Evolution of money from barter system of exchange to Central Bank Digital Currency (CBDC): A focus on Nigeria and the Bahama

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Abstract
Money as a medium of exchange, store of value, and unit of account has played a significant role in every sphere of human existence and within every discipline, whether it is the Central Bank of Nigeria's increase to the country's money supply or deposit-taking commercial banks in the Bahamas's dividend payout ratio, money has been a substantial element that links both micro and macroeconomics in the financial system of every economy. However, influenced by technological advancement, digital financial innovations, cryptography, and networking the concept of Money has changed significantly and frequently over the centuries from the Barter exchange system in the 6000 BC to the Central Bank digital currency (CBDC) in 2020. The main purpose of this paper is to elucidate the evolution of Money from a barter system of exchange to the Central Bank Digital Currency (CBDC). On the basis of a qualitative review of available literature surveyed, the study result revealed that technological advancements, financial innovation, lack of public confidence in traditional financial institutions and regulatory authorities, financial crisis, competition, and financial inclusion are closely associated with the evolution of Money from a barter system of exchange to CBDC in Nigeria and Bahamas. However, the study concludes that each phase of the evolution of Money from the barter system to CBDC is based solely on trust. Trust is significantly connected to every phase of the evolution of Money to CBDC. Hence, anyone can create coins, fiat currency, cryptocurrency, or CBDC as a medium exchange, but getting it accepted as a payment system is based solely on trust. Therefore, the evolution of Money and public confidence in the medium of exchange coexist.

Keywords: Money, evolution of Money, central bank, digital currency, cryptocurrency, central bank digital currency, Nigeria, Bahamas

1. Introduction

Trade and commerce are as old as civilization itself. The need to develop and exchange goods and services has been a continuous and vital future of human settlements. Throughout history, Money has played a remarkably significant role in every sphere of humanity's existence, enabling the exchange of goods and services by acting as a medium of exchange (Pender, 2021). Money has always inexplicably been part of our daily lives, the effort to gain it, the means to spend it, the purposes of spending it, and avenues for investing and saving (Neuby,2022). Nonetheless, technological advancement and digital financial innovation over the centuries have profoundly evolved the concept of Money as a means of payment, a store of value, and a unit of account from a barter system of exchange to Central Bank digital currency in 2020 (Cristea, 2021; Ogachi et al., 2021). with Nigeria (naira)and the Bahamas (sand dollar) being the first two countries to adopt CBDC as a legal tender in 2021 and 2020, respectively (Patrick et al., 2022; Almeida et al., 2024; Nieborak, 2024).

Today, as Adrian et al. (2021) and Auer et al. (2021) stated, these recent technological innovations have ushered in a new wave of Money, such as mobile money (digital wallet), digital currencies, and CBDC. It is worthwhile noting that the most recognizable legal form of Money is the central bank money, the cash notes, and the coins we have carried in our wallets for centuries (Adrian et al., 2021; Mitchener, 2005). Thus, as we navigate the complexities of the digital era, a deep understanding of the origin and evolution of Money provides invaluable insights into the concept of money outlook and its transformative potential in the digital age (Cristea, 2021; Ogachi et al., 2021).

1.2. Research Motivation, Significant Contribution and Related Work

In an age characterized by rapid financial technology, the concept of money is undergoing an overwhelming evolution from cowries and shells to electronic and digital currencies. This evolution of money reflects the changing needs of individuals that have implications for financial inclusion, payment systems, cross-board payments, inflation, and economic growth within national and global economies. Hence, the historical and technological narrative surrounding the evolution of money underscores its timeless significance as a basis of modernization. Nevertheless, despite its familiarity, its Origin, definition, and evolution remain contested globally as well in Nigeria and Bahamas that just transcend the concept of money to CBDC.

