

Digital money and its monetary and economic impact.Meziane Mohammed Toufik¹

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*Reçu le :01/06/2023**Accepté le:06/07/2023**Publié le:08/01/2024***Abstract:**

This research paper aims to analyze the effect of electronic money on monetary policy management and its impact on the economic situation, by highlighting the role of economic monetary policy management and the rebounds generated by the creation of electronic money.

Through which we reached a number of results, perhaps the most important of which is that the spread of electronic money may reduce the role of the central bank in the process of issuing money, but it will not threaten its role in managing monetary policy, and The magnitude of the impact of electronic money depends on the extent of the central bank's ability to carry out the supervision process And overseeing the process of issuing electronic money through its management of monetary policy, in addition to having several effects on some of the macroeconomic variables such as consumption, investment and employment in addition to its potential effects on both the inflation rate and the exchange rate.

Keywords: electronic money, monetary policy, economic policy.

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introduction:

Technology has been able, thanks to globalization and the achievements of the information revolution, to bring about radical changes in the global economy in its various sectors and activities. electronic, This is theA system that introduced a new generation of fulfillment tools, which is characterized by ease and speed in the settlement of electronic commercial transactions, and is compatible with the nature of electronic commerce that takes place in a non-physical environment.;However, the means of trading money via the Internet, such as electronic checks and money transfers, require the presence of previous dealings between the customer and the bank, so they are considered transactions that occurred on the customer's account with the bank. Therefore, the thought was to search for another way that would allow the payment operations to be made more quickly for bank customers, and without the need to request permission from the bank and involve accounts. It allows even non-bank customers to deal via the Internet, which is what led to the emergence ofThe so-called"Electronic or digital money" as a new means that is suitable as a means of payment, a tool for discharge, and a medium of exchange that performs most of the functions that regular money does...

Accordingly, this research paper came to answer a set of questions, the most important of which is: What is digital money? And what is its nature? Do they constitute real money or are they indirect payment tools? What are the possible effects of money growth?Electronic on monetary policies? What is the future of the current role that central banks play in these policies?

research importance:

The emergence of digital currency, which the world has known recently, has begun to raise many questions about the possibility and ability of this currency, the extent of its impact on monetary policy and the economy, and what are its pros and cons, trying through this research paper to shed light on what this currency is and what are its characteristics, types and effects.

Research problem:

Before the emergence of the digital currency, the only entity capable of issuing the currency was the central banks, through which it aims to achieve and strike a balance between money supply and demand for it. If this currency creates a breach of monetary policy and the international financial system, based on the foregoing, we can ask the following question:

what The extent of the repercussions of electronic currencies on the monetary policies of countries? What are its potential effects on the economy?
Search goal:

By presenting this research, we aim to highlight the reality of digital currency transactions, and to show the differences between them and the traditional currencies recognized in the world, highlighting the effectiveness of electronic money in the future and its ability to influence the monetary and economic policies of countries.

Research hypothesis:

We will proceed to prepare this research from the hypothesis that:

That the widespread use of digital currency negatively affects monetary policies and the economies of different countries?

Research Methodology:

To prepare this research, we relied on the descriptive analytical approach

1. The emergence of electronic money:

He started thinking about creating a fake currency since 2007 AD by an anonymous programmer known as (Sasuti Nakamoto), where in 2008 he published a research paper in which he mentioned the idea of using a digital currency, describing it as an electronic cash system that depends on direct financial transactions between one user and another without the presence of An intermediary between him and the merchant to transfer money. This idea was put forward as an attempt by Nakamoto to create a currency that is not subject to censorship. The aim behind this was to liberate the global economy in order to avoid the problems of the traditional monetary system on the one hand and keep pace with the rapid changes in the business world, especially on the virtual network, on the other.¹

In 2009, Nakamoto introduced the coin: BitCoin This is done by issuing a computer program under a license from MIT And this currency was designed to be a research digital currency, so a person cannot go to an ATM to exchange or deposit bitcoin, but rather it is stored in wallets on the Internet and is accessed through computers².

