

Money and Technology



ERMA INTERNATIONAL CONFERENCE **ON ERM**



INTO THE UNKNOWN: CHARTING THE FUTURE AGENDA











I don't think I am being controversial when I say **Money** is close to everyone's heart...

BUT what is the relationship between Money and Technology?

Let's watch this short video









So – it turns out, that **our manifestation of money** throughout history is directly related to **the actual technology available** at that point of time...

Let's have a look at a few case of examples

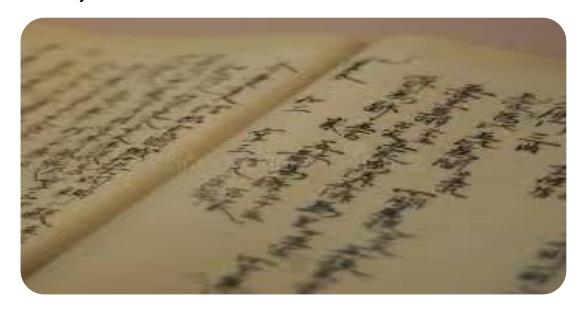






Written Language

Primary invented for the recording of debt and promissory notes — i.e early accounting and money!!









Minted Coins

The technology behind minted coins was designed and used by Empires to enhance the trust of coins and what they were made of - (in comparison to fakes) - so they had confidence to trade in them.









Printing Press

1440 AD, The technology behind representative money, writing, printing and making paper – was used for advanced promissory notes and paper money.









The Telegraph

Developed in the 1800s was first used by Western Union in 1872 – where customers could "wire" money from one location to another. This was a milestone in that for the first time in history— Money could move **faster** than people!









Credit Cards

In the 1960s the Credit Card was introduced which resulted in an explosion in consumer buying and economic activity. This was driven by the early electronic computers — where Ledgers could be read by a machine — verifying that a particular person had the assets for the transaction and hence authorize the credit card payments. This was the beginning of automation within the financial industry.!









TODAY

 The explosion of digital payment networks has grown exponentially in relation to the digital technology behind the financial networks.

 Now machine learning programs (AI) take literally milliseconds to determine if a particular purchase by you is consistent with your past purchasing behavior and location – the basis of

credit card fraud protection.









HOW is Money Created now – Where does it come from?

Let's watch a short video







Let's Continue with the video ...

- Again this highlights the point of "Fractional Reserve Lending" in that most of the money supply is in fact created by private banks digitally, when they issue loans, be it personal loans, SME loans, credit card loans or institutional loans.
- Hence, while we are all familiar with the term "quantitive easying" most of the money supply didn't come from actually printing money it just came through Commercial Bank Money, through the issuance of digital money mostly as loans.





