

## Chapter 7

# Stories from a Close to Cash-Free Society



I have discussed, explained, and shown many different aspects and dimensions related to a transformation toward a cash-free society, but I believe something is missing. The complexity of this change process cannot be fully understood if we do not listen to some of the voices of those most severely influenced by the transition. What do people think about this, and how do they live their lives in Sweden today? Then I do not mean people in general, but rather, how do people make payments and how do they receive money? The data and numbers presented in previous chapters tend to refer to a general image of what is happening, but how do people actually handle payments? This cannot be seen in numbers but needs stories. Here are stories that reflect different aspects of living in a close to cash-free society.

### The General Story of Sweden

Sweden is a rather small country with 10 million people, but it is large in terms of geographic size. The geographic size of Sweden is around 447,000 square kilometers or 174,000 square miles.<sup>1, 2</sup> This means the country is geographically larger than Japan, Germany, Italy, Iraq, the United Kingdom, Paraguay, and Zimbabwe. Just to mention some. We are about the same size as Uzbekistan.<sup>3</sup> But if you compare how many people that live in each of these countries, another picture becomes clear. The geographic distance between people is huge in Sweden which makes it difficult to supply cash handling services to all at a decent price.

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<sup>1</sup>From here on I will abbreviate a square kilometer with km<sup>2</sup>.

<sup>2</sup>There are about 2.59 square kilometers to 1 square mile.

<sup>3</sup><http://www.nationmaster.com/country-info/stats/Geography/Land-area/Square-miles>

Population density in Sweden, if compared to countries with similar economic development,<sup>4</sup> is 24 per km<sup>2</sup>; in Germany, it is 236 per km<sup>2</sup>; in the United Kingdom, it is 274 per km<sup>2</sup>; and in Japan, it is 350 per km<sup>2</sup>. It is definitely more expensive—per transaction—to supply cash handling services to everyone in Sweden than it is in cash-intensive countries like Germany and Japan. This is one explanation as to why cash handling services in remote parts of Sweden are shut down. Too few users and large geographical distances between payers, payees on the one hand, and ATMs and cash depots on the other make the equation clear. People meet problems as cash handling services become expensive and/or less accessible if they do not want to— or cannot—use and/or accept electronic payment services. And retailers face increasing difficulties and costs to bank their money at the end of the day.

The County Administrative Boards of Sweden<sup>5</sup> have the responsibility to observe, report on, and manage a selection of governmental activities and concerns in different parts of Sweden. The country is currently divided into 21 counties, and there is a county administration in each county. One of their responsibilities is to report on peoples' and organizations' access to basic payment services, i.e., cash. They report on this each year, and their latest report concluded that access to basic payment services is not improving and sometimes even deteriorating. I have discussed this earlier, but I want to add some information on a more concrete level here.

The report for 2017 (Länsstyrelserna, 2017) shows that 11 out of 21 counties report that access to basic payment services for elderly is not acceptable, and 8 counties report that it has deteriorated compared to 2016 (Länsstyrelserna, 2017, p. 14). It also reports that 13 out of 21 counties see that access to basic payment services for people with disabilities is not acceptable, and 8 counties report that it has deteriorated compared to 2016 (ibid).

Problems are also seen for immigrants and smaller organizations. When studying small organizations, 15 out of 21 counties report that access to basic payment services for organizations is not acceptable (Länsstyrelserna, 2017, p. 19). Investments in digital infrastructure, new payment services, and support from the government can help remedy some of the negative effects, but problems are not to be ignored and not easily solved. Even if a majority of Swedes and Swedish organizations and companies welcome the growth of electronic payment services, there is a large group of people and organizations that do not.

But how does this transformation affect people and organizations that traditionally have been depending on cash? Here are some stories.

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<sup>4</sup>[https://esa.un.org/unpd/wpp/Publications/Files/WPP2017\\_Wallchart.pdf](https://esa.un.org/unpd/wpp/Publications/Files/WPP2017_Wallchart.pdf)

<sup>5</sup><http://www.lansstyrelsen.se/Sv/Pages/default.aspx>

## Situation Stockholm<sup>6</sup>: Empowering Homeless People

The social development in Sweden during the 1980s and 1990s led to a number of factors making life increasingly problematic for drug addicts, alcoholics, mentally disorderly people, and others that were living in the outskirts of society. They simply had problems to find a place to live and a basic income to pay the rent. Several events led to this situation including a liberalization of the Swedish economy during the 1980s that led to a more market-driven system for apartments and rents; a financial—or rather real estate—crash in the early 1990s that slowed down the economy<sup>7</sup>; a psychiatric reform<sup>8</sup> in the mid-1990s that transferred people from psychiatric care facilities to the streets; and generally more liberal labor market that made it more difficult for these groups to find and keep a job. All in all, people that previously had had problems to live in the Swedish society found it increasingly difficult to do this in the 1990s.