With the beginning of January of 2009, this person was able to mine 50 units of Bitcoin, and a few days later, the first sale of this currency took place. In 2011, the price of Bitcoin reached \$1, meaning that it was equal to the dollar in value, and this is according to stock exchange trading.mtgoxAnd then the value of this currency continued to increase³.

¹Shores Qader Ali, 2019, The Impact of Using Digital Currency on Monetary Policy, Journal of the University of Human Development, University of Human Development, Sulaymaniyah, Kurdistan, Iraq, p. 73

²Shores Qadir, a previously mentioned source, p. 73

³Same as the previous source

The idea of working with this currency is to install an application for the currency that you want to use that undertakes the task of generating an “address” that is used to send and receive transfers, and accordingly, you will need to convince the owner of it to give you or sell you some of the currencies in his possession before you can make payments through these currencies.

2. What do we mean by electronic money??:

requires us to talk about electronic money. Firstly, define it and indicate and define its basic characteristics. This is as follows:

1.2. Definition of electronic money:

The researchers' points of view differed on giving a specific definition of electronic money and controlling its forms, due to the diversity of the forms of technologies involved in electronic transfer of balances and the successive development in them.

The term includes electronic money "E-money" Total products designed to provide consumers with alternatives to traditional payment methods, F. Given the diversity of these products and the successive development in them, had become. It is difficult to reach a comprehensive definition that includes all electronic money systems in a manner that accurately distinguishes them from all legal, technical and economic aspects, as experts almost agree on the futility of providing an accurate definition of electronic money at the current stage. H. There is no disagreement among these experts that the term electronic money includes, in particular, two forms. Two essentials. They are:

- ✓ First: Prepaid cards are intended for use in multiple purposes and are also called stored-value cards or electronic money wallets.
- ✓ the second: They are stored-value or pre-paid payment mechanisms that enable payments to be made through the use of open automated account networks, especially the Internet; It is sometimes called network money or the digital liquid money (DIGITAL-CASH).

From the above, we will present some definitions issued by the various international bodies that are most common in controlling the concept of electronic money.

Definition issued by the Bank for International Settlements (banque de règlements internationaux): Electronic money is represented in the form of units with an estimated monetary value and stored electronically owned by its holder for the purpose of settling his transactions.

⁴Fawzia Abelila, 2014, The Effects of Dealing with Digital Money on Monetary Policy, Journal of Economic Integration, Ahmed Derayah Adrar University, Algeria, p.172

It was also defined by the Economic and Social Council of the European Union in 1982 as a set of electronically magnetic information technologies that allow the exchange of funds without editing papers, which necessitates a tripartite relationship between the issuer (the bank, the financial institution, the merchant), the beneficiary (the merchant who accepts payment through it, and who can be also is the issuer), and the holder (the consumer with the right created by the card)⁵.

The European Commission also defined it as a monetary value stored on an electronic support such as a memory card or on a computer's memory and is accepted as a means of payment by individuals or projects other than the institution that issued it and is issued in order to be accessible to consumers and electronically replaces paper money and written money for payments of limited value. .

Some have defined it as the electronic representation of traditional money. The unit of electronic money is usually referred to as digital or electronic currency. Therefore, the actual value of digital currency in traditional money units is irrelevant.⁶Digital currencies are generated by brokers, so if a customer wants to buy a digital currency, he contacts a broker, requests a specific amount of currencies, and pays actual money, then the customer can buy from any merchant who accepts the digital currencies of that broker, and every merchant can import from the broker's currencies that were obtained. It is obtained from clients, in other words, the broker takes the coins once and puts actual money into the merchant's account.

It is defined by the International Monetary Fund⁷Cash value in the form of credit units stored electronically or in electronic memory for the benefit of the consumer.

