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Central Bank Digital Currency as a New Form of Money

Abstract: The possibility of introducing another form of official money, the Central Bank Digital Currency (CBDC), recognised by legislation, has long been discussed worldwide. This paper aims to analyse the advantages and disadvantages of such a solution, as well as to highlight the challenges facing legislatures about the possibility of legalising digital currency and, above all, protecting the rights and freedoms of citizens participating in the process. Due to its technological nature, CBDC is characterised by a much lower level of anonymity than conventional cash, which is often presented as a disadvantage. However, an analysis of this solution seems to weigh in favour of its advantages. One of them is the possibility of using CBDCs to support the process of financial inclusion referred to in the United Nations document *Transforming our world: The 2030 Agenda for Sustainable Development*. This is an important subject of academic research that can be carried out under the doctrine of financial-market law. Undoubtedly, this matter also has an increasing impact on the practice of financial-market functioning and fiscal and monetary policy decisions. In particular, financial law plays a key role in solving socio-economic problems and is becoming an instrument for achieving the goals set by the United Nations. The research subject of CBDC is innovative and exploratory, as money, no matter how it is perceived, is, has been and will continue to be an instrument to change the world for the better.

Keywords: Central Bank Digital Currency, central banks, money, new technologies, sustainable development, trust

Introduction

To meet the technological changes taking place in the financial market (Zalcewicz, 2023, pp. 23–25), which results in the creation of new forms of financial instruments, central banks have for some time been considering issuing a new form of money – digital money. The aim of the present article is to identify the basic objec-

tives of and needs for the creation of this alternative to the current traditional forms of money and the regulatory challenges associated with it, as well as to redefine the role of central banks in the era of the progressive digitalisation of the financial market.

This digitalisation, which permeates most of our daily lives, represents a kind of amalgam of contradictions. On the one hand, it supports numerous activities in our daily lives, allowing us to save precious time. On the other hand, its specific nature, based on the need to collect and process large amounts of data, creates certain risks. The most important of these is restriction of freedom due to the uncontrolled acquisition and use of sensitive information, the transmission of which is usually due to ignorance of the technological processes involved. There are many examples of such abuse, such as the constant monitoring of consumer preferences on websites, the use of specific data on social networks, etc. This is because the very nature of IT solutions is that they leave a specific trace, making our lives less anonymous. Furthermore, the phenomenon of financialisation, which according to Epstein can be defined as the increasing role of financial motives, markets, actors and institutions in the functioning of national and international economies (Epstein, 2005, pp. 3–5; also see Aalbers, 2008, pp. 148–166; Engelen, 2008, pp. 111–119), is becoming increasingly important today. In practice, it materialises in the increasing penetration of financial elements into the real world and everyday life (Nieborak, 2016, p. 83). Against this backdrop, traditional money in the form of banknotes and coins may appear to be a relic, an element of tradition that has not kept pace with modern times. It is being replaced by modern forms of money, which is electronic and cashless, and in the future, perhaps also the Central Bank Digital Currency (CBDC). Conversely, the sentiment associated with the use of traditional money is often due to a feature that its modern successors do not possess: the anonymity of the transactions, which can certainly be regarded as fundamental to the guarantee of individual rights and freedoms. However, this feature can also be seen in a different light, as anonymity is also a desired feature in the criminal world.

What is indisputable, however, is that regardless of the form of money, the modern world cannot exist without it nor without its sustainable development, as referenced in the United Nations document *Transforming our world: The 2030 Agenda for Sustainable Development*. This identifies several factors that are important for development to increase the prosperity of all countries. Certainly, the improvement of the monetary settlement process through its progressive digitalisation for so-called financial inclusion can be a factor supporting this process. Evidence of this can be seen, for example, in the e-money solutions implemented in the past in Ethiopia (National Bank of Ethiopia, 2021), which allowed the country's payments network to be developed at relatively low cost. Arguably, the success of such initiatives was one of the factors that triggered the discussion of virtual currencies that would be issued by central banks. Although we are still at the beginning of this journey, given the speed

of change, it makes sense to undertake a comprehensive analysis of the subject of central bank digital money. The aims are to present the main elements of this solution, to consider its advantages and disadvantages, to analyse case studies, to answer the question of the validity and feasibility of its actual application, and to point out the challenges of implementing the digital solution in practice.

