

CBDCs Not “Just Another Form of Money”

At the Cato Institute, Norbert Michel and Nicholas Anthony explain that a “CBDC (central bank digital currency) is *not* ‘just another form of money,’ as some of its supporters have claimed.” No other form of money gives governments the ability to control what you spend your money on, how much you spend, or even to take money back out of your account at a moment’s notice. Michel and Anthony slam the recent defense of CBDCs by Paul Krugman. They write:

This April [Forbes column](#) describes why central bank digital currencies (CBDCs) are a fundamental issue related to Americans’ freedom and much bigger than just politics. It argues that New York Times columnist Paul Krugman, famous for being wrong about the Internet, was wrong for claiming presidential hopeful Ron DeSantis was merely playing politics with CBDCs.

Nonetheless, Krugman has doubled down. As Crowdfund Insider explains, now he’s taken to [Twitter](#) to re-promote his original opinion piece and to liken DeSantis’s warnings about CBDCs to former presidential candidate Rick Santorum’s fight against the National Weather Service.

Contrary to Krugman’s framing, DeSantis’s claims about the risks of CBDCs have merit. As the Forbes piece demonstrated, proponents of CBDCs, even some government officials who would be in charge of implementing CBDCs, have openly discussed using CBDCs for exactly the purposes DeSantis claimed. (Nick and I have a [longer list here](#).)

A CBDC is not “just another form of money,” as some of its supporters have claimed. A fully implemented CBDC is

a complete government takeover of money and payments. As the experience in China and [Nigeria](#) have shown, the introduction of a CBDC comes with the removal of people's freedom to choose their methods of payment.

CBDCs mark a fundamental threat to both economic and political freedom. But it should surprise no one that Krugman is wrong on this issue.