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Are We Losing the Emotional Value and Significance of Money Being in a Cashless Society?

As the economy is shifting toward a cashless environment following demonetization, the initial awe and confusion have raised a flurry of concerns. In efforts to incentivize the move toward achieving a cashless economy, the governments are offering a rash of discounts; but this is being criticized as not substantial enough to counter the high risk. Cash is the still king, but the world is moving toward a cashless society. Money is one of the areas that carries an unusual amount of social and emotional baggage. Personal values and beliefs toward money can be associated with the complex web of personality traits, experiences, and self-esteem. The attitude toward money is set and defined at young age.

Currency notes are viewed as the symbol of sovereignty while the pictures and languages on notes offer emotional connection to the people of that country (Henley 20). Cash offers instant value of exchange to complete transactions and it is the highest form of liquidity. It provides security on double spend since each note is, by design, unique. When consumers are using cash, they do not incur service charges. Cash transactions provide consumers with anonymity.

In the light of the analysis conducted by Vella, a cashless economy has increased the ease of conducting business (54). People no longer need to carry plastic cards or cash. Other benefits includes the ease of tracking the spending and budget discipline. The move has not been taken

easily since there is higher risk of identity theft, even those educated in the society are at risk of falling into phishing traps. Considering the poor grievance redress and tedious process, people lack an easy recourse whenever they lose money online.

Even though it is feared that a cashless economy can reduce spending of the consumers, rendering it difficult to exercise self-control, researchers are optimistic of the potential of apps in assisting the consumers better to understand the way the financial environment influences them. This will position consumers better to control their finances (Humbani and Wiese 421). Apps to guide consumers on visualizing, organizing, and analyzing their spending have emerged. What is clear in the cashless society is that financial self-awareness is a priority when it comes to consumers.

Works Cited

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