1. A few words about the nature of money

The analysis of CBDCs as a new form of money should be seen in a broader perspective that encompasses the nature of money as such. It could well be preceded by a Latin maxim, which despite the passage of time has not lost its relevance, perfectly describing the nature of money: *Pecunia vis est, non est materia*, that is, 'Money is power, not a thing.' The aptness of this maxim stems from the fact that, despite the changes in the forms of money over the centuries, the elements that make up money and that are used in the process of recreating a legal definition of it remain the same. These are the money symbol, the monetary unit and the monetary sum. The first of these is a particular kind of 'thing' (Latin: *res*) to which a specific meaning of money is customarily or legally ascribed. This means that the medium of exchange can take different forms, although nowadays it is mainly associated with the cash form of money, i.e. banknotes and coins. It should be remembered that this form of money has not always been ubiquitous; the history of money is replete with examples of its sometimes surprising forms, such as kauri shells, cocoa beans or the copper crosses of Katanga (Davis, 2002, pp. 35–66). The fact that they became money was due to two important factors that must be taken into account every time a new form of money is considered for introduction: rarity and trust, which are closely related. Of course, it is rarity that gives a given thing (money) its value. To maintain this value at an optimal level, it is necessary to constantly maintain trust in money, which is now the responsibility of the central bank, executed by controlling the supply of money and, indirectly, by monitoring the stability of the financial market, in recent years through what is known as macroprudential supervision (Fedorowicz, 2019, *passim*; also see Borio, 2003, pp. 4–9). To better understand this relationship, it is worth quoting one of the definitions of trust given by Sztompka, who in his reflections also emphasises the importance of the so-called culture of trust. According to Sztompka, 'trust is perceived as a specific kind of moral bond between specific persons, which is referred to as the category of social bonds. This bond exists between specific persons, i.e. the one granting trust and the one who is or is not trustworthy, and who fulfils or does not fulfil the expectations formulated towards them by the trusting person' (Sztompka, 2012, p. 346; also see Luhmann, 1980, p. 64) This definition perfectly captures the kind of tension between the parties that also exists in relationships (ties) whose object is money. It is therefore probably no coincidence that 'trust' (Latin: *fides*) is a term

used to describe one of the forms of money, namely fiat money, which is commonly associated with contemporary cash, the value of which does not derive from the material from which it is made, but from the social trust placed in it by a particular individual and, indirectly, from the trust placed in its issuer (the central bank). This relationship is also part of the analysis of CBDC, which, unlike contemporary money, is not defined by the element that constructs it, namely the money symbol.

However, CBDC will certainly be associated with the other two elements mentioned earlier, namely the monetary unit and the monetary sum. The former refers to the abstract substance of money; it is the unit of measurement of value introduced by the state (e.g. euro, dollar). Without its existence, it would not be possible to define the monetary sum, which is an abstract aggregate of value. The traditional carrier of this value is the money symbol, but the monetary unit and the sum can function in isolation from it. This is the case, for example, when a certain amount of cash is deposited at a bank counter and this real-time transaction is reflected in a bank-account entry. Moreover, this transaction also leads to a change in the form of money, from cash to non-cash money. It also proves that it is difficult to imagine the idea of money functioning without the acceptance of a certain fiction by those who use it. This was well put by Friedman and Jacobson Schwartz (1963, p. 696) when they wrote that money owes its existence to society's acceptance of the fiction. But this fiction is not an ephemeral, unstable creation, and its power derives from the universal need to have common money.

