cash (after the Global Financial Crisis and around the coronavirus pandemic), the state of crisis across the sector has become semi-permanent. **We offer a range of crisis management and public policy advisory services across a variety of disciplines.**



## ► HUMANIA

In response to the current crisis, the Global **Cash** Community has joined forces in the name of **HUMANIA**, an initiative enabling each and every member of the community to help and make a real difference for millions of people. **HUMANIA** is a global platform for the cash community to work together and through their collective efforts, achieve more than acting as individuals. **HUMANIA was launched with a banknote design initiative** aimed at celebrating and paying tribute to the people, spirit and collective solidarity of humanity during the Covid-19 pandemic.

INDEPENDENT CURRENCIES

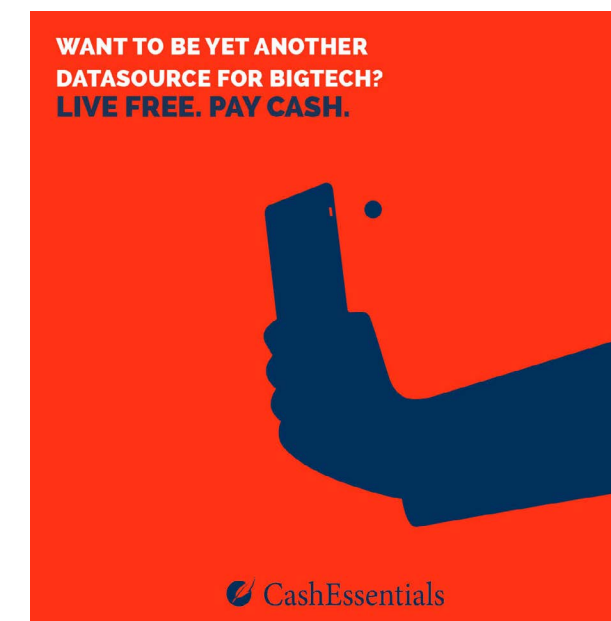
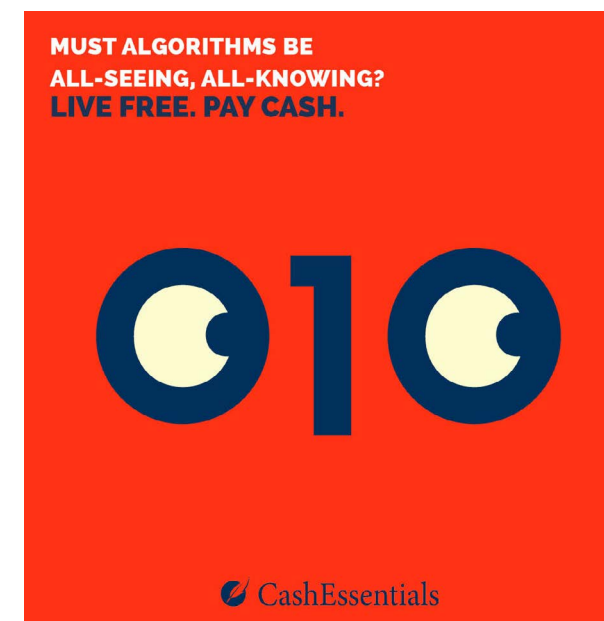
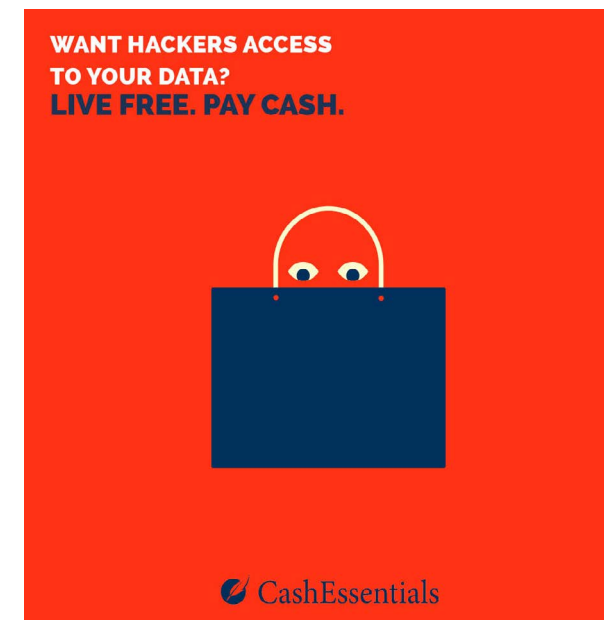


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► And still more: social media (Twitter/LinkedIn); Legacy Media outreach; photo exhibitions and competitions and cash innovator awards.

## ► “Live Free. Pay Cash.” Digital Campaign



In October 2020, CashEssentials defended individual freedom and the benefits of cash through a digital campaign: “[Live free. Pay cash.](#)”, as [cash was subject to significant negative media attention](#) during the Covid-19 pandemic.

Designed with Paris-based media and brand communications agency Publicis Conseil, it included visual elements with strong messages focusing on the intrusive use of algorithms, the risk of cybercrime, the loss of privacy and the role of BigTech firms. The campaign used social media together with native and display advertising media which all received remarkable traction and captured the attention of 40 million people. The campaign received an award for the best digital campaign by ATMIA.



## WHERE WE ARE RECOGNISED

### ♦ ATMmys: The ATM Industry Marketing Awards

The ATMmys are presented by the [ATMIA International Marketing Forum](#) (IMF) and designed to recognise the hard work and creativity required to promote cash and ATM products and services to businesses and consumers worldwide. CashEssentials is honoured to have received two awards:

- 1st place in the DIGITAL Category for the digital campaign “Live Free. Pay Cash.”
- 2nd place in the CASH PROMOTION Category for the YouTube video entitled “The Cash Cycle in Disasters”, the fifth episode in the CashEssentials “Cash and Crises” video series



## THE ESSENTIALS OF CASH

Whatever the incursion of digital payments and money, cash possesses a set of unique benefits. Since setting up in 2018, **CashEssentials** has constantly sought to revisit and renew the distinguishing and decisive arguments cash offers. Cash is **universal, non-discriminatory and available to all**. Cash is **simple to use across a range of transactions** (person-to-person; person to business). Cash is **anonymous** and it is **private**, when digital means Big Tech and the Big State, risking Orwellian, Big Brother-type incursions into our private lives and tastes. Cash is uniquely **secure** as a means of payment. Hence cash **generates trust**. Cash is by far the **most popular means of low-level payment**, which represents most payments. Cash **often carries a culture of identity**. We use cash to **teach our children the value of money**. Research shows that **adults spend more wisely when they use cash**. The whole-of-humanity corona crisis, has shown yet again how cash is **the planet's crisis-refuge** *par excellence*.

**These are the facts of cash. And the facts of cash are friendly.**  
For the present. And the long-term horizon.

If you would like to contribute to shaping the future of money, please be in touch.  
**CashEssentials** ([info@cashessentials.org](mailto:info@cashessentials.org))



