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“An Approach Towards Central Bank Digital Currency”

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Ed. 2022. Kunal Books. (HB, pp 358+xxxxviii). New Delhi, India, (ISBN: 9789391908713)

Recently Central Bank digital currencies have emerged as a relevant topic in theoretical and empirical research. In this context, the book *An Approach Towards Central Bank Digital Currency* constitutes an important contribution since it analyzes the issue of digital currency by considering several aspects like theoretical models, economic policies, postmodern mindset, cybercrime, ecology, regulatory framework, financial stability, cashless payment systems, etc.

Chapter 1 corresponds to an article of my authorship entitled “Questioning the IS-LM: A theoretical critique of orthodox macroeconomics.” In this paper, I perform a critique of the IS-LM model in terms of its internal inconsistency, supposedly “Keynesian” nature, lack of explicit treatment of the labour and financial markets, and conceptualization of the money supply and the financial system. In turn, “I discuss the issue of digital currency by pointing out that “the standard IS-LM model simply considers the money supply as a variable exogenously determined by the Central Bank in line with the scheme of “money multiplier.” However, if most of the money generated by the banks is virtual money, the money multiplier theory loses all explanatory relevance because it could well occur that the dynamic of virtual money may be disconnected from the initial monetary base or reserves that are maintained by legal banking reserve.” (p. 12).

Chapter 2 presents the article “Cryptocurrencies: Successful innovation or

delicate failure?” by Gonzalo Perez-Seoane. He argues that the quantity theory of money, not being fulfilled in the current fiat monetary system, will be fulfilled in a world with cryptocurrencies since “once cryptocurrencies reach a high purchasing power in terms relative to the fiat system and production level, and if a significant part of said purchasing power is used for commercial transactions and not as a store of value, the world economy will be shaken, exogenously, for new money of high power, a situation that would raise the level of world prices” (p. 27). In chapter 3, we have an interesting article entitled “Money and postmodern mind: A sociological critique” by Kaushik Chattopadhyay. He explains that “since the postmodern mind is a believer in “many worlds,” it adapts to the circulation of multiple currencies in the financial system. If the mind accepts, digital currency could potentially be recognized as the common medium of exchange in a few years” (p. 41). Chapter 4, entitled “Futuristic economics for 21st century?”, is an outstanding contribution by Robert Searle in which he explains Trans financial Economics. This new approach seeks to obtain all the theoretical and practical implications of the recognition of the fact that virtually all money exists as electronic or digital data transmitted from one bank account to another.

In chapter 5, we find the paper “eBancor: The international digital money” by Debesh Bhowmik, who formulates a model of international digital currency within the framework of the mCBDC Bridge concept for

international payment among countries. In chapter 6, with the article "Human-value-centric digital transformation of money," Alexander Samarin maintains that the current financial system is overcomplicated and ineffective and that the digital transformation with digital currency should make this system simple and effective. In chapter 7, we have "Sustainable environment and digital currency" by Sandeep Poddar, who argues that "by eliminating plastic waste and forest destruction, the digital money will help to save the environment. However, in order to achieve a sustainable green environment for human society, we must keep e-waste under control" (p. 112). Chapter 8 presents "Risk management fundamentals for coping with cybercrime in a Central Bank digital currency environment." In this paper, Santos Flores-Eslava and Ricardo Almeraya-Herrera explain that "companies and institutions would benefit by establishing Risk Management Units that would adopt the fundamental methodologies for calculating operational risk capital requirements established under the Basel III framework" (p. 120).

Chapter 9 corresponds to the paper "Feasibility of Central Bank digital currency in India and abroad" by Suvranshu Pan, who points out that the main issues in this regard are related to "fulfilling public policy objectives, maintaining economic stability, and providing people with a convenient, safe and reliable payments system" (p. 153). In chapter 10, entitled "Emerging role of Central Bank digital currency (CBDC) in modern monetary and payment system", Vipin Malik, Asim Karmakar and Sankhanath Bandopadhyay explain that "though the concept of the CBDC is novel, the implementation part of it is easier said than done. There are many macro-prudential risks associated with its operation and acceptability; henceforth, it needs to be implemented in a calibrated and careful manner" (p. 154). Chapter 10 presents the paper "Digital economy and e-monetary policy: Perspective of India" by Aruni Kumar, who notes the emergence of digital currency in a context in which "more and more products are sold over the internet and cash is used less and less, and this trend has escalated during the Covid -19 pandemic" (p. 167).

In chapter 12, "A revolution in the monetary field," Niharika Srivastava proposes a unitary global system based on cryptocurrency: "One world one currency can be made of Cryptocurrency that should be controlled by an authorized body of a world. It will develop one financial Policy, and one Monetary policy in the world" (p. 179). In chapter 13, we find the paper "Central Bank digital currency and design technology," in which Karlapudi Ramesh Babu shows that Central Bank has increasingly interested in research on digital currency. Chapter 14 corresponds to the paper "Problems and prospects of Central Bank digital currency in India" by Pratima Ghosh, who argues that the "Indian financial landscape is suitable enough to start digital currencies because if not started at the right time, this would prove highly dangerous in the age of volatile cryptocurrencies" (p. 199).

In chapter 15, "An analytical perspective on Central Bank digital currency framework across the globe," Narasingha Das and Labani Dey note that central bankers must first determine the objectives they want to achieve and then build the currency to meet those objectives. Chapter 16 presents the article "Glimpses on digital currency: A case study of China," in which Debjani Mitra analyzes the implementation of digital currency in China and consider some lessons for India. In chapter 17, "Emergence of Central Bank digital currency in Indian perspective: A conceptual analysis," Prabina Kumar Padhi analyzes the stand of different countries over the regulation and acceptance of digital currencies. Chapter 18, with the article "Digital currency and buoyancy in Indian economy: Issues and challenges" by Budhen Kumar Saikia, discusses the expansion of digital currency, pointing out that "the logic behind this is the growing demand created by the people's need, financial aspirations, inclusion, integrity and the soft technology in the name of techno-money" (p. 247). In turn, chapter 19 presents the paper "Cashless payment systems: Emergence of a new normal in the Indian economy" by Vinay Kandpal, Amit Malhotra, Meenakshi Sharma, and Anjim Sabiha. They study the need to reduce the dependence on cash for daily

transactions and consider the challenges of implementing a cashless economy in India.

Then, in chapter 20, "Universal cryptocurrency as an enabler for international capital mobility," Brinda Kalyani and Ashok Kumar Patnaik analyze the possibility of acceptance of the cryptocurrencies as universal currency at the global level. In chapter 21, "Expert's perception on cryptocurrency trade in Bangladesh: Fintech innovation or dilemma", Fahad Zeya and Shapan Chandra Majumder find that perceived usefulness and trust have a significant impact on the intention

to use cryptocurrency. Finally, in chapter 22, "Cryptocurrency in India: A study of future by swot analysis", Rohit Gupta and Pavnes Kumar discuss the future of digital currency in India using previous studies, agency data and in-depth interviews of some experts.

The book is useful to researchers, professionals and teachers who are generally interested in the Central Bank Digital Currency and the growth of cryptocurrency in the financial market. This hard bound book is nicely printed with an attractive cover. The price of the book is Rs 1495/- only.

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