

Merits and demerits of a cashless economy

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A cashless society is not one where no money changes hands.

Instead, it involves transferring funds via digital methods. In essence, money is represented electronically. There are people on both sides of the issue and the debate continues regarding whether a cashless economy is beneficial or not. If you'd like to know more about the issue so that you can decide what side you're on, here are the pros and cons of a cashless economy. One of the primary benefits of a cashless economy is there won't be as many currency notes in circulation. This is good because it reduces the risk of theft and ensures that individuals and businesses have access to their money when they need it.

At the same time, it saves the government money because they won't have to pay to have currency minted. Some experts say this could translate to lower taxes for people. In addition, a cashless economy cuts down on the number of people who aren't paying their taxes. When transactions are made online, the government is better able to keep track of what people are earning or spending so that proper taxes can be charged and collected. Finally, eliminating the use of currency helps limit corruption in terms of welfare.

When there is no actual cash on hand, corrupt officials cannot gain access to it or steal it. People who are on welfare or other governmental assistance don't have to worry that their funds won't be available when they are needed. There are definitely perks to a cashless economy, but there are also several drawbacks. One of the top concerns is that there aren't too many people who are educated on how a cashless economy works. This is

especially true in developing nations where a cashless economy would be most helpful.

Before such a system can be instituted, citizens must be taught how to use it so that everyone can benefit. At the same time, in places where the internet connection isn't good, only being able to make transactions online can be problematic. If payment can't be made, people will have trouble making purchases and paying bills. Some people are against the system because they don't want to have their money held in banks. Some prefer to use cash or checks and don't want to be told how to manage their funds or where they must keep them. In that regard, a cashless economy can be seen as a loss of freedom.

Finally, some people aren't worthy of having access to this kind of credit. Some individuals will abuse the system, which could cause repercussions for others since money will be lost. When credit is given to people who don't use it properly, the average taxpayer is usually responsible for paying the tab. There are clearly a wide range of perks and drawbacks to a cashless economy. While it is certainly something that may happen at some point, at the present time, the benefits don't outweigh the drawbacks and many countries aren't prepared to institute such a system. That doesn't mean it won't happen someday, but it's not a completely foolproof system as yet and will require some consideration before it can be used in a widespread sense.