



INTERNATIONAL MINT INDUSTRY ASSOCIATION

For inclusive, democratic, resilient and sustainable cash and coin access and acceptance.

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THE CASE FOR CASH – FREEDOM OF CHOICE

Cash (banknotes and coins) is the only form of public money intuitively known, understood, utilised and, crucially, trusted by citizens. It provides the society with personal as well as public data safety and privacy, universal inclusiveness, and personal as well as national crisis-resilience.

Promoting and maintaining cash payments as reliable and viable and free consumer choice option and therefore advocating safeguarding and investing in cash infrastructure (for wide access and acceptability) as a public good, is pertinent for the following reasons:

National critical infrastructure resilience

Cash is the only fall-back option now and in the foreseeable future in the event of an outage in the digital or card infrastructure, due to electricity failures or malfunctions in payment equipment of third-party providers. Recognising that we live in a world of increasing cyber warfare and climate-change disasters affecting energy infrastructure, reinforcing and securing operational resilience of retail payments networks for national emergency preparedness is paramount. Cash enjoys superior crisis resilience as a tested and trusted payment instrument with off-line capability, crucially as consumers are already in the habit of storing cash on an on-going basis and therefore providing the much-needed pre-stored liquidity to keep payments going 'around' in an off-line crisis event.

Privacy

The unique characteristics of cash payments is that they guarantee privacy and personal integrity. Cash gives control to individuals over their personal payments data. Cash transactions don't collect any personal purchasing habits data, which could be used for marketing or surveillance, and are immune to digital fraud. All forms of digital transactions pose inherent risks to privacy, including cybersecurity and hacking/data theft risks, from cryptoassets, digital euro to bank transfers and card payments. Being able to pay by cash empowers each individual with the autonomy and agency to decide to what extent they want to expose themselves to cyber security risks, scams and fraud.

Cultural and social cohesion

Vast majority of citizens worries about a future without cash, this is to great extent due to cash being a valued common point of reference uniting country's citizens, or a monetary zone such as the eurozone. Cash is recognised and appreciated as a national, cultural and historical identity symbol. It is seen as symbol of the state and good for the public.

Financial inclusion

Cash is the superiorly indiscriminatory financial and socially inclusive payment instrument. It is accessible to unbanked and underbanked, by choice or by circumstance. Cash allows the conduct of payment transactions without citizens having to pay transaction fees or to pay with their personal data for sale and analysis. It allows every citizen to engage in economic activity as well as interact socially with their families, community and culturally with autonomy and agency.



Autonomy in financial security

As recent cost of living crisis demonstrates, consumers choose to use cash payments as a fast and reliable budgeting method. It is the trusted store of value and tangibility qualities of cash that gives citizens full control and oversight of their budget and spending. Cash supports financially prudent habits and protects consumers from electronic payment methods and banking fees and costs, overborrowing and indebtedness.

Store of value

Cash is the only form of money, which can be stored by citizens independently and autonomously, in regard to the volume stored as well as free from any reliance on third-party providers, contracts and or gadgets. Hoarding is prudent and rational store of value saving activity providing citizens with autonomy and agency in any day-to-day situation. That is also why government emergency agencies regularly remind citizens to always keep substantial amount of cash store at hand for crisis situations and electricity infrastructure or other technology related outages.

Currency (value anchor), trust and financial stability

Citizens' confidence that bank deposits can always be converted (accessed and accepted) into cash, central bank public money, enables the smooth coexistence, convertibility and complementarity of the various forms of deposits and payment methods. It is this unlimited convertibility of bank deposits, with credit and default risk, into physical, tangible, always off-line functional public money payment instrument and store of value that maintains a well-functioning payment system, financial stability and is a pre-condition for preserving the transmission of monetary policy, and hence for protecting the value of money. It is cash, as physical central bank public money, that reduces costs of prudential supervisory of policymaking, gives confidence to the national currency and therefore anchors its value.