



## LEMMA

Laboratoire d'économie  
mathématique et de  
microéconomie appliquée

### SÉMINAIRE

# BREAKING UP WITH M: CASHLESS LIMITS UNDER LIMITED COMMITMENT

**09 décembre 2025**  
**Salle Maurice Desplas**  
**4 rue Blaise Desgoffes 75006 Paris**

The next [LEMMA](#) seminar will host [Guillaume ROCHETEAU](#) from University of California at Irvine

Guillaume is Professor of Economics at the University of California at Irvine. He will be visiting LEMMA from December 9 to January 5. His research interests lie in markets with frictions, money, liquidity, and unemployment.

Guillaume will present "Breaking Up With M: Cashless Limits Under Limited Commitment."

The abstract: As economies become increasingly cashless, what are the welfare implications of eliminating cash? We study environments where money and credit coexist but credit is constrained by limited commitment. We characterize allocations and welfare as cash use declines and when cash is removed. When credit is sustained through record keeping and the threat of exclusion, removing cash can raise debt limits and welfare. When credit is intermediated by banks with costly enforcement, welfare effects depend on market power and informational frictions: without frictions, aggregate welfare is unchanged but distributional effects arise; with asymmetries, aggregate welfare declines.