This situation led some people to react and take initiatives to help those that suffered the most from these events. Malin Lindfors Speace<sup>9</sup> and a few others, among them the editor in chief Ulf Stolt, decided to help in a somewhat different way. Instead of donating money or pushing politicians, companies, or other people to act and provide money, Malin believed that a person—any person—is best helped when he or she sees a purpose in life and can personally act to fulfill this purpose. Providing shelters and food to homeless people is good, but it will not solve the problem for these people. It is only when people are empowered to solve their own, personal problems that sustainable and fundamental change is realized.

The organization Situation Stockholm was then created with the ambition to provide opportunities for people to help themselves, which is very different from helping marginalized people by providing money, food, and shelter, says Jenny Lindroth who is head of the social operations of Situation Stockholm.

Vi erbjuder sysselsättning, inte pysselsättning<sup>10</sup> says Jenny Lindroth.

The aim is not to minimize the harm these persons may do to society or—more likely—to themselves but instead to empower them to take control of their lives and thereby build a better future. And the tool is not to prohibit things and control the actions of people. It is instead based on the idea that people are the best tools for their

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<sup>6</sup><http://www.situationsthlm.se/>

<sup>7</sup>See: Perbo, U. (1999). Varför fick Sverige en depression i början av 90-talet. Ekonomisk Debatt 1999, årg 27, nr 6, s.325–333 (<http://www.ne.su.se/ed/pdf/27-6-up.pdf>).

<sup>8</sup>This was based on an investigation done by the Swedish parliament in the beginning of the 1990s (Psykiatriutredningen, SOU 1992:73).

<sup>9</sup><https://www.svd.se/det-maste-finnas-ett-syfte>

<sup>10</sup>This is a Swedish pun that is difficult to translate into English but that essentially means we offer employment, not meaningless activities that just aim to keep people busy. The Swedish version is of course rather funny and to the point (trust me!) since the words only differ in terms of one letter.

own change if good circumstances are provided, and they build their own inner drive to achieve change.

The organization offers their target groups, i.e., homeless, ex-homeless, and other people in social distress, an opportunity to build their private economy, to achieve control of their lives, and to stop being lured into crimes. These people often have problems with drug abuse and addiction as well as social and psychological problems. The purpose is to provide an organized life and structure, well-earned money, a road away from drug abuse, as well as education and general support. Situation Stockholm offers training and help aiming to enable the homeless people to create a decent life in the Swedish society. The overall aim is to rehabilitate people in need via work and training.

The main tool for achieving their purpose is a magazine called Situation Stockholm that is sold by the persons the organization aims to help. A homeless person can contact the organization and say that he or she wants to start selling their magazine in the streets of Stockholm. The vendors need to follow a few and simple rules mainly focusing on acting proper when selling the magazines and have a license provided by Situation Stockholm. They also need to sign a contract including a promise to follow the rules set up by the organization, and if they fail to follow these rules, they may lose their license to sell the magazine.

Why selling a magazine you may wonder. Could they not sell anything—soft drinks, candy, lottery tickets, or something else—that people want to buy? Well, the answer is simple. The laws governing the free media and the “free word” in Sweden mean that it is possible to sell media products—like magazines—on the streets without special permits. Their magazine is writing about social issues and therefore qualifies as free media.

How does it work? A vendor first needs to get the license and permit to sell the magazine as well as to follow the rules set up by Situation Stockholm. Then they buy magazines from the organization and pay 25 Swedish crowns per magazine. Yes, they need to pay for each magazine before they sell them. This means the vendors need to plan their financial situation and make sure they have enough money to buy—invest in—new magazines when the old ones are sold. This is an incentive to save money and plan for the future.

Thereafter they are given spots in Stockholm where they can sell the magazines. The geographical spots are issued by Situation Stockholm to avoid people fighting over the best spots. The magazines are then sold for the price of 50 crowns per magazine. A vendor earns 25 crowns per magazine—a 50% margin which is probably twice as much as the industry norm.

And now you probably wonder why a book about cashlessness writes about homeless people selling magazines in Stockholm. It is because they were among the first in Stockholm to adopt the new innovative noncash payment services that had been developed. According to standard innovation diffusion theories (Rogers, 2010; Wiefels & Moore, 2002), it should be the tech freaks and nerds that are the first to adopt innovative, technologically advanced services. It should be students at our university—the Royal Institute of Technology—or hackers and programmers never seeing daylight and surviving on caffeine drinks and burgers. Here we instead have a



Fig. 7.1 The magazine Situation Stockholm in April and July 2018. Source: <https://www.situationsthlm.se/tidningsarkiv/>

story of how homeless people are among the first to start accepting mobile payment services in Sweden! Quite remarkable.