So it is money that is stored by algorithms in processors and other computers that can carry out fulfillment operations via the Internet as an alternative to coins and paper that we cannot of course send over the Internet.

Electronic money is the new type of currency, or more precisely, it is the electronic alternative to paper and metal money of a physical nature. From the aforementioned, it is clear that the term electronic money is mainly used to refer to a variety of payment mechanisms and methods of limited value, characterized by the fact that its value has already been paid or its value is stored within it.

⁵Fawzia Abelila, reference previously mentioned, p.175

⁶Bouafia Rachid, 2014, The role of electronic money in the development of electronic commerce, Algerian Journal of Economics and Finance, Issue 02, p.116

⁷Bouafia Rashid, reference previously mentioned, p.116

Through the definitions presented for electronic money, we seek that the discovery of this latter has a fundamental reflection on the role of money from two main points:

- ✓ The impact on the regulation and cost of managing the means of payment (less use of checks and liquid money), so that some expect a monetary world in which all other forms of money (legal and written) disappear - in practice, and in which electronic money has broad public authority.
- ✓ Dividing the craft of making written money between traditional banks and other parties (non-bank financial institutions, non-financial institutions).

2.2.Types of electronic money:

Electronic money has more than one type, according to the method on which the electronic units are stored, That's what we explain it below:

First: the electronic wallet

Electronic purse

An electronic wallet is a card that contains a cash value stored in it by means of a magnetic stripe or a small computer chip that is in fact a portable computer, and therefore this type is sometimes called with the smart card. This card can transfer the value electronically to another card without the need to link it to any central computer, and there is no need to contact the issuer (the bank), as is the case with a credit card. In the sense that the transfer of value does not require the intervention of an intermediary or a third party to complete the process, and this is what makes this card closer to real (paper) money. The electronic products based on the card are designed primarily to facilitate fulfillment of low value commitments or retail transactions. Where the consumer can buy goods or services. This card has the ability to record a purchase or a reduction in the balance by the amount of monetary units actually used⁽⁴⁴⁾. It also contains a memory capable of storing many information, including personal, financial, professional and medical data of the consumer, and any of this information can be recalled in an organized technical way. One of the advanced features of electronic wallets is that they can be refilled or recharged (reloadable). And The electronic wallet may be issued by one institution or by several institutions. The stored value card is multi-use, meaning that the consumer

⁸Bassem Alwan Al-Aqabi, Alaa Aziz Hamid Al-Jubouri, Naeem Kazem Jabr, electronic money and its role in contractual obligations, on the website <https://abu.edu.iq/research/articles/electronic-money-and-its-role-in-fulfilling-contractual-obligations> Upload date: 11/02/2020

can use the card to purchase goods or services, pay for meals, and so on. The most important type of smart card is the English electronic card called Mondex⁹.

Second: digital money Digicash

In this type, the value is stored on computer hard disks, and is used by the consumer's personal computer, which must be connected to the international communications network. And it is sometimes called software-based electronic money. The electronic units are transferred from one computer to another through the communication network via electronic messages, and the electronic units can be exchanged with a merchant via the Internet or with any person who deals with electronic money via the computer. This money is characterized by the need for the intervention of a third party to act as an intermediary between its dealers. So the consumer sends an electronic message consisting of symbols to the source who takes note of how these symbols are decoded in order to approve the transfer and then affix his signature on the message. This money is used in cash commitments of great value, unlike the case in electronic wallets. It seems, as we can see, that the intervention of a third party in the transfer process and the large amounts involved in this method have made digital money not as important and prestigious as electronic wallets. Examples of such money are: Net cash, cybercoin.

