

THE INTRODUCTION OF A CENTRAL BANK DIGITAL CURRENCY: CASE STUDIES AND EXPERIENCES FROM OTHER COUNTRIES

Enrico Moch

Graduate School, IIC University of Technology, Phnom Penh, KINGDOM OF CAMBODIA

Enrico.Moch@yahoo.de

ABSTRACT

This paper delves into the evolving landscape of Central Bank Digital Currencies (CBDCs) with a focus on the strategies and developments in China, the United States, and Sweden. China emerges as a pioneer, actively implementing its Digital Yuan to enhance payment system efficiency and global competitiveness, emphasizing the potential for financial inclusion. The United States takes a cautious approach, conducting comprehensive research to ensure global financial stability, recognizing the pivotal role of the US Dollar as a world reserve currency. Sweden, propelled by declining cash usage, advances the e-Krona initiative, showing an advanced phase of CBDC development, aiming at modernizing payment systems and fostering financial inclusion. The comparative analysis reveals various facets and regulatory challenges faced by these nations. While China demonstrates the possibilities of CBDCs in advancing financial inclusion and modernizing payments, the United States prioritizes careful consideration of risks and opportunities due to its global financial responsibilities. Sweden illustrates the role of CBDCs in a digitally evolving society. Looking ahead, broader CBDC adoption is anticipated, drawing on insights from pioneer nations. Technological advancements, particularly in blockchain and distributed ledger technology, will play a crucial role. The introduction of CBDCs in major economies may impact the global currency order, influencing currency competition and the role of the US Dollar as a world reserve currency. In conclusion, the world stands at the threshold of a potentially transformative era in currency. CBDCs present promising opportunities alongside significant challenges, making them a key area for continued research, policy formulation, and innovation.

Keywords: Digital Currencies, Central Bank Digital Currencies (CBDCs), Financial Inclusion, Blockchain Technology.