### *When Homeless People Taught Stockholm to Use Mobile Payments*

The first issue of the magazine called Situation Stockholm was sold in August 1995, and a new issue has been sold every month since then (Fig. 7.1). The current number of magazines sold is around 20,000 per month which generate around 1.1 million crowns per month,<sup>11</sup> out of which the vendors get half, and there are around 300 active vendors each year. The money they earn may not be enough to pay the rent, food, and clothing, but it is definitely enough to enable these people to start having control of their lives. Having 120 crowns per day, a free breakfast provided by Situation Stockholm, a purpose and aim, access to training, and a social environment stimulating good behavior make a dramatic difference for people previously without home and hope.

The sales of Situation Stockholm had been increasing since the start in 1995, but in 2012, there were indications of a new problem. The vendors reported that potential buyers more and more often said they wanted to buy the magazine but that they did not carry cash in their pockets. Vendors were asked if they accepted card payments which they did not do at this time. These events were signs of the

<sup>11</sup>This is about 131,000 USD or 106,000 Euro.

decline of cash in Sweden where Stockholm was taking the lead in using less and less cash. The organization faces a new problem as vendors only accepted cash and many people did not carry cash in their wallets anymore.

So, what needed to be done?

The organization understood that in order to keep up sales, they needed to accept other forms of payments than cash. They therefore looked for solutions and first tested a voucher system that did not work. Then they tested a SMS payment solution in 2013 that was provided by telecom operators under the name of WyWallet.<sup>12</sup> This service helped sales, but there were also problems related to changed legislation which affected the providers<sup>13</sup> as well as the fact that vendors had to be provided with mobile phones, which in itself meant challenges for the organization. Some vendors simply sold the phones, used them for illegal or immoral purposes, or sometimes accidentally dropped them leading to malfunctioning phones. And, these payment services were rather costly. Despite these new challenges and setbacks, the tests had shown that the decision to offer noncash payment services was a good decision.

And it actually also made many Stockholmers aware of a new payment service landscape where other services than cash could be used in situations where cash previously had been “the King.” The vendors of Situation Stockholm can be said to have taught many people in Stockholm their first lessons in how to use mobile payment services.

The next step was to contact one of the growing Swedish Fintech companies called iZettle<sup>14</sup> that was providing mobile point-of-sale terminals for card payments<sup>15</sup> which could mean that if vendors had smartphones and a dongle that was connected to the phone, they could accept card payments. And since almost every Swede has a debit or credit card, this could be a perfect solution. And it was. Even if there were still problems since the vendors are needed to be educated to use these somewhat complicated services and to start carry smartphones and other equipment that constantly needed to be charged, the solution proved helpful. Situation Stockholm vendors now became among the first magazine vendors to accept card payments in the streets!

This also made our people more technologically advanced than many of the small coffee shops and merchants next door to our vendors. Our vendors became aware—and rightly proud—of offering advanced payment options when the coffee shop still only accepted cash and card payments. Their self-esteem grew and our basic aim behind our activities proved itself, say Jenny Lindroth.

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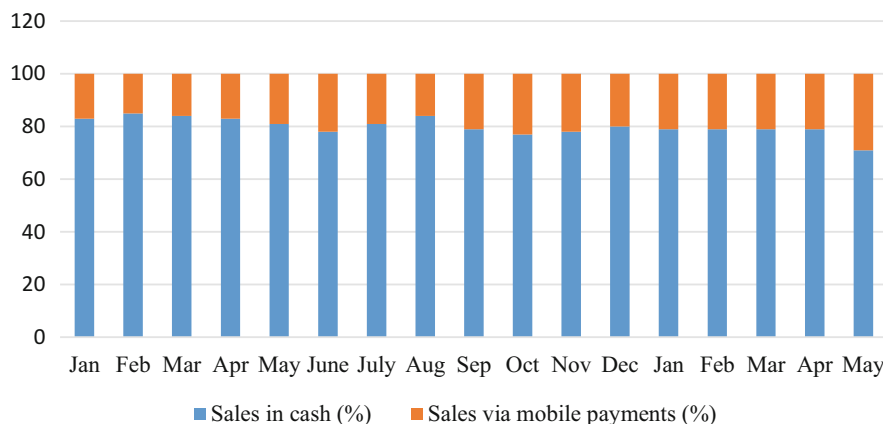
<sup>12</sup><http://wywallet.se/>

<sup>13</sup>The first payment service directive from the European Union meant new demands on actors providing payment services which forced any provider – including telecom operators – to follow more strict regulations and procedures.

<sup>14</sup>[www.izettle.com](http://www.izettle.com). It should be noted that iZettle recently was acquired by PayPal for a stunning 2.2 billion USD (<https://www.bbc.com/news/business-44161814>).