3.2. Forms of electronic money:

In fact, there are several forms and forms of electronic money that are, in fact, means of circulation rather than forms of money, as the forms and forms of money differ according to the angle from which they are viewed: they are classified either in terms of follow-up and identification, or in terms of the way they are stored and the method of dealing with them.

a. The division of electronic money in terms of follow-up and acquaintance with it:

From this angle, it is divided into two types: designated or named money and unnamed money

Designated electronic money

This type of money is characterized by containing information that shows the identity of the original drawer of electronic money, which can continue to follow the movement of electronic money transfers, and thus the bank or money-issuing institutions in this case can track the movement of electronic money in the

⁹In the name of Alwan Al-Aqabi, Alaa Aziz Hamid Al-Jubouri, Naim Kazem Jabr, reference previously mentioned.

¹⁰Same as the previous reference

electronic market until it is eventually destroyed. converting it into liquid money¹¹.

Unallocated electronic money:

They are used just like banknotes in that they are not linked to those who deal with them, so they do not leave behind a trace indicating the identity of whom it was transferred to and from, which cannot track the movement of electronic money transfers, and therefore the bank or institution issuing money cannot track the movement of electronic money in the market. electronic¹².

B. The division of electronic money in terms of the way it is stored and the method of dealing with it.

From this angle, electronic money is divided into prepaid cards and electronic (network) liquid money.

Prepaid cards

The monetary value of this type of money is stored on an electronic chip affixed to a plastic card. There are several forms of these cards, including smart cards on which the original cash value and the amounts spent are recorded, such as smart cards.(smart cards)Transactions are carried out accordingly without the need to contact the source directly, and therefore this type of money is also known as electronic money outside the network (off line e-money)This type of money raises a great deal of problems especially with regard to the risk of double exchange¹³.

Electronic liquid money

It is money that is initially withdrawn from a bank or other financial institution and stored in an internal metal device that is placed in a personal computer, and it is assumed that an agreement is concluded between the customer and the bank whereby the customer obtains a program to install on his computer, as this computer connects between the customer's computer and the main computer To the bank so that the customer deals with his account directly through this program and both computers are connected to the Internet. The program's mission is to allow the customer to transfer his money in his bank account into electronic units available to him that he uses to pay for goods and services on the Internet. Deducting the value of these units from the inventory on the client's

¹¹Safwa Abdel Salam, 2006, The Impact of Using Electronic Money on the Role of Central Banks in Managing Monetary Policy, Dar Al-Nahda Al-Arabia, Cairo, Egypt, p.09

¹²Fawzia Abelila, reference previously mentioned, p.174

¹³Safwa Abd al-Salam, a reference previously mentioned, p.p., 9.8

personal computer. This method is used via the Internet, so this money is called network money.(Network Money)¹⁴.

Most of the systems currently offered that use this method require that the parties to the contract communicate electronically with the source to verify the integrity of the money in circulation, which reduces the possibilities of fraud and counterfeiting.

4.2.Characteristics of electronic money¹⁵:

From the aforementioned, the characteristics that distinguish electronic money can be deduced as follows:

- Electronic money electronically stored cash value:Unlike legal money, it is encrypted data that is placed on electronic means in the form of plastic cards or on the memory of a personal computer.
- Two-dimensional electronic money:It is transferred from the consumer to the merchant without the need for a third party between them as the source of this money.
- Electronic money is not homogeneous:Since each source creates and issues electronic money according to the number of different goods and services, this money may differ in terms of value and may also differ that a person can buy with this money,
- Easy to carry:Electronic money is easy to carry, as it is more practical than regular money.
- Electronic money is private money:Unlike legal money that is issued by the central bank, electronic money is issued in most countries by private credit companies or institutions..