Whatever the form of money, it is necessary to ensure the conditions that guarantee its stability and security, which are necessary for the maintenance of its proper value; this is nowadays identified with the inflation target, the achievement of which is the responsibility of the central bank. The central bank pursues the inflation target by shaping the relationship between the supply of and demand for money in the market. In doing so, the central bank uses specific monetary policy instruments and the financial market as the so-called transmitter of the monetary impulse. However, it leaves the subjects of this market (banks) to a certain extent free to create money in the form of credit (money is born through credit and dies through its repayment). These interdependencies must be taken into account when constructing a monetary system in the form of CBDCs – money which, while certainly not a money symbol, is nevertheless a formal means of payment, recognised by legislation and constructed by a designated monetary unit and a monetary sum. A secondary (but socially extremely important) issue in this context is the name of the money and the medium by which it is transferred. It is worth mentioning the Sand Dollar here (World Bank Group, 2021, p. 25), which is already in use in the Bahamas (as will be discussed later in the article), and the long-standing definition of 'electronic money' in Article 2(2) of the EU Directive 2009/110/EC, which provides that 'electronic money' means electronically (including magnetically) stored monetary value as represented by a claim on the issuer which is issued on receipt of funds to make payment transactions as de-

defined in Article 4(5) of Directive 2007/64/EC, and which is accepted by a natural or legal person other than the electronic money issuer. It must be noted here that in the provision of the Article cited above, the EU legislature referred to Directive 2007/64/EC (so-called PSD1), subsequently repealed by Directive 2015/2366 of the European Parliament and of the Council of 25 November 2015 on Payment Services in the Internal Market, Amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No. 1093/2010, and Repealing Directive 2007/64/EC (Article 4(3)). This definition is an excellent example of the EU legislature applying the concept of technological neutrality. In brief, this means that regulations should be drafted in such a way that they do not interfere with the use of new technologies in the future; they should therefore be linguistically flexible. Taking the above definition of e-money as an example, one detail that may not be obvious at first glance is how the value of the money is stored – ‘electronically’ or ‘magnetically’. This distinction becomes clearer when we compare the two types of hard disk drives commonly used today: the classic HDD, i.e. a magnetic platter drive, and the modern solid-state drive, SSD. Within the regulatory philosophy presented, we find another important definition of ‘payment instrument’ relevant to the matter discussed here, which, according to the wording of Article 4(14) of Directive 2015/2366, means ‘a personalised device(s) and/or set of procedures agreed between the payment service user and the payment service provider and used to initiate a payment order’.

Another noteworthy definition, often quoted in the CBDC debate, is the concept of a crypto-asset in Article 3 of Regulation 2023/1114 of the European Parliament and of the Council of 31 May 2023 on Markets in Crypto-Assets, and Amending Regulations (EU) No. 1093/2010 and (EU) No. 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937, where a ‘crypto-asset is referred to as a digital representation of a value or a right that can be transferred and stored electronically using distributed ledger technology or similar technology’. This instrument has also been framed by the legislature in the spirit of technological neutrality.

The juxtaposition of these definitions perfectly illustrates the relationship between the elements that make up the legal concept of money – money which, whatever form it takes, will always perform the same functions, the most important of which is that of a measure of value and a means of settling obligations. An obligation may be discharged by the payment of a certain amount by the debtor to the creditor. This payment consists in the transfer to another person of an abstract sum of value (the said monetary sum) expressed in monetary units. It is important that the creditor should receive the specified value from the debtor. The withdrawal of monetary units from circulation or a change in their form (e.g. into CBDCs) does not extinguish the debt. It will continue to exist even if, for example, it is expressed in another monetary unit, even if dematerialised, but transferred by means of a traditional transfer order or any other instrument that can be identified as another form of the medium of exchange.

