



Most shoppers at Agora outlet in Moghbazar Capital using cards to pay

net payments) and collector (e.g. taxes) in each country, it stands to gain substantially from a cheap, transparent electronic payment platform with adequate traceability and accountability of payments.

Use of plastic money is increasing gradually in Bangladesh as it is convenient and safe for various types of transactions. With the growth of debit cards, electronic transfers, and mobile payments, the use of cash has long been declining in the legal economy, especially for medium and large-size transactions.

Mobile financial services (MFS) is cheaper to deploy than other digital channels (ATMs, cards, et cetera). Most importantly, MFS has already demonstrated its ability to reach the poorer unbanked populations and therefore make significant impact on improving financial inclusion.

A less-cash society would be a fairer and safer place. Cash facilitates crime. Now, we are passing through a transition period towards a less-cash society.

Cash payments by employers to undocumented workers

are a principal driver of illegal immigration.

If governments were not so drunk from the profits they make by printing paper currency, they might wake up to the costs. There has been a little movement of late. The European Central Bank recently announced that it will phase out its €500 mega-note. Still, this long overdue change was implemented against enormous resistance from cash-loving Germany and Austria. Yet even in northern Europe, reported per capita holdings of currency are still quite modest relative to the massive outstanding supply in the eurozone as a whole (over €3,000 per capita).

However, cash remains important for small everyday transactions.

A plan for reining in paper currency should be guided by three principles. First, it is important to allow ordinary citizens to continue using cash for convenience and to make reasonable-size anonymous purchases, while undermining the business models of those engaged in large, repeated anonymous transactions on a wholesale level. Second, any plan should move very gradually to allow adaptations and mid-course corrections as unexpected problems arise. And, third, reforms must be

sensitive to the needs of low-income households, especially those that are unbanked.

Bangladesh still has a long way to go, but it may be told that in future the country would emerge as a less-cash society.

*(The writer is a Senior Sub-Editor at the daily sun and a member of BJFCI.)*

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