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Freedom of Choice: the European Court of Justice Wants to Keep Cash

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Whether it be because the EU is staying true to its pledge to protect the freedom and well-being of its citizens, or because it wishes to increase its relevance and importance in the mind of Europeans, the matter is of no small importance. The Court of Justice of the European Union, through its Advocate General, Giovanni Pitruzzella, could put an end to a creeping campaign led by private organizations to discontinue physical currency. The motion aims to protect vulnerable citizens and fundamental liberties.

The numerous enemies of cash

The war on currency started so long ago that few agree on the birth year. But a ball park date would be the 1960s and 1970s, when alternative payment methods started slowly replacing banknotes in transactions. Nowadays, countless options are offered to consumers during their purchases. CSR reports that "*electronic forms of payment have become increasingly available, convenient, and cost efficient due to technological advances in digitization and data processing. Anecdotal reporting and certain analyses suggest that businesses and consumers are increasingly eschewing cash payments in favor of electronic payment methods*." Along the way, many organizations saw in the societal shift an opportunity, and started trying to rush it, against public interest or, at the very least, disregarding it. Now that consumers in the EU have a large pallet of payment options, these organizations realized that cash held its ground, and that numerous daily transactions were still being carried out with good old-fashioned banknotes. And this is where, gradually, push came to shove.

Big Tech wishes to increase profit

There are two reasons why financial service companies wish to eradicate hard currency. The first one is direct: with a small commission paid in every digital transaction, it takes no genius to figure out why these companies would wish to increase the number of non-cash payments on markets. The Congressional Research Service released a global study in 2019, stating that "*Such trends have led analysts and policymakers to examine the possibility that the use and acceptance of cash will significantly decline in coming years and to consider the effects of such an evolution.*" The second reason is indirect. While banks and financial institutions can sometimes be creative and at the tip of ingenuity, they followed suit in this case, after GAFA companies built their fortunes by collecting information on their clients. Banks and financial institutions eventually realized that they, too, could collect rich data on people, as digital payments leave a generous paper trail behind them: who paid what to whom, for what, where, and when. Such a treasure trove of information would be valuable to these companies, or to the highest bidder. But for that, cash payments, which can be used to evade Big Tech control, need to be eliminated first. And, given that cash is used in

larger proportions by the more vulnerable segments of society, this would amount to harming the poor, homeless and elderly, so that large corporations may increase their profit.

Some national governments keen on a cashless world

Banks and large companies found themselves alongside some governments, in this struggle: namely those who were eager to increase their control over their populations. The most prominent example came in 2016, when India brutally attacked cash and sent destructive shockwaves throughout the nation, in an attempt to aggrandize its reach and power. In Europe, as well, some governments dream of achieving complete control over their economies and population. A cashless economy would indeed provide this level of power, as any citizen could be kept under scrutiny and controlled in its economic life. If companies drawing profit with their information on people wasn't bad enough, civil liberties activists dreaded what some European governments could do with such power. Hungary, an EU member, as recently tipped into brutal dictatorship and could easily use enhanced data on its population to intimidate citizens and opponents into silence.

Giovanni Pitruzzella steps in

These trends warmed up quietly for years, until they came to a boiling point in the 2010s. The EU let itself be influenced for a very short period, before it realized what was at stake. Various anti-cash measures were implemented but, in 2018, when Brussels realized there was a larger agenda behind these pushes, it put an end to it. Recently, two German citizens who attempted to pay their taxes in cash were turned away, and struck with mark-ups, as their tax offices insisted they pay digitally. They brought the matter to the CJEU, which ruled in their favor. Giovanni Pitruzzella seized the occasion to put an end to the matter and remind all organizations involved that cash was not only a citizen's guarantee for economic independence. He stated that: "*despite widespread usage of electronic forms of payment in the EU, [...] cash still plays an important role in the euro area economy and thus the advent of a cashless society does not seem as imminent as some people like to think*". He also confirmed that economic decisions should be made, taking into account the interests of the poorest, and keeping in mind the cost-benefit balance. "*There is a direct link between cash and the exercise of fundamental rights [...] which does exist in cases where there is a social inclusion element of the use of cash*", he added. In this case, the assessment was made that an opportunity for private profit or government control could not take precedence over the protection of the EU's most vulnerable and the freedom of choice of its citizens.

The EU has been facing headwinds in recent years, in no small part due to the UK questioning its relevance, leadership, or even integrity. As public and private corporations around the world turn away from their mission to protect their most vulnerable, and towards self-interest, the CJEU has made it clear that no such breaches would occur within the confines of the European Union. If the EU was seeking an occasion to show its worth, it came in the person of its Advocate General.

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