5.2.The working mechanism of electronic money:

To obtain electronic cash, the customer personally goes to open an account in the bank, with evidenceHwith some of thedocuments atorelated toProofThe IDhis characterThe student has the account, eitherWhen he wants to withdraw electronic money to make a purchase, he enters the bank through the Internet or a wireless communications network and presents proof of his identity, which is usually a digital certificate issued by the accreditation authority. After the bank verifies the customer's identity, it issues the customer's electronic amount of electronic cash.BDeducting the amount from his account, liketok. The customer

¹⁴Fawzia Abelila, reference previously mentioned, p.174

¹⁵Bouafia Rashid, reference previously mentioned, p.p., 115.114

bank may charge commissions and fees on the process, as the customer stores the electronic cash in a wallet on the disk of his computer or on a special electronic card device called the smart card.

In order to create electronic money as a product, four parties must intervene, including service providers, the source of electronic money, network operators and component sellers. HARDWARE and specialized software used in the circulation of electronic money, and lastly institutions that undertake the settlement of transactions made using electronic money.

Consumers can spend their electronic money on electronic commerce sites that accept electronic cash as a means of payment. In short, the computer sends electronic cash (of course, the computer is on the Internet or an equipped wireless communications network) to the merchant in exchange for the specified total of goods or services. And when the goods or services are actually shipped to the consumer, the merchant can provide electronic cash to the bank for deposit, and then the bank credits it to the merchant's account with a deductible amount in return for the service..

It can be explained through the next figure:

3. Digital money and its monetary effect:

There have been many opinions and attitudes regarding the possible repercussions of electronic money on the monetary and economic conditions, but we can distinguish between three positions ranging from exaggerating these repercussions and denying them completely or looking at them in moderation.

The first situation: the occurrence of a radical change in the functions of central banks

This position is expressed by Georg Selgen (George Selgin), who believes that electronic money replacing traditional currency (paper money and coins) will increase the effectiveness of monetary policy by reducing the volatility of the money multiplier due to changes in general demand for currency, and he also believes that the development of electronic money, especially cards stored value, will support the hope that the public ceases one day to become a hostage to the Federal Reserve (the central bank), where electronic money can in principle replace the banknotes issued by the Federal Reserve and are currently circulating according to Selgen within the borders of the United States of America, and in this case the US money reserve What is currently in the hands of the US

government may be fully allocated, so that the role of the Federal Reserve Board is limited to securing exchange reserves only.¹⁶

However, the previous result stops, as William Niskanen sees (W.NISKANEN) on the veracity of the realization of two assumptions, the first of which is the increase in electronic money to the extent that it reduces substantially the demand for currency, and the second is that the management of monetary policy will be done better by controlling some quantities of cash that the Central Bank is responsible for, and both assumptions are highly questionable, so it is It is not expected that electronic money will be able to effectively displace paper and metal currency. According to his estimates, if electronic money can replace the currency held in the wallets of Americans, it will only reduce the demand for currency by 10 percent.¹⁷ Only, and if so, a fluctuation in the money multiplier is not expected¹⁷.

The second position: the lack of influence of electronic money on monetary policy expresses this position¹⁸. ELYWho believes that the replacement of electronic money with the currency will not have an effect or impact on monetary policy, but the only impact that may have importance will be represented in the government losing its income from the monopoly of issuing the currency and provides evidence for this through:

- ✓ Firstly: The expected size of the stored-value card market will not exceed about 10 billion US dollars, and the income resulting from it (which is the same amount of the government's loss), which will be in the range of 600 million dollars, will not be sufficient to cover the costs of the private sector behind issuing, marketing and developing them, and in this case There will be no significant impact on the demand for the currency¹⁸.
- ✓ secondly: The Federal Reserve does not actually control the money supply because it is simply not possible for two reasons:

- The Federal Reserve, as a representative of the US Treasury, provides, either passively or latently, the amounts of currency that people want to hold.
- The Federal Reserve provides (also latently and ineffectively) the banking system with the reserves that banks need to meet the legal reserves and to the extent that it enabled the Board to establish interest rate indicators for financial markets by manipulating the amount of excess reserves, and so monetary policy

¹⁶Ahmed Bouras, 2007, Electronic Banking Operations, Journal of Human Sciences, University of Mohamed Kheidar Biskra, No. 11, p.205

NISKANEN, W, 1997, The Effects of Money on Monetary Policy, in CATO: The Future of ¹⁷ Money in the Information Age, p.159

¹⁸Ahmed Bouras, reference previously mentioned, p.206

today is represented entirely in rate signals. The interest that the Federal Reserve sends towards the financial system, and then the potential proliferation of electronic money will not affect monetary policy, but this result is reserved by most economists because it presents a very special view of the central role in monetary policy.