Academic studies are rare on the evolution of money from a barter system of exchange to central bank digital currency. Prior studies have documented the evolution of money and the changing role of central bank in the digital age, digitization and the evolution of money as a social technology of account, the idiosyncrasies of money: 21st-century evolution of money, evolution of sand dollar and Diversification and evolution of post-modern Money as "ideational money": from MMT to PMMT (Nishibe, 2023; Ogachi et al., 2021; Pender, 2021; Uwaleke, 2022; Branch et al., 2023). Despite this research, there exist, if any, that have illustrated the evolution of money from a barter system of exchange to Central Bank Digital Currency (CBDC) with a focus on the first two countries that have adopted CBDC as legal payment system. Therefore, this paper intends to address these identified gaps by delving into the evolving landscape of money, from barter system of exchange to CBDC, with a focus on Nigeria and the Bahamas, the first two countries to adopt digital currency as legal tender in a form of exploratory review of literatures.

1.3. Research Paper Structure

The main contribution of this research paper is threefold. First, the author discusses the origin and definition of money. Next, the author reviews the literature on the evolution of money from barter to CBDC, followed by a literature review on the origin and evolution of money in Nigeria and the Bahamas.

After the introduction above, the remaining aspects of this study are structured as follows: Section 2 is a literature review of concepts and theories, including the origin, definition, and evolution of money. Section 3, after the literature review, the author frames the study's methodology. Section 4 of the paper will discuss the study findings. Finally, the conclusion and recommendation are reached in section 5.

2. Literature Review

2.1 Conceptual Review

The main concepts in this study are briefly examined in this section as shown below:

Origin Money

Tekgul (2020) and Iavorschi (2014) believe that Money originates from the social interactions between buyers and sellers. Tekgul (2020) further explains various theories and schools of thought on the Origin of Money. Thus, to better understand this money phenomenon, it is necessary to go back in history and see how Money was born.

The Knapp exogenous theory, the state or chartist or heterodox theory, deems that government authority creates Money, and they demand rewards for their currency through taxes (Eldridge, 2023; Sieron, 2019). Next, Carl Menger's commodity theory on the Origin of Money, also called endogenous or orthodox theory, argues that Money originates from commodity demands in a bid to overcome the limitation of the barter monetary system (Eldridge, 2023; Bridle, 2018). On the other hand, the money debt theory critiques the commodity theory approach, suggesting that Money originated from debt and credit (Eldridge, 2023; Bridle, 2018; Sieron, 2019). Finally, the most unorthodox theory on the Origin of Money, the gift theory proponent, argues that Money stems from the economy of gifts (Eldridge, 2023). While the gift theory of Money is worth noting, the theory is an outlier when compared to the state, debt, and commodity theory of Money (Eldridge, 2023).

A literature review of the various theories on the Origin of Money revealed that Carl Manger's commodity theory and Knapp's state theory had withstood the test of time, with researchers still comparing and contrasting these two theories as the core theories on the origin of money (Eldridge, 2023; Sieron, 2019). Literature on the origins of money also illustrates that many economists utilize the theory of money originating from debt, which has proved to be a legitimate theory on the origin of money to date.

Past qualitative studies have explored the Origin of Money using various theories with varying approaches and conclusions (Garzon, 2018; Tekgul, 2020; Sieron, 2019; Bridal, 2018). Regarding the debt theory, Garzon (2018) explains that the debt theory on the Origin of Money has greater theoretical solidity and empirical support than the other three theories. Also, Tekgul (2020) elucidates that because the money supply in circulation that facilitates the payment of transactions and taxes to the government is determined endogenously by a monetary authority, hence the state theory concept on the Origin of Money seems to be the core theory on the Origin of Money. Notwithstanding, expanding on Tekgul's (2020) study, Sieron (2019) argues that Money can be both endogenous and exogenous depending on the money supply in circulation.