An analysis of the nature of money is important in order to understand its essence and its potential new form, i.e. CBDC, the introduction of which poses many challenges, not only technical but also legal and social. Whether we like it or not, money, understood as a universally accepted legal and customary means of settling obligations, fulfilling the role of a universal equivalent, has been, is and will continue to be one of the most important elements in people's lives, guaranteeing them the possibility of living a life of dignity (although defining the limits of this dignified life is not easy and is conditioned by many factors – cultural, religious, social). The source of its evaluation should certainly be a correct understanding of human dignity, which, as a characteristic of every human being, should constitute an end in itself and not a means to an end, however noble that end may be (Carozza, 2013, pp. 345–359; Kojder, 2015, p. 50; Piechowiak, 2012, pp. 126–146). The state should thus create the conditions for its citizens to strengthen their self-esteem and self-respect, based on the positive moral, spiritual and social qualities they possess. A tool for developing and sharing such qualities is certainly money and people's access to it – for example, to develop someone's personality through education, health care and access to health services, not to mention the provision of basic needs such as food.

Human dignity is also a fundamental constructive element of the 2030 Agenda for Sustainable Development, adopted by all United Nations member states in 2015, which provides a shared blueprint for peace and prosperity for people and the planet, now and in the future. In the preamble to the document, we read that 'the goals and targets will inspire action over the next fifteen years in areas of critical importance for humanity and the planet'. The most important subjects of these goals are people. For their benefit, action must be taken to eradicate poverty and hunger in all their forms and dimensions, and to ensure that everyone can fulfil their potential in dignity and equality and in a healthy environment.

The question arises: Could the introduction of CBDCs by central banks, the characteristics of which could be discussed in dozens of pages of analysis, be helpful in this regard? In advance of such analyses, it is worth mentioning here two potential benefits associated with the use of CBDCs, namely the promotion of financial inclusion in society and the faster and more efficient direct distribution of public aid in emergency situations. The potential programmability of CBDCs also makes it possible to target such aid and to monitor the reliability of its use.

2. The concept of CBDC

The debate on the feasibility and challenges of CBDC issuance has been ongoing for several years, with a number of the themes highlighted above relating to social, economic and legal issues. Participants include both practitioners, especially those representing central banks, and scholars. At present, CBDC seems to have become

one of the leading topics of discussion alongside AI (Kusak, 2022, pp. 209–219), probably due to the fact that CBDC and AI share the same technological and social issues. In the case of the latter, many questions arise as to how the proposed solutions should be controlled, particularly in terms of human freedoms and rights. There is concern that basing systems on such advanced technology may limit or even infringe these rights. A characteristic thread of the CBDC debate in this regard is the problem of anonymity and the state's desire to limit it. Indeed, the CBDC project envisages the possibility of programming and tracking the use of monetary means created in this way. It is also significant that the leaders in the mass introduction of CBDCs include states that are widely regarded as authoritarian, although there are also Scandinavian countries (notably Sweden), widely regarded as models of civil liberties, which are characterised by the widespread use of non-cash forms of money.

The multifaceted nature of the discussion on CBDC requires a focus on selected relevant elements. The focus of this article is the search for a justification for the creation and use of CBDCs in terms of social benefits. The present analysis requires a definition of central bank digital currency, commonly referred to by the abbreviation CBDC. To date, no single universal legal definition of CBDC has been established, probably due to the variety of technical solutions that can be applied to the design of this new form of money. Although dozens of central banks around the world are working on it, analyses of CBDC most often cite definitions proposed by four global financial-market players: the Bank for International Settlements (BIS) (Bank for International Settlements, 2020), the European Central Bank (European Central Bank, 2020), the Financial Stability Board (Financial Stability Board, 2020) and the International Monetary Fund (IMF) (Bossu et al., 2020). The reports of these entities repeatedly point to the difficulty of defining CBDC. Nevertheless, attempts are made and it is worth quoting two proposals here. The first, by the BIS, identifies CBDC as a new form of central-bank liability, denominated in an existing unit of account which serves both as a medium of exchange and a store of value. CBDC is a digital form of central-bank money that is different from balances in traditional reserve or settlement accounts (Committee on Payments and Market Infrastructures, Markets Committee, March 2018). In addition, it should be pointed out that this form of money is characterised by the four key properties of money: issuer (central bank or other), form (digital or physical), accessibility (wide or restricted) and technology (Barontini & Holden, 2019, p. 1).

