

a (very) basic case for CBDC

JEAN-PIERRE LANDAU

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main points

- CBDC is not necessary to enhance the monetary transmission mechanism (ZLB) or maintain financial stability (Chicago – Sovereign money)
- CBDC is (may be) necessary to protect the currency as a unit of account

technology and (the forms of) money

- more digital (" token based")
- possibly more diversified (in its form) – special purpose tokens

for the general public

- public money is physical (cash)
- private money is digital
- shift from physical to digital is shift from public to private
- at the extreme, no access of general public to public money. Is it important? - knowing that banks still have access to Central Bank's money
- no historical precedent but some analytical insights

the conditions for a uniform currency ("singleness" of money)

- different forms of money are perfect substitutes to each other
- interoperability of payment networks
- but also means that they are freely and unconditionally convertible at par
- a fully elastic supply of each
- all this underpinned by convertibility into public money

what if no uniformity / singleness ?

- money instruments become financial instruments – trade at discount / premium (free banking in the US)
- interesting question : the pricing of public debt
- impediments to price discovery and comparison (especially if payments systems are fragmented)
- unit of account ? We don't know - an ancient concern on the dissociation between the medium of exchange and the unit of account

CBDC as "digital cash"

- no substitute to bank deposits : no interest bearing
- token based rather than account based
- important issues to be solved : anonymity ?

other considerations

- the symbolism and importance of the Sovereign (an Central Banks) in money

- giving the public access to the forms of money "in line with their preferences"

thank you