The third position: the spread of electronic money may reduce the role of central banks in issuing money, but it will not threaten its role in managing monetary policy

This position is considered to a large extent oscillating between the two previous trends, as we have seen this with Jerry Jordan (J. Jordan) and Edward Stephens (E. STEVENS), and this can be summarized through the following elements¹⁹:

- ✓ The development in the forms of electronic money has reduced the demand for central bank money, and it is likely that the development in This area further reduces the demand for that money, but it is still too early to ascertain the extent of the change that will affect this demand, and therefore the expected effects of the spread of electronic money on monetary policy are still uncertain;
- ✓ Some expect that what the central bank holds of commissions and reserve deposits for commercial banks will vanish in the twenty-first century, exactly as it was determined for the possession of commodity money in the twentieth century. However, the monetary authorities will continue to determine the level of prices as long as the final settlement of the tax and other debts and obligations takes place using the bank's liabilities. Central.
- ✓ Even with the decrease in public demand to maintain central bank liabilities, central banks will remain the only source of national currency units necessary for the settlement of tax obligations as well as for the final settlement between competing private sector institutions and issuing electronic money. The roles of settlement and monetary policy practiced by central banks will continue in the twenty-first century until With the absence of the traditional demand for central bank money

¹⁹Hamad Jamal Al-Din Musa, 2002. **Electronic money and its impact on the role of central banks in managing monetary policy**The annual scientific conference of the Faculty of Law, Beirut Arab University, pg. 162

Thus, the authors conclude that the spread of electronic money will likely lead to a reduction and perhaps the disappearance of the role of central banks in issuing money, but it will not lead to the fading of their role in practicing monetary policy and settling liabilities arising from taxation or transactions between institutions that issue electronic money.

Perhaps we will find in William Niskan some participation in the previous trend, as he believes that the exclusive effects of electronic money will be limited, as he does not expect that such money can replace much currency, yet the banks will tend to reduce their reserves, whatever the development in technology, and accordingly The implications of the many expected changes will mainly be to simply reduce the flotation.

Opinions differed among economists about the impact of the spread of electronic money on the functions of central banks, and their responsibility for managing monetary policy, and the researcher in this regard will see that the closest to the truth is what came in the third position that the spread of electronic money may reduce the role of central banks in issuing money, but it will not threaten Its role in managing monetary policy is evident through the justifications provided by economists who support this view.

Testing the credibility of monetary policy in light of the challenges of electronic money depends on the ability of the monetary authority to activate its tools to keep pace with this new variable - electronic money - and achieve its desired goals such as price stability, including controlling inflation rates.

4. Electronic money and its economic impact:

It is conceivable that the effects of electronic money extend to some economic variables such as consumption, investment and employment in addition to its potential impact on the inflation rate. Below we will briefly discuss all these effects that electronic money has on the most important economic indicators.

First: the impact of electronic money on consumption

It is expected that the volume of consumption will increase as a result of the spread of electronic money as an alternative to legal money.²⁰

Second: The impact of electronic money on investment and employment

²⁰Muhammad Ibrahim Mahmoud Al-Shafei, 2003, Monetary, economic and financial effects of electronic money, Conference on Banking and Electronic Business between Sharia and Law, College of Sharia and Law at UAE University, held on April 13, 2003, p.120

Electronic money will open up multiple horizons and areas for investment. It may first help establish many institutions that issue electronic money, of course, in the event that private companies are entrusted with the issue of this money, and there is no doubt that this will help in the intensity of competition between these companies, which It pushes it to improve electronic money services and develop the technology used in its production²¹.

