



Cashless Cities: ‘There Is This Real Danger Of Exclusion’

As the cashless society expands, the poor are forced to comply or they will become even poorer and then excluded from economic life altogether. However, Technocrats are dead serious about ‘no person left behind’. □ TN Editor

Scrolling through my online bank statements at Christmas, I was surprised to find I had not removed cash from an ATM for well over four months. Thanks to the ubiquity of electronic payment systems, it has become increasingly easy to glide around London to a chorus of approving bleeps.

As more shops and transport networks adapt to contactless card and touch-and-go mobile technology, many major cities around the world are in the process of relegating cash to second-class status. Some London shops and cafes are now, like the capital’s buses, simply refusing to handle notes or coins.

Could we see a whole city go cash-free? From [Seoul](#) to [Bergamo](#), cities

big and small are at the forefront of a global drive to go digital. Many of us are happy to tap cards or phones to hop on a bus, buy a coffee or pay for groceries, but it raises the prospect of a time we no longer carry any cash at all.

No spare change for the busker at the station, the person sleeping rough in need of a hot drink, the market trader, the donation box. Although even on-street charity fundraisers are now [broaching the world of contactless payments](#), what might the rise of the cashless city mean for street vendors, small merchants and the poorest inhabitants?

Some experts now fear a two-tier urban realm in which those on the lowest incomes become disconnected from mainstream commercial life by their dependence on traditional forms of currency.

“The beauty of cash is that it’s a direct and simple transaction between all kinds of different people, no matter how rich or poor,” explains financial writer Dominic Frisby. “If you begin to insist on cashlessness, it does put pressure on you to be banked and signed up to financial system, and many of the poorest are likely to remain outside of that system. So there is this real danger of exclusion.”

Ajay Banga, Mastercard’s CEO, has [spoken about the growing global risk](#) of “creating islands, where the unbanked transact [only] with each other”.

In India, the question of how the poorest might connect with the digitised world of the middle-class consumer is now of central importance. In November, the prime minister Narendra Modi announced the [removal of 500 and 1000 rupee notes](#) from circulation. Part of a wider attempt to jolt the nation into joining the cashless revolution, Modi’s government believes restricting currency and pushing the take-up of electronic payment will help tackle corruption and regulate India’s untaxed, “black” economy.

Saurabh Shukla, the Delhi-based editor in chief at NewsMobile Asia, says he has seen many small “mom and pop” store owners introduce card readers and learn how to use Paytm, a mobile payment platform, over the past two months.

“They realise a big change is here and they are trying to adjust to electronic payment,” he explains. “But they still want to convert back to cash at the end of the working day or the working week. It will be a gradual adjustment. We might not be able to create a completely cashless India, but we can aim to create a low cash economy.”

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