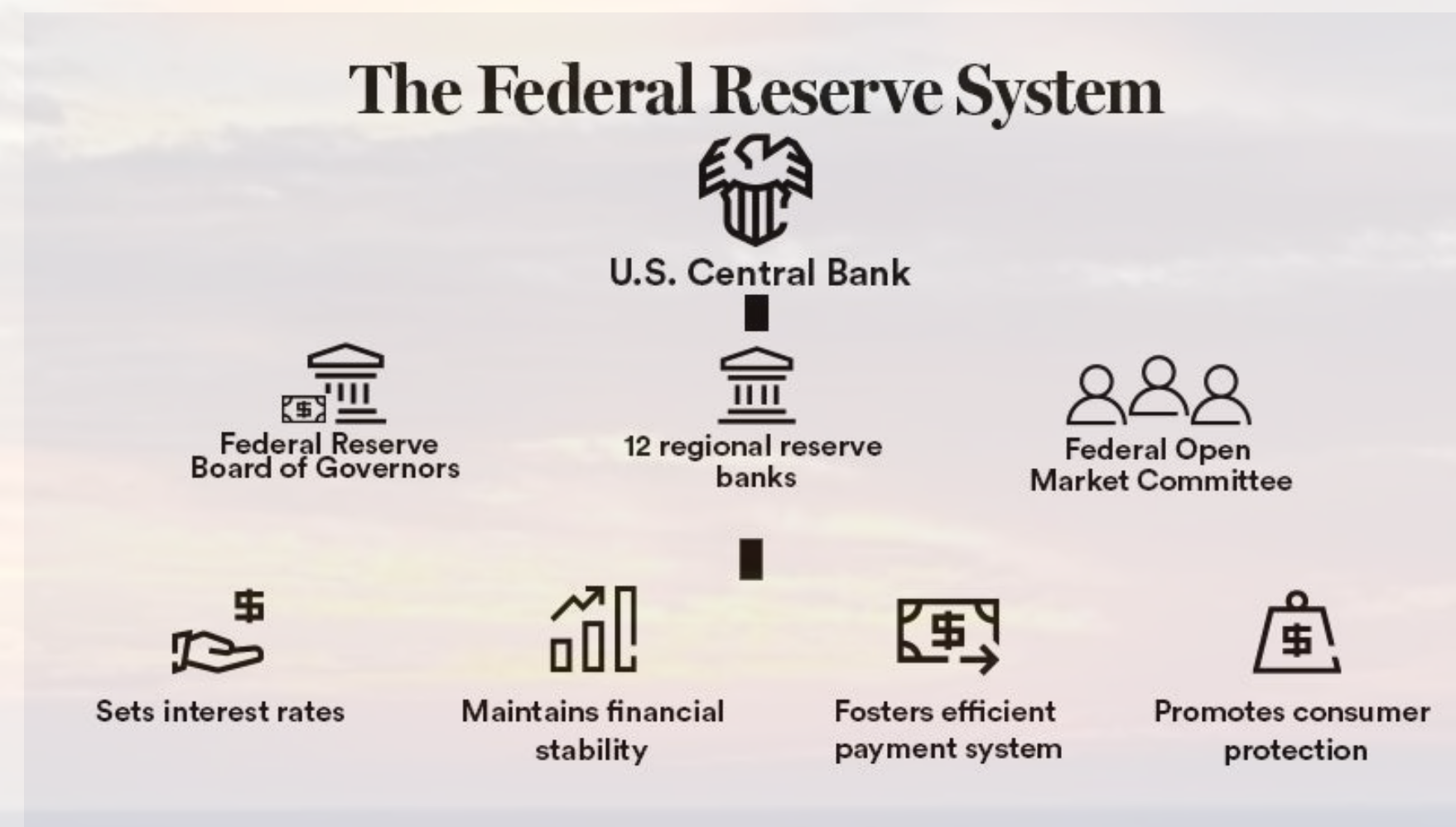