<sup>15</sup>This is similar to the services provided by Square in the United States. <https://squareup.com/>

### Sales in cash and mobile payments January 2017 to May 2018



**Fig. 7.2** Sales of Situation Stockholm in cash and via mobile payments 2017–2018. Source: Data provided by Situation Stockholm

The move toward cashless sales continued in 2015 when they started to use the new mobile payment service called Swish that was provided by the banks and had become a great success. At this time almost half of the adult Swedes had started to use Swish, and it had become a strong substitute to cash. This service proved to be simple to use, and the vendors as well as the buyers tended to prefer it over card payments. It also made it easier for Situation Stockholm to know how many magazines each vendor had sold and how much money they had generated. It became a win-win-win for vendors, buyers, and the organization. Later they also started to upgrade the Swish service in order to manage information and planning more efficiently.

This development has led to a situation where sales via mobile payment services—mainly Swish but also iZettle—are steadily over 20% of total sales and even reached 29% in May 2018 (Fig. 7.2).

The organization’s demand on the payment services they use has also pushed suppliers to develop new features and improve their offers. They have, for instance, asked for administrative features enabling vendor-based reporting, location services based on GPS positioning, and QR code-based sales and information management. Situation Stockholm has become a demanding and innovation-oriented customer to the payment service providers.

In the spring of 2018, around 20–25% of sales of the magazine are via electronic payment services provided by iZettle and Swish, and the rest is via cash. The dominating payment service is notably still cash. You may of course argue that this proves the necessity of cash—and especially for the homeless people we are talking about. And you have a point. Some of the vendors and some buyers apparently prefer cash.

There is also another reason behind this. Even if almost everyone is entitled to a bank account in Sweden and Europe,<sup>16</sup> there are some exceptions, and the people selling Situation Stockholm falls in this category. Banks can refuse to provide a bank account to people who have problems identifying themselves, to people who cannot explain why they need an account and especially when there is a risk the account may be used for illegal purposes, and to people who previously have been dishonest toward a bank. Some of these aspects apply to the vendors of the magazine we are discussing here.

Most vendors do not have a bank account and are therefore restricted to using cash when they want to buy something, which means that some prefer being paid in cash but also that the operations must almost by default involve cash. When the organization Situation Stockholm—that receives the card and mobile payments into its bank account—is to pay vendors, they must use cash. Vendors often use the organization's account as a savings account and keep some of their money in this account—and thereby get indirectly banked!—but also receives some cash in order to buy the things they need to survive.

This indirect banking of the unbanked has—according to Jenny Lindroth—had the effect that the vendors have started to plan their private financial situation. They can save some money in the organization's account, receive some cash, and then invest some of their money in new magazines guaranteeing future income. In this way, they have become empowered to control their own life.

When I ask Jenny Lindroth in the spring of 2018 if they could stop accepting cash completely, she answers in a quick and straightforward way that they cannot! The organization cannot become entirely cashless since the vendors rely on cash. But Situation Stockholm has been and still is an influential driver of the transition of Stockholm toward a cashless city! And the adoption of noncash payment services helped the organization fulfill its objective to empower homeless people and make them having better control over their future by banking them.

And they helped teaching Stockholm how to use mobile payment services instead of cash.

## **The Swedish Church<sup>17</sup>: The Largest Church in Sweden**

Sweden is a country where religion and parishes have had a central role in the society for a long time even if the average Swede generally say that he or she is not religious and is not attending parish ceremonies. Dagen,<sup>18</sup> which is a free magazine based on Christian beliefs, even claimed in 2009 that Sweden is one of the least religious countries in the world where only 17% of the population says that religion plays an

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<sup>16</sup>[https://www.swedishbankers.se/media/3688/1802\\_engelska.pdf](https://www.swedishbankers.se/media/3688/1802_engelska.pdf)

<sup>17</sup>Svenska Kyrkan <https://www.svenskakyrkan.se/>

<sup>18</sup><http://www.dagen.se/>



important role in their lives.<sup>19</sup> A more recent study argues that Swedes relation to religion is complex and that the average Swede believes in some higher faith even if this belief often is not connected to one of the traditional religions.<sup>20</sup> Sweden can probably best be described as a highly secularized country where people believe in some form of higher beliefs.

The biggest parish in Sweden is called The Parish of Sweden and describes itself as a national parish that is open to everyone living in Sweden regardless of nationality.<sup>21</sup> It is an Evangelical Lutheran parish covering all of Sweden which is open to all, episcopal and democratic. It has 6.1 million members in a population of about 10 million Swedes which actually means that over 60% of Swedes belong to this parish.<sup>22</sup> Not bad in a secularized country! This parish is active in all parts of Sweden through its 3500 parishes in Sweden and 13 dioceses. It is financed via membership fees which are around 59% of total income and funeral fees around 19%, and the rest is financed mainly via offertories and other contributions as well as financial returns on assets. The activities of the parish is organized and operated via almost 3400 parishes and chapels in Sweden. One of these is Svenska Kyrkan in Sundbyberg which is located in the Stockholm area.

