



JESSE HICKS

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# A CASHLESS FUTURE WOULD BE A SURVEILLANCE NIGHTMARE

# A CASE AGAINST CASH - POLICY

“Why not just get rid of paper currency?”

- Kenneth Rogoff, *The Curse of Cash*

- ▶ The vast outstanding mass of paper currency is a black hole, anonymous and unaccountable - the “currency enigma”
- ▶ Shrinking it would discourage tax evasion and crime (trafficking, extortion, corruption, money laundering, illegal immigration, terrorism)
- ▶ And provide governments a way out of the zero-bound problem

# HOW ROGOFF WOULD ELIMINATE CASH

- ▶ Move against large bills, doing away with them entirely to stifle liquidity of anyone using them for nefarious ends
- ▶ Subsidize digital banking for those currently “unbanked,” bringing them into the system
- ▶ Preserve small currency where necessary for everyday transactions
- ▶ Move away from bills to coins

# A CASE AGAINST CASH - “SILICON VALLEY”

Cash “is all kinds of things, and a lot of the things are pretty yucky. Digital payments on the rise is a very, very good thing for transparency, for accountability, for bringing in more intelligent ways of acquiring things.”

- Max Levchin, Paypal

- ▶ The “Silicon Valley” ethos often implies Rogoff’s argument, alongside “we can do better”
- ▶ Rhetorically, the “disruptors” signal that theirs is a better, more intelligent way — cash is obsolete, and digital payments are progress.
- ▶ They position their future as inevitable

# A CASE FOR CASH - A PROTECTED DOMAIN OF PRIVACY

Electronic payments “are another brick in the wall toward total surveillance.”

- Christian Engström, Sweden’s Pirate Party

- ▶ Precisely the things that make cash a threat make it valuable
- ▶ Anonymous, universal, foolproof
- ▶ Lacks the “choke points” of digital payment infrastructures

# SURVEILLANCE - BOTH GOVERNMENTAL AND CORPORATE

“Where money becomes information, it will inform on you.”

- Sarah Jeong

- ▶ Post-Snowden, we should recognize governmental surveillance apparatuses are much more vast than previously assumed
- ▶ Post-Cambridge Analytica (and etc.) we should recognize corporate surveillance apparatuses — driven largely by digital advertising — are much more vast than previously assumed

# SKIRMISHES IN THE WAR ON CASH

Indian Prime Minister Narendra Modi 's surprise 2016 recall of more than 80 percent of the country's cash.

- ▶ Aimed to stem rampant corruption and force untaxed “black money” back into the realm of accountability.
- ▶ Implements Rogoff's plan, but suddenly rather than gradually, creating a panic
- ▶ Ultimately dismissed as more theater than policy

# SKIRMISHES IN THE WAR ON CASH (CONTINUED)

- ▶ The elimination of the 500-euro note
- ▶ Sweden!



# BEYOND SURVEILLANCE: COERCION AND CENSORSHIP

Even for the privacy minded, the threat of surveillance can seem like an abstract concept. Often, though, the systems replacing cash are susceptible not just to surveillance, but to coercion and censorship.

- ▶ Wikileaks payment blockade
- ▶ Operation Choke Point
- ▶ De-platforming

# IS A CASHLESS FUTURE AND TOTAL SURVEILLANCE INEVITABLE?

A cashless future is one pushed for by governments and businesses with overlapping motivations. But that doesn't mean it's inevitable.

- ▶ Strong policy arguments to preserve cash
- ▶ Ways to carve out privacy within digital spaces
- ▶ Cryptocurrency?



# Q&A