In one of the IMF's documents, CBDC was defined as a new form of money, issued digitally by the central bank and intended to be legal tender (Mancini-Griffoli et al., 2018, p. 7). From the definitions presented, which are simple in their form, it follows that CBDC is to be a legally recognised new form of money, issued in digital form, to which all the traditional functions are to be ascribed, i.e. payment, valuation, settlement of liabilities and store of value. This confirms the thesis that the essence of modern money is expressed in its functions and not in its form (Iwańczuk-Ka-

liska, 2018, p. 182). An analysis of these definitions of CBDC suggests that they are of the same nature as e-money or cryptocurrency, with the difference being that, firstly, CBDCs are issued by central banks and, secondly, they are recognised as a legal form of money on a par with cash and non-cash money. Their issuance is to be centralised and thus subject to certain controls, which may increase the security of its mass use. The comparison of CBDCs with cryptocurrencies also suggests that the latter are controlled by the crypto-network market, where anonymous users make rules by consensus, which affects the security of their use. Conversely, the centralisation of central-bank money makes it possible to shape its supply and thus control its value, which is important if we recognise that money must be considered a public good whose protection should be vested in the state (Zellweger-Gutknecht et al., 2021, p. 38). This may be seen by some as the price to be paid for increased security in CBDC transactions, but by others as a means of restricting civil rights. In the debate on CBDC, the contingent risk of increased surveillance and control of citizens through CBDC is repeatedly highlighted, although this is not a foregone conclusion in every case as it depends on the technical solutions and the model to be applied. In an extreme case, of course, the central bank could have the ability to take full control of determining the purchasing power of its CBDC, its period of validity or even the amount of CBDC in a particular citizen's account to be used as relief in a situation such as a natural disaster. The programmability of CBDC could also be used as a tool of punishment, denying access to those who prove disobedient to authority.

As can be seen from the above, but also from numerous other publications on CBDCs, the instrument can be seen as a classic example of the Scylla and Charybdis dilemma. A comprehensive analysis of the use of CBDCs makes it possible to identify many arguments both for and against their use. Among the positive elements associated with CBDC, the following are the most frequently mentioned (Nowakowski, 2021, pp. 10–11; SWIFT, 2021):

- the promotion of the above-mentioned financial inclusion, in particular of the most vulnerable groups, who are excluded, inter alia, as a result of their lack of access to a bank account and, in many cases, to cash; in many parts of the world, cash is rapidly disappearing, with the result that the number of bank branches and ATMs is falling, often leaving people in remote areas to fend for themselves;
- the reduction of risks associated with the use of cryptocurrencies;
- the reduction in the use of tangible money and thus in the costs involved;
- increased innovation by exploiting the benefits brought about by the inevitable digitalisation of everyday life;
- support for the phenomenon of ‘keeping up’ with others, as in the case of Europe, which seems to be losing its position as a global leader in technological innovation to other regions of the world;

- the need to strengthen and protect monetary sovereignty, commonly identified with the role and objectives pursued by the central bank (and indirectly commercial banks) in terms of monetary policy, which is undermined by, among other things, FinTech solutions, including, for example, stablecoins issued by global digital services companies;
- improved efficiency of existing payment systems;
- improved cross-border transfer of funds;
- the reduction of criminal phenomena such as money laundering.

Central banks, taking into account the above arguments, are faced with the dilemma of which model (type) of CBDC to use to, on the one hand, maximise the benefits of its use and, on the other, avoid the potential risks associated with it, in particular regarding market stability and security, while ensuring market competition, for which the two-tier banking system is currently the guarantor (Kaczmarek, 2022). After all, CBDC has the potential to take over that part of the market so far reserved for traditional commercial banks, from which they could be ‘pushed out’ by the central bank. Moreover, as has been indicated, the success of money, whatever its form, depends on the trust placed in it. Therefore, CBDC must be in a form which is attractive to the consumer and therefore easy to use, cheap, quick to apply, secure and widespread. It must also take into account specific characteristics of the local market and the habits and customs of the society concerned.