### ***The Swedish Parish in Sundbyberg in Stockholm<sup>23</sup>: A Cash-Free Organization<sup>24</sup>***

This parish has two parish buildings, one chapel, and its own funeral place which is not that common for parishes in the Stockholm area. It is more like a parish in the countryside than a parish in the city says the vicar Micke Åsman. The parish engages 40 persons including 6 vicars in addition to deacons, musicians, funeral service assistants, and other functions. It has a governing body called Kyrkofullmäktige which includes people that are elected in an open election every fourth year. This body, in turn, elects people that work in a board called Kyrkorådet which assumes the operative leadership of the parish. This body makes decisions on issues that concern the parish including budgets, employments, and other critical decisions. But it recently made a remarkably brave and modern decision. In 2018, Kyrkorådet in this parish decided to start operating their activities as a cashless parish, i.e., that offertories and other forms of payments to the parish no longer can be done in cash. Starting from February 1, 2018, the parish is cash-free. It only accepts gifts and

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<sup>19</sup><http://www.dagen.se/sverige-ett-av-varldens-minst-religiosa-lander-1.175189>

<sup>20</sup><https://www.forskning.se/2017/04/12/svenskarna-tror-men-inte-pa-gud/>

<sup>21</sup><https://www.svenskakyrkan.se/>

<sup>22</sup>[www.svenskakyrkan.se/statistik](http://www.svenskakyrkan.se/statistik)

<sup>23</sup><https://www.svenskakyrkan.se/sundbyberg>

<sup>24</sup><https://www.svenskakyrkan.se/sundbyberg>



**Fig. 7.3** The Swedish parish in Sundbyberg becomes cash-free. Source: <https://www.svenskakyrkan.se/sundbyberg/svenska-kyrkan-i-sundbyberg-blir-kontantfri>

offertories via Swish or via direct debits. It is a test that is planned to continue throughout 2018 (Fig. 7.3).

### ***A Cash-Free Parish: Combining Sacred Traditions with Modern Technologies***

The vicar Micke Åsman explains that one of the reasons behind the decision to stop accepting cash is that this improves the working environment and safety of the employees which is a central concern for the parish. The staff did not feel safe when they had to go to the bank with a large amount of cash to deposit it. They feared being robbed. It was also a cumbersome and time-consuming task to handle the cash before it could be taken to the bank. In recent years the problem got even worse as the local bank closed their cash handling services which meant they had to deposit their cash in a grocery store in the neighboring municipality. On top of this, new Swedish coins that came in 2015–2017 were even more difficult—at least in the beginning before they had become used to them—to handle than the old coins. The new bills and coins meant that more cash than usual came to the parish which increased their problems. In the end, the problems had become too severe to handle.

Another motivation behind the decision is that handling cash has become very costly in relation to the relatively small amounts of cash that the parish is given each year. The fees for cash-in-transit services are high, and banks' fees for depositing

cash are also high. Elisabeth Tunberg, Head of Administration, who has been working at a bank, says that she has asked banks to accept lower or even zero fees since the money is aimed for charity such as international aid related to humanitarian catastrophes, aid to people in need in Sweden and elsewhere, as well as aid to refugees. But the banks did not accept to drop fees. Over time the overall costs for handling cash had led to a situation where other activities of the parish were hurt because of the fees. This was not acceptable according to Micke Åsman.

It was also the case that the parish had no fees for concerts or other activities which meant that the decision to stop accepting cash did not lead to a situation where certain persons would become excluded or not feel welcome because they did not have access to cards or mobile payment services. The parish saw no distinct disadvantages by not accepting cash.

A third reason they mention is that the parish wants to adapt to the current society and its developments where cash is becoming used to a lesser and lesser extent.

I am proud to say we are future oriented and contemporary. It is great to be able to combine the traditions of our parish with modern technologies of our society. We are probably the first parish in Sweden to do this and our colleagues around the country are curiously following what we are doing and want to hear about our experiences, says Micke Åsman.

He adds that cash often is used in the gray and black sectors of the society, and the parish therefore sees it as a positive thing to not encourage this. “We are contributing to a better society”, says Micke.

The parish had started to accept mobile payments already in 2015 and felt they were experienced enough to be comfortable to stop accepting cash altogether. They were not anxious about the services or how to use them. And the final decision to stop accepting cash was unanimously taken by Kyrkorådet and the people working in the parish.

When the parish started to discuss the possibility of not accepting cash, there was an important discussion related to teleological beliefs. A fundamental belief in the parish is that one should share one’s wealth with those in difficulties. Collecting gifts and offertories has therefore always been a central part of this. Some persons in the parish wondered if the decision to stop accepting cash actually goes against the theological conviction to donate to people in need. But it does not, according to Micke and Elisabeth. The parish is just changing the tools that are used to collect offertories, not the theological principles of offertories.

