

their own profit such as it happened in 1999 in Bolivia. The water system was sold to the American corporation Bechtel under pressure. As soon as it had happened the price for water had risen up to heaven. It had lasted for years, until there was a large-scale riot; as a result Bechtel Corporation canceled the agreement.

- The trade liberalization and opening up the economy by removing any restrictions on international trade. It allows not abusing other countries' economies. MNC imports into a country products of mass consumption thereby it displaces local products and destroys the local economy. As the example it can be noted that Jamaica after taking loans from the World Bank has lost most of their agricultural markets due to growing imports of Western so today many farmers have no job because they are not able to compete with Western MNC.

So the globalization in the third world countries leads to the destruction of the environment as MNC save on cleaning systems and pollute the environment intentionally, the income gap increases (GDP growths – poverty growths), the unemployment increases.

Capitalism is an empire as there is no nation which can stand against the persuasive “globalization's charm”. Force of globalization is so great that the union of all the world's national economies into the single free trade system is inevitable.

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В. В. Киселева, Д. А. Кузнецова

Уральский федеральный университет

им. первого Президента России Б. Н. Ельцина

г. Екатеринбург, Россия

Электронные деньги: преимущества и недостатки

Развитие компьютерных технологий привело к тому, что сфера торговли и услуг активно переходит в Интернет. В настоящее время достижения научно-технического прогресса позволяют нам совершать покупки, не выходя из дома. Реализовать эту возможность позволяют электронные деньги.

В данной статье рассматриваются основные свойства цифровой наличности, а также ее преимущества и недостатки.

Digital cash: benefits and drawbacks

Nowadays the need of a payment system which enables the electronic transactions is growing as well as the use of the Internet is growing in our daily life. By just clicking a mouse or touching a screen, shoppers can buy nearly any product on-line and pay for their purchases without leaving the comfort of home.

The present day payment systems fall into two large categories: account-based systems and token-based systems. Token-based systems such as paper cash or pre-paid phone card do not identify its users. Account-based systems such as cheques, credit cards or bank accounts need, by design, to identify the system users and their transactions.

People like to use paper cash because it is easy to carry around, they can make a payment with the received cash and they don't need to ask a third party like a bank to perform their payments. Paper cash can, however, be stolen or lost and no one compensates for the lost or stolen money. Credit cards reduce the risk of lost cash for people, but by using electronic money people are in the risk of losing their privacy.

Annually, credit card companies and banks lose large sums of money since they are required to compensate for lost cards and the costs associated with fraud and human error, because of the increase of electronic services such as Internet, the need for more efficient electronic payments has become an urgent problem.

Since anonymity of payments is usually associated with anonymity of paper cash, an anonymous token-based electronic payment system is referred to as digital cash (also known as electronic cash and e-cash).

Digital cash is a technology that uses varied electronic methods to execute financial transactions. It can take two forms: on-line accounts or on smart card. An online account allows transactions on the Internet. A smart card can be thought of as an electronic purse people can carry with them.

One of the differences that sets digital cash apart from other types of cash transactions is that the identity of the buyer does not have to be revealed. The actual transaction is managed with the use of a number normally known as a digital certificate. This number provides verification that the digital cash is negotiable and can be accepted as the payment option for the services purchased. This is different from using a credit card

to buy something online, a transaction in which the buyer must provide basic information related to the credit card account before the vendor can process the payment.

So, digital cash offers a solution to the problems of paper cash and today's credit cards: it is secure and protects people's privacy. The customer can use digital cash to pay over the Internet without the involvement of a bank during their payments. It is tightly relative to a system that allows a person to pay for goods or services by transmitting a number from one computer to another. Like the serial numbers on real dollar bills, the digital cash numbers are unique. Each one is issued by a bank and represents a specified sum of real money.

It is worthy of note again that money which is paid by credit or debit card, and by direct transfer between accounts, or by on-line services such as PayPal is not digital cash, because it doesn't have the properties such as anonymity and off-line transferability between holders.

The electronic purse owner gets a pretty wide range of benefits of using the digital cash. This is due to the fact that the variety of goods and services, which can be paid by electronic cash without leaving your home, increases by leaps and bounds.

So, the benefits of digital cash are:

- Security – private information is kept private.
- Anonymity – you are able to use the money without being traced.
- Time-saving – the payment process by e-cash is quick, there is no queue and the money is transferred from the payer to the recipient in a moment.
- Multicurrency support – ability to use e-cash for transactions with multiple currencies.
- Portability – the use of the digital cash is not dependent on any physical location; the cash can be transferred through computer networks into storage devices and vice versa.
- Off-line capable – the protocol between the two exchanging parties is executed off-line, meaning that neither is required to be host-connected in order to proceed.
- Divisibility – a piece of digital cash in a given amount can be subdivided into smaller pieces of cash in smaller amounts.
- Low cost of emission of digital cash – no need to mint coins and print banknotes using metals, paper, paint, etc.

Thus, digital cash can be used both as paper cash and electronic money since it keeps its users anonymity, enables off-line transactions, is portable and at the same time offers the ability of electronic transactions. Nevertheless, there are a number of drawbacks of this payment system:

- There is no well-established legal regulation. The issue of e-cash is guaranteed solely by the issuer, the state gives no guarantees for the preservation of its solvency.
- You cannot determine what sum of money you have without special electronic devices.
- High transaction commissions charged to the payer for operations with e-cash.
- Theoretically it is possible to steal electronic cash by means of innovative methods, using vulnerability of protection technologies.
- Digital cash is not a generally accepted means of payment.
- Most of the older generation in our country does not even have elementary computer skills, not to mention the knowledge of the digital cash system.

Essentially, digital cash is a malleable instrument which aims to duplicate the functionality of paper cash, by providing it with properties of anonymity and transferability of payment. Moreover, this payment system is very portable: you can use digital cash from anywhere in the world. The acceptability of e-cash allows users to deal with multiple parties or banks. Thus, the concept of electronic cash provides people with convenience in transactions.

Despite the numerous advantages, it is not a foolproof system. The online electronic cash system has the same problems as your email account and personal computer. The online facility can be hacked or can also be infected with a virus, if sufficient security is not provided.

Many benefits and drawbacks are bound to appear as the technological innovation of electronic cash develops even further. However, overcoming the drawbacks of the technological innovation will make digital cash widely accepted mode of cash. With e-cash, financial transactions will become more efficient, which in turn will broaden new business opportunities and an expansion of economic activities on the Internet.