

DIGITAL MONEY AND CBDC AS AN ELEMENT OF THE EVOLUTION OF CONVENTIONAL MONEY IN THE GLOBAL ECONOMY

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In addition to digital money or cryptocurrency, another form of digital currency that is gaining attention in the global economy is central bank digital currency (CBDC). CBDC is a form of digital money that is issued and backed by a central bank, and is intended to function as a digital equivalent to physical currency.

CBDCs are seen as a potential evolution of conventional money in the global economy because they offer several advantages over traditional currencies. For example, CBDCs can potentially reduce transaction costs and increase the speed and efficiency of payments, while also providing greater security and transparency.

Additionally, CBDCs could potentially help to address some of the challenges faced by traditional payment systems, such as the need for intermediaries and the high costs associated with cross-border transactions.

However, there are also potential risks associated with CBDCs, such as the potential for increased financial instability and the risk of cyberattacks or other security breaches.

Despite these risks, many central banks are exploring the possibility of issuing their own CBDCs, and some have already launched pilot programs or are in the process of developing their own digital currencies.

Overall, digital money and CBDCs represent an important element of the evolution of conventional money in the global economy. While there are still many challenges and uncertainties surrounding these new forms of currency, their potential to transform the way we think about money and financial transactions cannot be ignored.

References:

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