So has there not been complaints, I ask Micke Åsman and Elisabeth Tunberg. Has not your members complained, which is something you may expect since many of the most active parish members tend to be old and elderly tend to be the ones that are most in favor of cash? No, they say. There has only been one person that has complained—a 99-year-old woman who is really concerned about what happens if cash disappears. She argues that the democracy and free society will be hurt if cash disappears, which—one must add—is an opinion she shares with others<sup>25</sup> such as

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<sup>25</sup>See, for instance, <http://www.barometern.se/debatt/kontanter-en-demokratifraga/> as well as <http://www.news55.se/artiklar/pro-och-spf-seniorerna-kontantheringen-ar-en-demokratifraga/>

the organizations for elderly people in Sweden. But apart from this woman, the other members of the parish have adapted well.

So, what will happen after the test period is over, I ask. “I do not think we can reverse this decision”, says Micke Åsman.

## **PRO: Pensioners Fighting to Keep Legal Tender in Sweden**

PRO<sup>26</sup> or the Swedish National Pensioners’ Organization is the largest organization for retired people in Sweden with around 350, 000 members organized in 1400 local units covering all of Sweden. PRO has three different pillars according to Ola Nilsson, PRO’s expert in issues related to health and consumer politics, where the first one focuses on protecting the interests of their members and society at large. To achieve this, PRO is actively engaged in political debates on pension levels, taxes, social welfare, financial security, medical treatment, but also solidarity and discrimination in general. Here, access to cash has become an important question for PRO which is manifested in many initiatives. The second area concerns social meetings and shared activities among members, while the third one concerns education and training for members, which, for instance, involves training related to how to understand and manage the growth of digital services. One aim behind this particular course is to avoid or bridge digital divides in the Swedish society, which illustrates the challenge many elderly are facing in the digitalization of Sweden.

In April 2018 the British media agency BBC News described PRO’s stance in the issue of cash with the words: “The Swedes rebelling against a cashless society.”<sup>27</sup> It is without doubt that the pensioners in Sweden have become one of the strongest balancing forces against the quick development of a cashless society in Sweden (Fig. 7.4). The organization is not formally opposed to the concept of a cashless society, but they are worried about the speed through which this is happening and the lack of protection for the ones who suffer the most from a declining use of cash. They are also actively arguing that banks should take better responsibility and improve their cash handling services to customers.

In June 2016 PRO was engaged in a campaign called “Kontanter behövs”<sup>28</sup> where they argued cash must be kept in Sweden since there are groups in the society—elderly, people with disabilities, and people living in rural areas—that depend on cash and that the society therefore must work to protect cash. Their message was very much in line with the conclusions drawn in the annual reports on access to basic payment services made by the County Administrative Boards (Länsstyrelserna, 2017).

<sup>26</sup>Pensionärernas Riksorganisation [www.pro.se](http://www.pro.se)

<sup>27</sup><http://www.pro.se/Gemenskap%2D%2Daktiviteter/Nyhetsarkiv/PRO-intervjuat-av-brittiska-BBC-angaende-kontantfragan/?id=270547&epslanguage=sv>

<sup>28</sup>This is translated to “Cash is necessary” (author’s translation).



Fig. 7.4 PRO interviewed in BBC News. Source: BBC News <https://www.bbc.com/news/business-43645676>

IN 2016, PRO managed to collect 139,064 signatures from people that supported their cause and handed these over to the Minister for Financial Markets and Consumer Affairs Per Bolund (Fig. 7.5).<sup>29</sup> The aim was to convince politicians that Sweden needed to take action to avoid problems as cash is disappearing but also to make sure cash does not disappear entirely.

“PRO welcomes digital payment solutions and educate our members to keep up with the development. Our congress in 2015 was even done digitally via note pads. But everyone need to keep up and no one can be left behind. That is the reason we

<sup>29</sup><http://www.government.se/government-of-sweden/ministry-of-finance/per-bolund/>



**Fig. 7.5** PRO handing over results from their campaign to Per Bolund in June 2016. Photo: Stefan Bladh

need cash in combination with other payment services,” says the chairman of PRO Christina Tallberg in the PRO website.<sup>30</sup> In short, PRO argues that the Government of Sweden should review the mandate of the Riksbank so that it includes a more clearly stated responsibility that access to basic payment services, i.e., cash, must be available to all consumers and merchants in all parts of Sweden.<sup>31</sup>

A challenge for PRO related to cash is not only that their members often are dependent on cash and sometimes reluctant or perhaps not able to use digital payment services but also that PRO activities—like lotteries, meetings, and other events—use cash as a tool for payments from participants. Local PRO organizations then face problems when wanting to deposit cash into their bank accounts. This is costly, time-consuming, and risky if the overall sums are large. Such problems are not seen in the national PRO organization, however, since membership fees are paid via invoices and electronic transactions. The challenges are clearly greatest in the daily events and activities on the local level. And there is a lack of well-adapted digital services for these activities, says Ola Nilsson.