Third: The impact of electronic money and the exchange rate

Electronic money is likely to affect the exchange market and increase its instability, given that electronic money is a rough indicator of legal currency. For example, it is conceivable that an American citizen would buy a commodity via the Internet from a French merchant, and in this case the buyer must To pay the price of the commodity in the single European currency (euro), which will prompt him to change his electronic money in dollars to electronic money in euros to meet the price of the purchased commodity, which necessitates the existence of an electronic exchange market²².

Fourth: The impact of electronic money on the rate of inflation

One of the most important consequences of granting the authority to issue banknotes to one party, the Central Bank, is the control of the volume of money in the market, which would exceed a certain limit, and its imbalance with the volume of goods and services produced would increase the volume of inflation in the event of an increase in the money supply over The volume of goods and services produced. On the contrary, a liquidity crisis may occur in the event that the volume of money in circulation is lower than the volume of goods and services. Hence, the central bank can find solutions to this problem through a tight monetary policy.²³.

5. Anticipating the future of monetary policy:

Bank managers who are more conservative than the new situation call for the advantages of refraining from using electronic money derivatives, saying that the challenges posed in the new situation (electronic money) are not limited to the regulatory and supervisory authorities only because electronic banking quickly leads to a change in the financial and banking landscape and increases the possibilities of capital movements. Fast money across borders, and accordingly, monetary policy makers will face a number of difficult questions that cannot be answered because it is not possible to know interest rate risks, exchange rate risks, market risks, property rights risks, and fluctuation risks in each of them combined

²¹Muhammad Ibrahim Mahmoud al-Shafi'i, reference previously mentioned, p.121

²²Same as the previous reference, pg..122

²³Same as the previous reference, pg..124

or individually, not to mention the methods of dealing with them and in these The case remains the only solution in adopting an analysis based on “what would happen if?” To answer this question, we differentiate between two arguments that can be disentangled²⁴:

- ✓ First: The technological revolution, and in particular that leads to the expansion of electronic cash, necessarily leads to the expansion of all aspects of progress in the practice of electronic banking. This situation could result in a separation in the decisions taken by families. And families, as well as institutions and establishments, for the purely monetary and financial operations of the Central Bank in the exercise of monetary policy, and thus its ability to influence inflation and economic activity is exposed to danger.
- ✓ the second: When expanding electronic banking transactions, the costs of financial operations may decrease significantly, which makes carrying out capital flows more easily, which leads to the possibility of eliminating the effectiveness of domestic monetary policy, and in this regard, the advocates of a two-for-one tax that will be imposed on short-term capital flows are The solution, the thing that increases the cost of capital movement and thus slows it down, this procedure, in my opinion, can provide a justification for controlling electronic banking transactions and give another opportunity for the regulatory and supervisory authorities to develop their methods according to what the new conditions dictate..

Conclusion:

Technological progress raises a lot of problems, whether at many levels and levels, perhaps the most complex of which is economic, monetary and financial. We explained through this research paper how electronic money can affect the size of the money supply. In the event of poor control over it or leaving it to private institutions, this would impart a kind of ambiguity to the volume of money circulating in the market, which leads to monetary and economic problems.

²⁴Mahmoud Sahnoun, reference previously mentioned, p.11

In terms of the potential economic effects of electronic money, we found the possibility that electronic money will increase consumption, which may eventually lead to positive effects on the volume of production, investment and employment, with the possibility of some negative effects that electronic money can cause, such as high inflation rates. And the uncertainty of the stability of the exchange markets.

the reviewer:

- Ahmed Bouras, 2007, Electronic Banking Operations, Journal of Human Sciences, University of Mohamed Kheider Biskra, No. 11, p.205
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