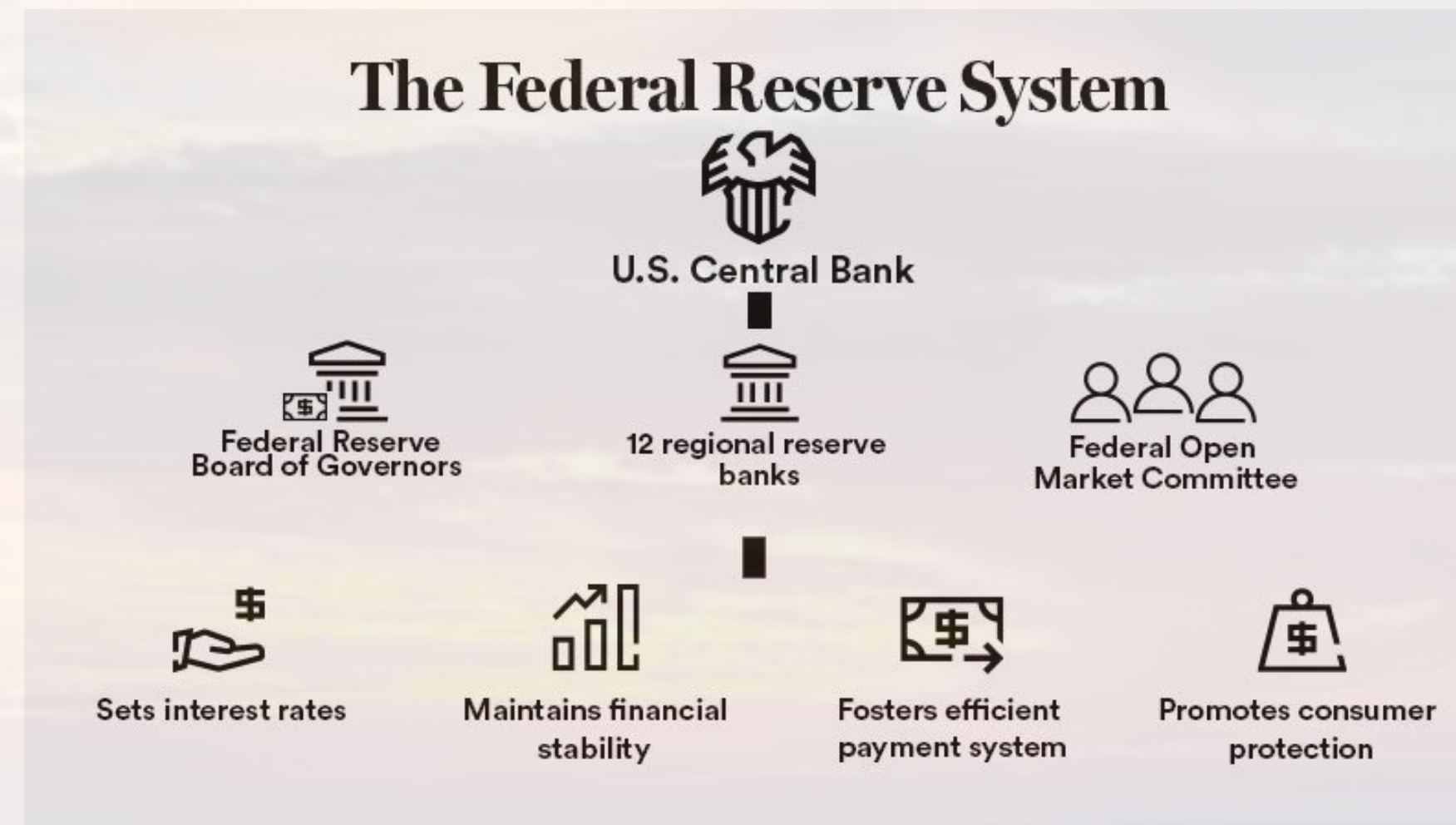