Ola Nilsson also provides examples of other problems like when banks set fees of 100 SEK for paper-based annual account reports—that are essential for each person’s tax declarations—and fees of similar amounts if a person buys a ticket via

<sup>30</sup>This quote is translated from Swedish to English based on the text in the site <http://pro.se/pension/Nyhetsarkiv/139064-stodjer-PROs-kamp-for-kontanter/?id=184283&epslanguage=sv>

<sup>31</sup><http://pro.se/Global/PRO%20riksorganisationen/Nyheter/Finansmarknadsminister.pdf>

phone from railroad operators like SJ. It has become costly and inconvenient for people that—for one or another reason—prefer using cash instead of digital payment services. This does not, however, mean PRO is opposed to digitalization.

The digitalization of our society is good and often makes things easier for our members but we must make sure the development is not too fast and that people are not forced to start using digital payment services when they are not able or willing to do this, says Ola Nilsson.

Another action of PRO was to lobby in relation to the current review of the central bank law<sup>32</sup> by arguing that the Riksbank's future responsibility in the payment system should protect the use of cash as long as it is legal tender and that there should be stricter requirements for commercial banks to offer cash handling services at the local level. PRO is proposing that at least one commercial bank should be required to offer these services in smaller cities. This is not just a question of having access to a service—it is more than that.

### ***Having Access to Payment Services Is a Foundation for a Democracy***

Having access to basic payment services is a foundation of a democratic society, Each citizen has a democratic right to participate in the development of the society and not being able to make payments restricts a person's access to public and private services, and thus also the possibility to participate in the society, says Ola Nilsson.

He continues:

Even if Sweden will become more and more digital, there will still be people who cannot or do not want to be fully digital and these persons must also be able to take part in the development of our society.

When I ask him about how he views the political debate on how cash is disappearing and which political actions that need to be taken, he states that he is not impressed. Politicians have answered well to some issues—like the need to change consumer protection related to sales via phone calls—but not that well related to the issue of access to cash. There are some politicians that are very active in this issue, but the majority is not. And, it does not seem to be possible to have a good political debate on this question. Access to cash was an important question in the political campaigns for the Swedish elections in 2018, concludes Ola. Not even PRO will focus on this issue. The overall level of pensions is prioritized.

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<sup>32</sup><http://www.regeringen.se/rattsdokument/kommittedirektiv/2016/12/dir.-2016114/>

## ***The PRO Activities in Östersund Will Not Work Without Cash***

“Our members need cash to make payments,” says Elsy Sandbom who is working for PRO in Östersund, which is a city in the geographical center of Sweden. The city<sup>33</sup> has about 50,000 people and is the largest city in the Jämtland County. The area is most well-known for its outdoor winter sports profile including, for instance, skiing and mountaineering but recently also got a lot new attention as the city’s football team beat Arsenal at Emirates Stadium, London, in the Europa League Cup.<sup>34</sup> The most important factor when we are to discuss cash, however, concerns the geographical distances and the dependence on cash.

There are smaller cities outside Östersund—like Gällö and Bräcke—where banks have closed down completely or only provide limited services which of course have made these areas difficult to live in for people that rely on cash. It is not unusual that the local grocery store is the only provider of cash services—both withdrawals and deposits—and thus in practice has replaced the banks in providing cash handling services. “The banks have a strange view on cash. They do not seem to understand our dependence on cash,” says Elsy. In addition, many parts of their region may not have well-functioning and reliable Internet and telecommunication systems which make them also technologically dependent on cash.

Elderly often do not have access to computers, Internet, and smartphones and therefore become dependent on cash.

Our younger members that are around 70 may not have problems but our members in their 80s and 90s definitely have problems today. They want to use cash because they trust cash and are comfortable using cash. They feel naked without cash, says Elsy Sandbom.

The PRO organization also meet problems if they cannot use cash since the alternatives—like invoices or card payments—are expensive, time-consuming, and inconvenient according to Elsy. The organization organize coffee meetings, lotteries, bingo, and dances in which cash is a necessary service, and they do not know how they would be able to run these events if cash was not available.

When I was a kid we were keen to collect coins by doing small favors like opening gates to cars outside the church on Sundays. Then we could save these coins in a savings account that our school and local savings bank helped us start. But this was a long time ago. Banks are different now, says Elsy.

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<sup>33</sup><http://www.ostersund.se/>

<sup>34</sup><https://www.bbc.com/sport/football/43136849>



## Rural Sweden<sup>35</sup>: A GONGO

Rural Sweden is an organization that aims to make all parts of Sweden prosper and develop. It is a national civil society organization for rural development based on some 5000 local community groups and 40 member organizations representing all parts of Sweden. The organization is not large—the employed personnel equals eight FTE—but given they cooperate with all kinds of local organizations, the entire mass of the activities Rural Sweden initiates and supports become substantial and influential.

