

# Electronic currency is here to stay

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Electronic Currency is Here to Stay The technology of today has made e-currency, the electronic exchange of money, faster, easier, and more secure than ever before. Around for decades in the form of credit and debit cards, newer forms of the currency have seen an upsurge in interest and has been paralleled by a decline in the use of hard currency (Davies and Davies, 2006). Smart cards, e-gold, and electronic billing have offered the market more choices in the ways we transfer funds. As we continue to become more global, the use of e-currency will relegate the traditional paper money format to a relic as electronic money becomes the dominant form of currency.

E-currency, once a unique conversation topic, is becoming more popular because it is good for the consumer. Consumers are carrying less cash today than ever before and instead have turned to other alternatives. Electronic currency makes a person's liquid cash assets available instantly without the risk of loss or theft. Universally accepted credit and debit cards now assure that the consumer's currency will be accepted and honoured in any situation. For most people, this alone has been an encouragement to carry less cash and prefer an electronic transaction, but the emerging global marketplace has placed even greater demands by consumers for flexible and easy to use solutions for payment processes and devices.

Global transactions require that we have a currency that is honoured around the world and free from need to handle multiple currencies with the burden of exchange rates (Macintosh, 1999). The emerging market for private e-currencies, backed by internationally accepted metals, has seen increased interest as individuals look to finance international purchases quickly and with a minimum amount of complications. E-gold is seeing greater acceptance as an international e-currency as consumers and businesses

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shop the world marketplace via the Internet. The ability to purchase an item anywhere is made possible by the rapid influx of new e-currency systems. What has been good for the consumer has also been good for business. The future of e-currency will be driven by the market demand for it and it will operate without respect to governments and national banking systems. ISO standards for e-currency have raised the level of trust in the new forms of payment and business is always open to new ways to accept secure payment. For the market, e-currency translates to higher sales, more opportunity, and less cost than the need to handle only hard cash. Though e-currency would eliminate the threat of robbery and theft at retail outlets, it does present unique security concerns.

Consumer fears of hacking and electronic threat are well founded and there is a need for heightened security to stay ahead of the potential for illegal activity. This is not a new problem and as security concerns are addressed, the public will overcome their initial fears of e-currency and it will gain even wider general acceptance. Private issuers of e-currency have shown that they are as reliable as government backed currency and the consumer will build trust that the currency is solvent and adequately backed by assets (England, 1996). In the future of e-currency, governments will largely be an oversight body and regulator of e-currency and will have shed their traditional role as the main issuer of money.

The wide variety of electronic methods available today will combine to form the currency of the future (Jordan & Stevens, 1996). Pushed by market demand and consumer preference, e-currency will become more widely accepted as security concerns are addressed. Private enterprise, seeing an opportunity in the private currency arena, will continue to offer more options

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and make e-currency easier and more desirable to the public. As we grow into the globalization of the marketplace, e-currency will be adopted as the only standard due to the market's demand and the consumer's desire.

## References

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