

CoESS & UNI Europa joint statement on the need to safeguard cash

The Social Partners note:

- The cash industry is a highly advanced, high added value sector that employs hundreds of thousands of people in Central Banks, in the European cash management industry, in banknotes processing machines manufacturers, the Cash-in-Transit business, in the vending industry, in banknote protection and authentication technologies, in coins minting and banknote printing sectors, and in the ATM industry (including independent ATM deployers).
- Over the past few years, European citizens have experienced the closure of bank branches, the reduction of cash services, both for deposits and withdrawals, and the restriction in the distribution of change money, which in effect makes the use of cash payments more difficult. Concurrently, we witness the rise of cashless hotels, restaurants and retail. As cash is a volume driven industry, the risk is that the cash cycle drops to a level where it will no longer be sustainable and impossible to restore an efficient cash cycle once its infrastructure has gone.
- The payment market has undergone major changes in the last few decades with alternative (electronic) means of payments taking increasing market shares, yet cash still amounts to 79% of all payments in volume.¹ The lower the sum of payment, the more likely consumers opt for cash payments. This implies that particularly poorer sections of society, old people, children and foreign citizens depend more heavily on cash. In the UK, as many as 2.2 million citizens rely entirely on cash for their living.²

The social partners further note:

- One reason for the increased promotion of cashless payments are their traceability. Yet, this traceability does not eradicate fraud. It is estimated at €1.8 billion euros in 2016, an increase by 9% compared to 2015³. Sweden, which has the fastest pace of cash phase out, also experienced the highest growth rate of card fraud (+18% in value) during the same period.
- This ‘War on cash’ has an immediate impact on the jobs of service workers across private security, financial services, printing, logistics and commerce. In the same way that it is impossible to restore a cash cycle, the same applies to these highly specialized and skilled jobs.
- Traditional sectoral boundaries are being eroded, leading to an impact on working conditions and a further fragmentation of the collective bargaining system.

¹ Esselink Henk, Hernandez Lola, “the use of cash by households in the Euro area” ECB occasional paper 201, November 2017-

² <https://www.accesstocash.org.uk/>

³ Ecommerce news Europe, 29 June 2017, <https://ecommercenews.eu/uk-france-account-73-european-card-fraud/>

The social partners believe:

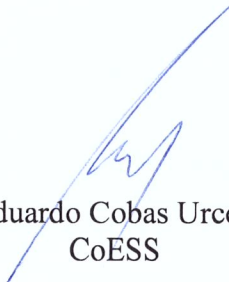
- Cash is public money and thus a public good, whereas electronic money is private money.
- The ‘war on cash’ is a consumer rights, employment issue as well as a citizen’s rights issue. The dominance of by non-EU operators poses a threat to these rights.
- In accordance with Article 7 of the EU Charter of Fundamental Rights which enshrines the right for private and family life, the ability to pay in cash should be preserved.
- At EU level, cash services are part of the basic bank account services directive; however this does not ensure that cash remains available.

For that reason,

- The European Union requires legislation whereby it would strictly enforce the legal tender status of cash, making it illegal to anyone to refuse a payment in cash.
- The European Union ought to follow the example of countries such as Denmark or Norway which have adopted legislation to ensure that banks offer a minimum level of cash services and that cash remains available to the public.
- The European Central Bank and Euro-system ought to ensure that a critical mass of cash remains in circulation to secure the sustainability of their cash cycle and the employment directly linked to it.
- Employers and public institutions ought to engage in the maximum efforts to retrain affected staff and look for adequate employment opportunities, if possible. If these jobs disappear society will be faced with costs of unemployment and retraining.

The social partners resolve:

- To organize a roundtable discussion in 2020 with the goal of strengthening social partners’ capacity
- To promote collective agreements and collective bargaining as practical instruments in order to ensure and equitable and sustainable transition for CIT workers.
- To propose and support legislative or regulatory tools to ensure the sustainability of the cash cycle



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