One of the reasons behind the need of this organization is the geographical structure of Sweden. Even if the country only has around 10.1 million people, it stretches an area of 447,435 km<sup>2</sup> which makes it the fifth largest country in Europe. And the population density by definition is very low with around 22.6 persons per km<sup>2</sup>, which can be compared with around 411 persons per km<sup>2</sup> for the Netherlands and 368 persons per km<sup>2</sup> for Belgium. In short, there are on average large distances between Swedes which influence access to critical services like telephony, postal services, Internet access, and basic payment services.

As a result, rural areas tend to have much poorer access to these services than cities, which leads to the purpose and work of Rural Sweden:

Our vision is to have vibrant local communities all over Sweden. We work towards balance between rural and urban areas, good rural development and just conditions and terms for the whole country.<sup>36</sup>

To achieve this, the organization has four prioritized areas including infrastructure and digitization, local services, culture, as well as local development. Access to basic payment services—like cash but also other services like schools, health care, policemen, and fire brigades—fall into these priorities. Four main values or ideals for their operations are democracy, diversity, sustainability, and equal opportunities.

Our main challenges are to make sure local communities have access to public service, broadband, digitalized services, tools and methods to become empowered as well as having values and a local culture that stimulate young and old people to work for the development of the local community. This means we support many different initiatives in different local communities since regions tend to differ in their needs and challenges. We describe ourselves as a GONGO—a Governmental Non-Governmental Organization, says Ylva Lundkvist Fridh who is coordinating initiatives for local communities.

When discussing payment services, it becomes clear how the organization prioritizes ends over means. They work to make local communities develop and prosper, but they have a pragmatic approach to which payment services best help the community, its companies, and its people to prosper. The organization does not have a principle or basic conviction that cash must be kept.

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<sup>35</sup>In Swedish: Hela Sverige ska leva <https://www.helasverige.se/in-english/>

<sup>36</sup><https://www.helasverige.se/in-english/>

We actively support initiatives to make sure cash handling services are kept at the local levels—like the work done by the access to cash campaign—since people living in the local communities often prefer or even depend on cash. But our concern is that cash handling services are removed before new alternatives are developed, offered and accepted by the local communities. We see the same worrying trend that we saw when fixed landline telephone services were withdrawn before mobile network systems had been built in each local community that lost traditional telephone systems. We are afraid that we may see a new form of digital divide where some groups are left behind when new digital services are launched. But the communities we support are seldom obsessed with which payment service that is used as long as it works well, is reliable and liked by people and firms in the local community, says Ylva.

She continues: “We fight for the principle of equal right to public services in all parts of Sweden!” She also makes it clear that the organization as such do not use cash in their own operations; they prefer electronic bank transactions.

Another example is that Rural Sweden works with initiatives to improve the locally oriented financial system as they see how commercial banks tend to close their local offices. This includes not only access to basic payment services but also making sure there is access to funding and capital for small businesses aiming to provide products and services to the local community or even to expand their sales far beyond that.

It is clear that rural parts of Sweden face new challenges as cash disappears and that new innovative services are not yet a reliable substitute to cash in certain situations, for certain groups, and in certain geographical areas. The need of an organization like *Hela Sverige ska leva* is strong as Sweden is being transformed into a cash-free society.

## The Story of These Stories

The stories show very different ways to survive and live in a society where cash is decreasing but where payments still need to be made and received. Some do not have any problems whatsoever, while others fight to adapt to a new situation. As we should expect with all major transformations of our societies, people adapt but some not without hard work and frustration. And few—if any—are unconcerned. Money matters!

If I am to summarize some of the main points in these stories, I would say that the issue of cash is an emotional one where viewpoints—even in the consensus-oriented Sweden—differ substantially. Many have strong emotions either in favor of or against cash, but the general consent is not that cash must be kept for its own sake. Many say it must be kept so that some groups—primarily elderly, people with disabilities, immigrants, and small businesses in rural areas—still can make and receive payments. The idea many state is that there must be usable, attractive alternatives in place before cash disappears completely.

There are also examples—like Situation Stockholm and donations in general—where the new innovative services help unbanked to become banked, at

least in practical terms, as well as help to raise funding to people in need. We also saw a somewhat unexpected case where a parish in Stockholm has already decided to be cash-free during 2018.

There is—on the other hand—a movement aiming to keep cash or at least reduce the speed with which it disappears. They are working to make politicians aware of the problems and to start acting to handle the challenges that rise as cash disappears. The people in this movement often perform volunteer work to help local communities and people to handle the challenges they face. And we must not forget the work by the organizations for retired people and the lobbying from the Access to Cash Campaign.

All of these examples have aimed to provide a richer and deeper understanding of how people in Sweden think and act when it comes to cash in 2018.

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