

# Why Sweden is going cashless

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## Research on innovation in payment systems

- When do merchants stop accepting cash?
- Effects on retail industries from new digital platforms
- Interoperability for mobile payments and digital services
- The growth of mobile, electronic payment services in Sweden
- Disruptive innovations in the payment system – Swish
- Mobile payments, more than transactions
- The cashless society
- Test of a proof-of-concept mobile payment service in Sweden
- The future payment system

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SPRINGER BRIEFS IN ECONOMICS

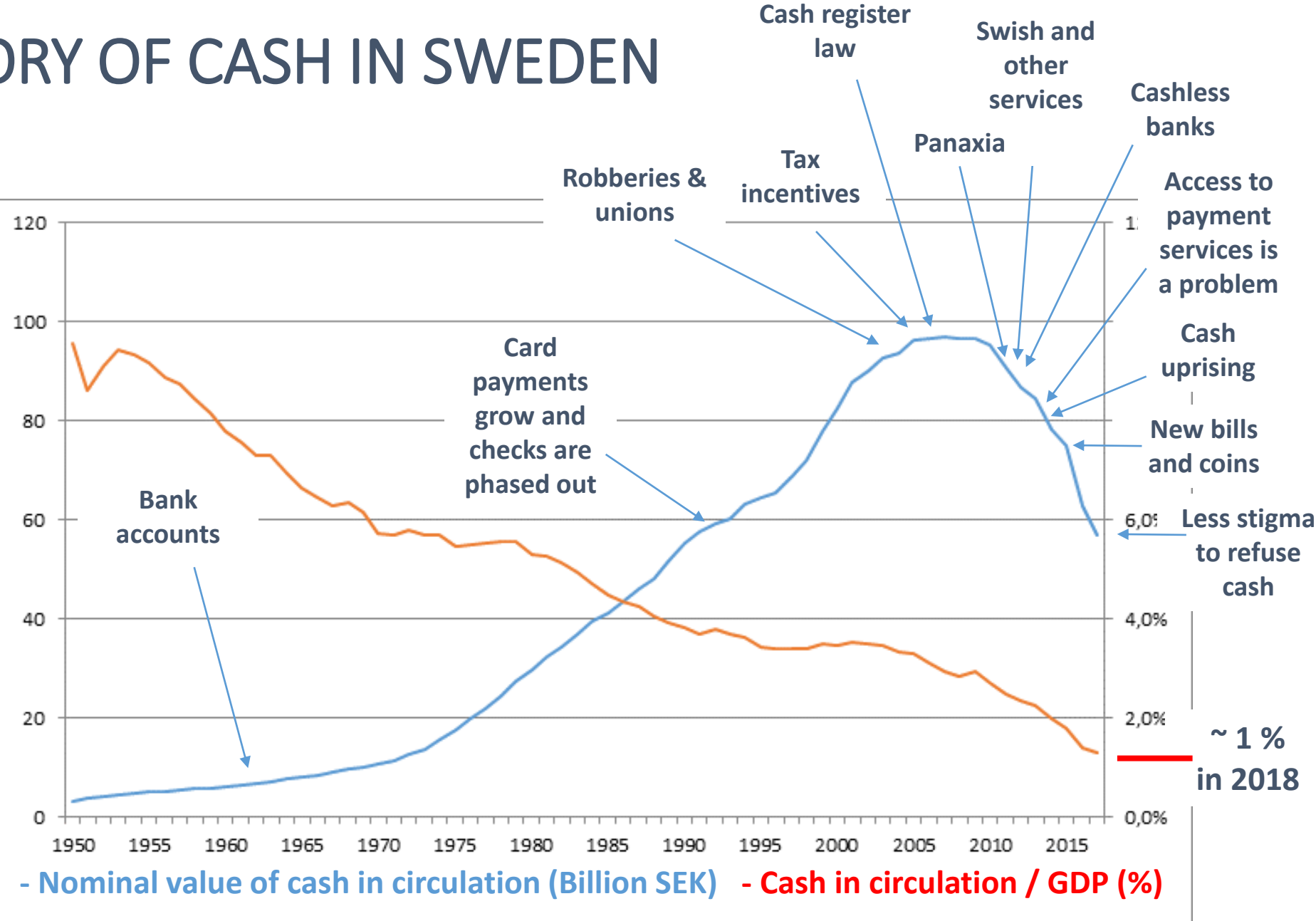
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## Building a Cashless Society The Swedish Route to the Future of Cash Payments

OPEN

 Springer

# HISTORY OF CASH IN SWEDEN



Source: Sveriges Riksbank [www.riksbank.se](http://www.riksbank.se)

# *Forces leading toward less cash*

1. Legal framework allowing **cashless stores**
2. Salaries being paid directly into **bank accounts**
3. Well-functioning system for **card payments**
4. **Social costs** of cash are high
5. Cash is **expensive for merchants**
6. Laws on **secrecy** about information yields trust
7. Outsourced cash system made it **demand-driven**
8. Unions lobby against cash for **safety reasons**
9. **Laws** forced retailers to report to tax authorities
10. Tax **incentives** made household services “white”
11. **Banks’ business models** means cash is not profitable
12. **Crimes** led retailers to not accept cash
13. Technology-interested and skilled **consumers**
14. **People and business prefer electronic payments**
15. **Innovative services** substituted cash
16. **Demographic changes** stimulates cashlessness
17. **Inter-operability of cash is deteriorating**

# *Counter-forces preserving cash*

- 1. Problems** for elderly, disabled, immigrants and SMEs
- 2. Lobbying** from interest groups (cash rebellion)
- 3. Avoiding a “single-point of failure”** in system
- 4. Vulnerability** in digital systems
- 5. Importance of central bank money**



*Countervailing forces preserving cash*

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# Conclusions – Why is Sweden going cashless

- **Forces leading to less use of cash are stronger** than those preserving cash
- Sweden has probably **passed the point-of-no return**
- The **review of the Central Bank Law** may suggest that banks should take the responsibility to make sure none in Sweden have longer than 25 kilometers to the nearest access point to cash...but we do not yet know what will be decided in the Parliament
- The challenge is for a society to be **ambidextrous** – to be able to handle both the challenges connected to less cash and to stimulate innovation for new and more efficient services