



Should we fear a cashless society?

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Growing up in an Asian American family, I have been to so many Asian American restaurants that offer a 5% off if the customer pays in cash. For a family of four, this policy usually saves around ten dollars, and, predictably, no receipts are ever printed. Intuitively, saving money should've made everyone happy; what initially felt like a harmless financial decision slowly became a question about fairness, responsibility, and the hidden structure of modern economies. Often as I walked out, I felt strangely unsettled. The relief of paying less came with a thought that stuck in my head: that discount might have come at the expense of the foundational infrastructure we all depend on, such as roads, schools, and public services. Yet, at the same time, a small part of me understood why both the restaurant owner and the customer would choose cash. This small moment of my memory revealed a much larger question: how we choose to pay is not just about convenience. In a larger view, it reflects what kind of society we want to build.

Although a fully cashless society promises obvious advancements in transactional efficiency, fiscal transparency, and crime deterrence, eliminating physical currency entirely would deepen inequality, weaken privacy, and increase collective dependence on fragile technological architectures. Therefore, while digital payment infrastructure should continue to expand, cash should remain available as a worldwide safeguard for structural inclusion, systemic resilience, and individual autonomy.

A modern economy undeniably derives clear benefits from electronic systems. Businesses spend time and money counting bills, storing coins, transporting deposits, and protecting against theft. These expenses are known as handling costs (Speed Commerce, 2023). Reducing transaction and handling costs can increase overall economic efficiency by allowing businesses to allocate more resources toward productivity and innovation. Digital payments remove much of this burden. Employees do not need to count change, managers do not need to carry deposits to the bank, and accounting becomes easier because every payment is automatically recorded. For customers, digital payments are also convenient: a person can pay with a phone or card in seconds without carrying a wallet full of cash and coins.

In addition to convenience, electronic transactions may produce broader public benefits through improved tax compliance. When transactions are recorded electronically, it becomes much harder for businesses to hide income. This reduces the grey economy, which includes legal businesses that do not report all of their earnings. Back to the restaurants with 5% off when paying with cash, both the customer and the owner benefit in the short term, but some of that income may never be reported to the government. From one perspective, it means less money is available to fund schools, roads, hospitals, and other public services. In countries such as Italy and Greece, where tax evasion has historically been a major problem, wider use of digital payments could increase government revenue by making underreported income harder to conceal (Kokkinidis, 2025). While both parties benefit privately, society may bear the broader public cost through reduced tax revenue.

A cashless society may also make certain crimes more difficult. Cash is anonymous, which makes it attractive for illegal activities. Black market transactions, money laundering, human trafficking, and other forms of organized crime often rely on payments that leave no record. If all transactions had to pass through traceable digital systems, suspicious patterns would be easier for authorities to detect. This is one reason many governments support expanding digital payment systems. In addition, a fully digital society could reduce some forms of theft and violence. Stores that hold little or no cash are less attractive targets for robbery. Workers are safer when they do not need to transport large amounts of money. Individuals also do not need to worry about losing bills or carrying coins. These advantages help explain why many governments support digital payment expansion, despite the broader concerns discussed later regarding dependence and accessibility.

Environmental benefits may exist as well. Producing paper currency and coins requires metal, water, energy, transportation, and security. These complicated steps contribute to increasing carbon footprint, which is the total amount of greenhouse gases that are released into the atmosphere as a result of human activities

(Conservation International, 2025). Digital systems are not without their own carbon footprint, since data centers and electronic devices consume massive amounts of electricity. However, eliminating the constant production and replacement of physical currency could ultimately reduce the financial and environmental costs of our monetary system (NLS Waste Services, 2023).

Despite these advantages, the benefits of a fully digital economy are not distributed equally across society. Not everyone has equal access to technology. Some people cannot afford smartphones, data plans, or bank accounts, others who live in areas with weak internet connections or in developing nations, building off the previous problems, also don't have the access to a digital transaction environment. Homeless individuals often lack the identification required to open financial accounts, children may need spending money even if their parents do not want them to own smartphones at a young age, many elderly people are unfamiliar with mobile payment apps and may feel uncomfortable using them. These groups are not small exceptions; together, they represent around 35% of people in this world (Statista, 2026). This means the issue is not marginal, but affects a substantial portion of the global population.

The barriers these individuals face can be grouped into three categories. First, there are structural barriers, such as the cost of devices and poor internet access. Second, there are capability barriers, including limited digital skills and language challenges. Third, there are situational barriers. A person may lose a phone, forget a password, or temporarily lack identification. A student on a field trip may need cash to buy lunch. When these situations are considered together, it becomes clear that cash serves as a universal backup that almost anyone can use. Eliminating cash without solving these problems would effectively exclude some of the most vulnerable members of society.

