

# UPSC

Candidate must adhere to the word limit specified in the question.  
Any page or portion of the page left blank must be clearly struck off.

1. Central Bank digital currency can be a great challenge when it comes to serving the purpose of financial Inclusion. Discuss.

Evolution of digitalization in India started with NEFT, RTGS, IMPS, UPI etc., CBDC is the last frontier adding further teeth to the system.

## Advantages of CBDC

1. CBDC similar to normal currency, → medium of exchange, unit of measurement, store of value but in Physical Digital form

2. Efficient, innovative, tool for financial Inclusion, reduces operating costs

But its accessibility to all, provides concerns.

Based on RBI's paper on CBDC implementation, 6 issues has to addressed.

1. Technological access.

CBDC depends mainly on availability on Internet and electricity.

Poor people with no access to electricity, old age people hesitant to digital banking. can't access.

whether 'offline CBDC' - as loaded card, is available/not