For this reason, various models for CBDC issuance are being considered in work on the subject (Hess, 2020, pp. 12–15). Solutions developed for the needs of virtual currencies have been reached first, most notably Distributed Ledger Technology (DLT), which supports the distributed recording of encrypted data, and thus enhances its security, and is commonly associated with blockchain technology. DLT used on a massive scale, which will certainly be the case for CBDCs, will, however, need to be technically adapted in terms of its fluidity, speed and the scaling of the computing infrastructure, not to mention the technical facilities (Syrstad, 2023, pp. 10–12). Central banks will not be able to risk any problems in this case, as the security of the country’s or even the world’s financial system would be at stake. This is probably why, despite numerous successful simulations, as in the case of the Swedish e-crown or the Chinese eCNY (whose pilot involved 140 million users), the journey from concept to final implementation of CBDC is extremely long (Cheng, 2020). The former is based on DLT technology, in which CBDC relies on the existence of a database that collects records and arranges them into blocks, each of which is linked to the others by cryptographic encryption. The second technology is based on tokens that embody the assets whose ownership they confirm. It is possible to use a wholesale version of this solution, intended mainly for interbank and financial-market clearing, and a retail version based on digital tokens, available to all entities in a sim-

ilar way to cash – ‘digital cash’, token-based, general purpose CBDC (Bank for International Settlements, 2022).

3. Case study: The Sand Dollar

So far, only a few countries have decided to issue CBDCs. However, many are well advanced in the implementation process. The Bahamas and Nigeria are at the forefront of the process and can boast practical use of the new form of money. The former has already introduced a currency called the Sand Dollar, while Nigeria has brought in a currency called the eNaira (Ozili, 2022, pp. 125–133). Among the many reasons given for their issuance, financial inclusion (in the Bahamas) and social inclusion (in Nigeria) are the most commonly mentioned. To understand these, it is necessary to take a closer look at the specifics of the countries in question; given the breadth of the subject under analysis, attention will be focused on the first of these countries, where a CBDC – the Digital Bahamian Dollar, known as the Sand Dollar – has been in circulation since 20 October 2020. The Sand Dollar is designed to be a safe and cheap alternative to existing forms of money. The name comes from a species of flat, burrowing sea urchin of the order *Clypeasteroidea*, also known as sea cookies or snapper biscuits. Their association with money probably stems from a story in which dead sand dollars represented coins lost by mermaids or the people of Atlantis. Interestingly, ten sea urchins are also part of the official logo of the Central Bank of The Bahamas (See Figure 1), which was established on 1 June 1974 to carry out the independent monetary policy and financial-sector supervision functions entrusted to the Bahamas following political independence from the United Kingdom in 1973.

Figure 2. The official logo of the Central Bank of The Bahamas



Central Bank of The Bahamas

Source: *Central Bank of The Bahamas (n.d.)*

To understand the rationale behind the introduction of CBDC in the Bahamas, it is important to note that the country, with a population of around 400,000, is made up of more than 3,000 islands, cays and islets in the Atlantic Ocean, which are frequently hit by hurricanes. The real challenge for the monetary authorities there is to

ensure the smooth functioning of the banking system and the continuity of the payment system, including cash (cash distribution). With limited access to infrastructure and banking services, the introduction of the new solution, preceded by pilots on the islands of Exuma and Abaco and accelerated by the COVID-19 pandemic, is also intended to promote the financial inclusion of the local population. Key objectives for the launch of the Sand Dollar include (Sanddollar, n.d.):

- increasing the efficiency of the Bahamian payments systems through more secure transactions and faster settlements;
- providing non-discriminatory access to payment systems without regard to age, immigration or residency status;
- achieving greater financial inclusion, cost-effectiveness and providing greater access to financial services across all of the Bahamas;
- strengthening national defences against money laundering, counterfeiting and other illicit ends by reducing the ill effects of cash usage.