A fully cashless system would also increase dependence on technology and infrastructure. Every digital transaction requires electricity, internet access, and functioning payment networks. However, when these systems fail, economic activity can stop immediately. In rural areas, a weak signal may prevent someone from buying food or gasoline. In urban areas, a payment network outage can affect thousands of businesses at once. This problem becomes even more serious during emergencies. Hurricanes, earthquakes, and severe storms often disrupt power lines, cellular towers, and internet service. These are exactly the moments when people need help, and a fully cashless society would turn every infrastructure failure into an economic shutdown. People could have money in their accounts but still be unable to access it due to signal shutdown. Physical cash, by contrast, continues to function even when technology does not.

Another major concern is privacy. Cash allows people to make purchases without creating a permanent digital record. Digital payments leave data that can be stored, analyzed, and shared. Banks, payment companies, and governments can potentially see where people shop, what they buy, and how they spend their money (Anthony, 2024). Some people are comfortable with this tradeoff because it increases convenience and security. Others view financial privacy as a significant freedom. The issue is not that every institution intends to misuse this information, but that the information exists and can be used in ways individuals cannot fully control.

A cashless society also concentrates power. Governments can freeze bank accounts, and financial institutions can suspend or restrict access to funds. In most cases, these actions are legal and may be justified. However, they demonstrate how much control centralized systems can exert over everyday life. Not everyone trusts that this power will always be used fairly. History shows that institutions can make mistakes, overreach, or act in ways that disproportionately affect vulnerable groups. Cash provides a small but meaningful degree of independence because it allows people to transact without relying entirely on intermediaries.

The risks of complete financial dependence become especially visible in abusive relationships. Cash is often the only resource a victim can hide and use to leave safely. Money stored in a shared digital account can be monitored or cut off instantly. An abusive partner may track every purchase and limit access to funds. In this situation, the loss of cash is not merely an inconvenience. It can become a barrier to escape. A payment system that seems efficient to one person may create greater dependence for another. Designing a fair economic system requires thinking about people in vulnerable situations, not just average consumers.

The debate over disaster relief illustrates both the strengths and weaknesses of digital payments. After hurricanes or earthquakes, governments and charities can send money electronically to verified recipients almost instantly. This reduces delays and lowers the risk that physical cash will be lost or stolen during transport. However, if survivors do not have functioning phones, identification, or internet access, they may be unable to receive or use the aid. Digital systems can solve one problem while creating another. This example shows why preserving multiple forms of payment is more reliable than depending on only one.

China provides a crucial real world example. Mobile payment platforms such as WeChat Pay and Alipay are extremely common, reaching over 1 billion users (Barrano, 2025). In many cities, people can buy food, ride public transportation, and pay street vendors simply by scanning QR codes. At the same time, cash has not disappeared. Traditional wet markets, known as Cai Shi Chang, still accept bills and coins, especially because many elderly vendors and customers prefer them. Public transportation in many places also continues to

accept cash. Even one of the most advanced digital payment societies in the world has maintained a hybrid system because complete elimination of cash would exclude too many people.

The ethical question at the center of this debate is what society should value most. Efficiency matters. Tax compliance matters. Fighting crime matters. But inclusion, privacy, and resilience matter just as much. A society should not be judged only by how quickly transactions occur, but should also be judged by whether all people can participate, whether individuals retain a reasonable degree of autonomy, and whether the system continues to function during crises.

Every payment network reflects an underlying moral calculation. A completely cashless framework explicitly prioritizes administrative efficiency, corporate convenience, and greater institutional oversight. Conversely, a society that deliberately preserves physical currency accepts minor systemic inefficiencies in exchange for democratic resilience, individual privacy, and broad social inclusion. The debate therefore became philosophical: what kinds of tradeoffs a community is willing to accept in pursuit of progress. A society should not be evaluated merely by the velocity of its transactions, but by its willingness to protect the autonomy of its citizens and its refusal to marginalize vulnerable populations.

A fully cashless society would not be an entirely positive or negative development. Digital payments clearly improve efficiency, transparency, and convenience, but eliminating cash altogether would also create new forms of exclusion, dependence, and vulnerability. For this reason, society should continue expanding digital systems without abolishing physical currency entirely. Modern economies must therefore pursue innovation without abandoning accessibility and autonomy.

Looking back on those restaurants offering discounts for cash payments, I still understand why both customers and owners choose cash. Yet that uneasy feeling remains essential because it reflects the central tension of this debate. The way a society chooses to exchange money reflects what it values most. A truly modern society should pursue efficiency without sacrificing resilience, privacy, or inclusion. For that reason, the most sustainable future is not one that eliminates cash entirely, but one that preserves both technological progress and human independence. Therefore, when viewed from a broader societal perspective, a fully cashless future should be approached with caution, as significant challenges regarding inclusion, privacy, and resilience remain unresolved.

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