Separation Between Money And State - CBDCs



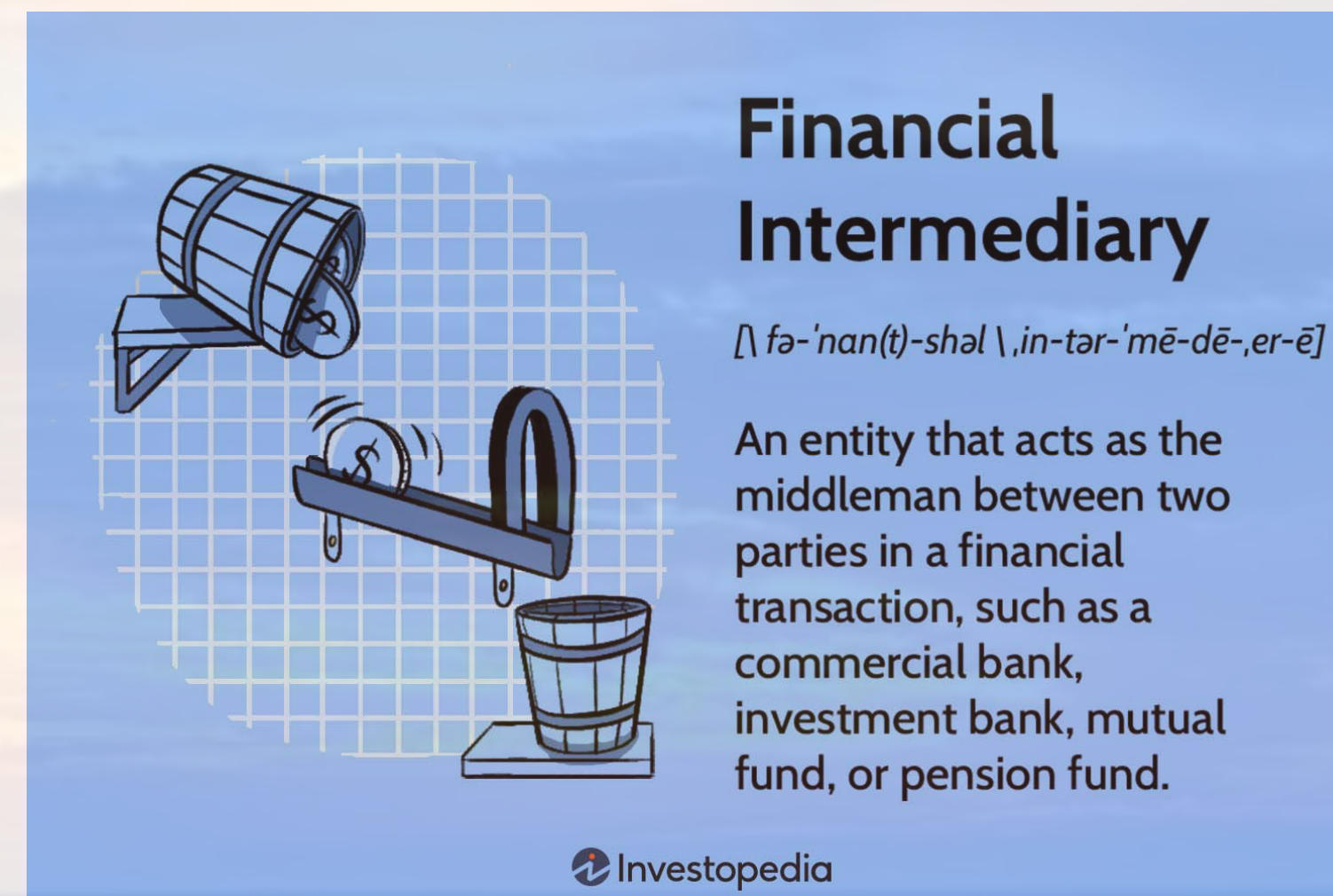
Central banks worldwide are actively exploring the implementation of digital currencies, known as central bank digital currency (CBDC). This trend is gaining momentum as various central banks conduct experiments and move forward with pilot projects.