The legal basis for the operation of the Sand Dollar is contained in the Central Bank of The Bahamas Act 2020 (No. 24 of 2020), which in Article 5 sets out the norms for the operation of the central bank and its tasks, including promotion of stable monetary payment conditions, credit and balance of payment conditions in order to protect the exchange rate regime and facilitate the orderly and balanced growth of the economy; contributing to the stability of the Bahamas' financial system through collaboration with other domestic and foreign regulatory authorities; supporting the general economic policy of the government by providing sound economic, financial and monetary advice; and determining and implementing monetary policies. Article 8 of this Act provides that the currency of the Bahamas shall comprise notes, coins and electronic money issued by the Bank under the provisions of this Act. In exercising the powers conferred by Section 15 of the Act, the Central Bank of The Bahamas enacted the Bahamian Dollar Digital Currency Regulation (Ministry of Finance, S. I. No. 88 of 2021). This Act sets out the key rules for the issuance of the Sand Dollar and defines the Bahamian Dollar Digital Currency as an electronic version of the Bahamian dollar issued by the Central Bank pursuant to the authority conferred upon it by the Act, fully backed by the reserves held by the Central Bank and representing a direct claim against the Central Bank (Article 2).

The Sand Dollar implementation process is spread over time in order to include as many users as possible in the system. This is because achieving a sufficiently large critical mass will make it possible to test a variety of scenarios and the ways this CBDC is used, taking into account the transactions carried out as well as instruments (applications, handsets) and specific types of digital wallets. This experience will certainly be useful to other countries that decide to implement CBDCs.

Conclusion

Bearing in mind the positive aspects of the introduction of a new form of money, as indicated in this article, CBDC seems an excellent solution for the future to be commonly used as a supplementary form of money. However, its introduction must be preceded by a detailed analysis that weighs the arguments and consequences identified here, of which the most important ones are (Narodowy Bank Polski, 2021 pp. 35–51):

- the impact on the banking system and financial stability;
- the impact on the conduct of monetary policy;
- the impact on the payment system;
- the impact on the central bank's balance sheet and profit and loss account;
- legal issues relating to the issuance of CBDCs; and
- social aspects of the introduction of CBDCs.

There is no doubt, however, that a well-managed digitalisation process accompanying the implementation of CBDCs can be an important instrument to support sustainable development, in individual countries and globally. Efforts towards development and peace should not cease, despite the numerous and constantly emerging adversities. Humanity should be guided by the idea expressed in the Agenda for Sustainable Development that it is necessary to

seek to build strong economic foundations for all our countries. Inclusive and sustainable economic growth is essential for prosperity. This will only be possible if wealth is shared and income inequalities are addressed. [...] All countries stand to benefit from having a healthy and well-educated workforce with the knowledge and skills needed for productive and fulfilling work and full participation in society.

To this end, it is important to 'strengthen the productive capacities of least-developed countries across all sectors, including through structural transformation, and to adopt policies that increase productive capacity, productivity and productive employment; financial inclusion; sustainable agriculture, pastoralism and fisheries development; sustainable industrial development; universal access to affordable, reliable, sustainable and modern energy services; sustainable transport systems; and quality and resilient infrastructure'. Of particular significance here is financial inclusion, which a well-designed and implemented CBDC system can certainly help to promote – a system that, while serving citizens, will not infringe on their rights or control their lives, but will contribute to the development and prosperity of all. Indeed, it is worth pointing out, following Parajon Skinner (2023, pp. 26–52), that money can be seen as a bundle of rights; sovereignty, property and privacy are the keywords. We might even be tempted to say that money constitutes the essence of humanity, being the foundation of human dignity and human rights, regardless of

how these rights are perceived in different cultures and different legal systems. Their common denominator, however, is money, without which, whether we like it or not, it would be impossible to lead our everyday lives. The role of the legislature, in turn, is to guard these values in all areas of daily life, including those concerning finances. It should be remembered that control over money, its issue and its value is crucial for the stable and secure development of the state. Money is also a source of enormous power, which is perfectly reflected in the words attributed to Mayer Rothschild: 'Give me control of a nation's money supply, and I care not who makes its laws.' These words are well worth keeping in mind, as real power always involves the control of money, whatever its form. And money, it should be remembered, was created by the people and for the people.

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