



## **The Case Against Cash**

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CAMBRIDGE – The world is awash in paper currency, with major country central banks pumping out hundreds of billions of dollars' worth each year, mainly in very large denomination notes such as the \$100 bill. The \$100 bill accounts for almost 80% of the US's stunning \$4,200 *per capita* cash supply. The ¥10,000 note (about \$100) accounts for roughly 90% of all Japan's currency, where *per capita* cash holdings are almost \$7,000. And, as I have been arguing for two decades, all this cash is facilitating growth mainly in the underground economy, not the legal one.

I am not advocating a cashless society, which will be neither feasible nor desirable anytime soon. But a less-cash society would be a fairer and safer place.

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. Central bank surveys show that only a small percentage of large-denomination notes are being held and used by ordinary people or businesses.

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