Separation Between Money And State - CBDCs



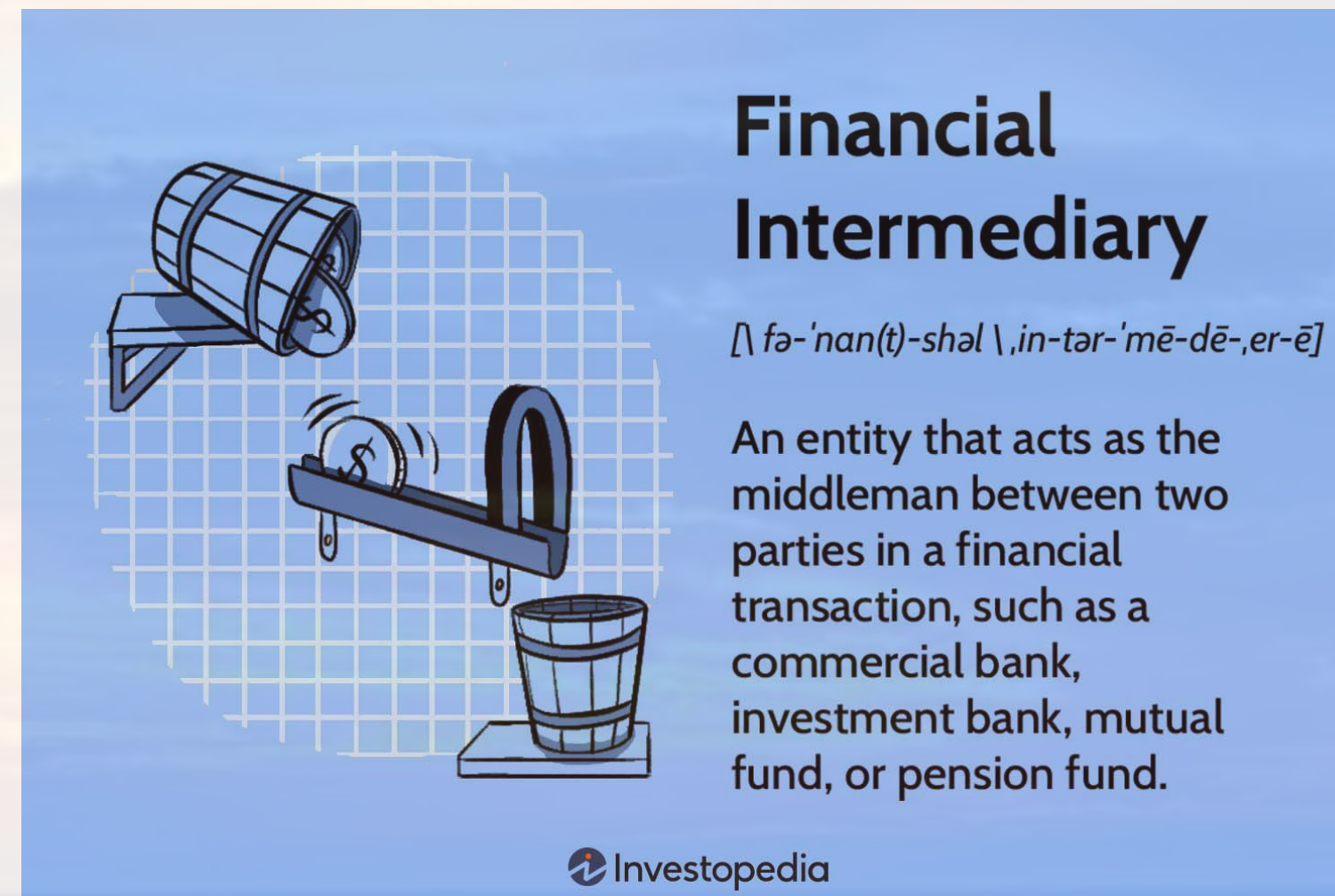
The concept behind central bank digital currencies (CBDCs) involves a central bank, such as the Bank of England, issuing a digital version of its currency, often referred to as the "**digital pound**." This digital pound would serve as a direct claim on the central bank, similar to physical cash we use today.

Separation Between Money And State - CBDCs



While the idea of central bank digital currencies (CBDCs) promising cost reduction may seem appealing, it is crucial to critically examine these claims. **The efficiency gains touted by removing middlemen can be deceptive** and come with potential risks. Middlemen play vital roles in numerous markets, acting as agents, aggregators, and monitors across various industries.

Separation Between Money And State - CBDCs



The Bank of England's proposal for a digital pound emphasizes the British government's commitment to combatting climate change, stating that the digital currency would be designed with this objective in mind.

Society and Progress - CBDCs



If central bank digital currencies (**CBDCs**) are implemented, it could potentially lead to subsidized support for officially favored industries like solar and wind power without the need to attract private investors or go through the scrutiny of the private banking system. This means that bank accounts of these favored industries might receive magical subsidies, leading to potential implications for resource allocation.

Society and Progress - CBDs



In the United States, the initial bills proposing a digital dollar were introduced with the intention of providing pandemic stimulus directly to the economy. However, there is substantial evidence that the rushed government payments during the pandemic were highly inefficient. **As we move past the peak of the pandemic, similar risks persist, and we must carefully consider the implications.**