Definition of Money

Everyone except an economist knows the clear-cut definition of Money, and even economists cannot define Money in one sentence or the course of one chapter (Iavorschi, 2014). Hence, several economic researchers have made various attempts to define Money, but the definition differs from one research to another (Koot,1975). For instance, Ogachi et al. (2021) define Money as a social convention or a social contrivance on the premise that households and businesses are willing to accept whatever object, coin, paper, card, or private key described as Money that is purely based on trust that others will accept them in exchange for good and services. Narayanan (2020) and Koddenbrock (2019),) define Money based on its three essential functions: Money as a medium of exchange, a store of value, and a unit of account.

Chen (2021) defines Money as a fiat currency issued by a country's central Bank, not backed by physical commodities such as gold or silver. At the same time, Asmundson et al. (2012) define Money as a store of value, a unit of accounts, and a medium of exchange that individuals can save and use later to buy and sell from one another. On the other hand, Mikau et al. (2018) define Money as an economic lubricant that enables houses, businesses, and the general economy to overcome the double coincidence of wants. Lastly, Allen et al. (2014) define Money as a product that does not enter the manufacturing functions and is available in fixed supply.

All these definitions have in common is that Money can be used as a payment system and medium of exchange. Notwithstanding, each definition seems different from the other. For instance, Chen (2021) defines Money from the central bank view, while Mikau et al. (2018) define paper money as an advantage over barter systems, cows, and shell payment systems. On the other hand, Ogachi et al. (2021) definition is based on trust that the counterparty will also accept it as a medium of exchange and mode of payment for goods and services. Interestingly, none of these definitions factor into the concept of digital or electronic Money in their definition.

Evolution of Money

As we use it today, Money results from a long transformation process from barter to commodity money to coins. Since the Origin of Money, the form and function of Money as a payment system and medium of exchange has evolved from barter to Central Bank Digital Currency (CBDC) (Laven, 2023; Luo, 1998; Reiss, 2018). The evolution of Money from a barter monetary system to CBDC has given the concept of Money more power to influence society through its profound effects on humanity's social activities at every step of the evolution process (Dagtekin,2023; Taskinsoy,2021). With Money's transformational influence, there are unknown risks and implications for the banking system, monetary authority, monetary policy, and transmission channel, as well as the financial system's flexibility, stability, and sustainability (Dagtekin, 2023; Sieron, 2019).

Barter system

Barter is the exchange of goods and services for goods and services. The oldest medium of exchange, dating back to 6000 BC, is the first monetary system in the history of the financial market (Wray, 2012; Sieron, 2019). Taskinsoy (2019) describes the barter system as a primitive form of medium of exchange because due to its double coincidence of the wants payments system that is for barter trade to work, the parties involved in any transaction must find precisely what the counterparty wants at that moment to complete the transaction (Taskinsoy, 2019; Farras, 2018). This was a significant shortfall of barter as a monetary system in the 6th century as it impeded economic activities, economies of scale, and economic developments (Farras, 2018).

Commodity Money

The disadvantages of a barter monetary system led to the introduction of commodity money like precious metals and shell as a medium of exchange and unit of account for transactions to be completed faster and more efficiently (Durani, 2015; Taskinsoy, 2014). Durani (2015) explains that commodity money scarcity attributes preempt the inelastic supply curve and lead to economic stability once the supply curve remains constant over time. In contrast, Farras (2018) argues that commodity money was still perceived as a barter system, but accepting a common denomination to avoid the double coincidence of wants was a significant transition in the evolution of Money in the history of the monetary system.

Coinage

To address the heterogeneity, corruption, and fragmentations problems of the barter and commodity monetary system, the coinage money was invented around 640 BC by King Lydia of Alyattes (Durani,2015; Anbugeetha et al., 2009; Pender, 2022). The evolution of commodity money to coinage money enhanced trust and sustainability in the monetary system in the 7th century (Anbugeetha et al., 2009). As explained in Anbugeetha et al. (2009) and Milkau et al.(2018), coinage money represents coins made of gold and silver with pictures for differentiation to avoid counterfeiting and to make it easier for traders and individuals to estimate the cost of goods and services, each coinage money has a different value, just like today's fiat currency (Anbugeetha et al., 2009). Coinage money invention by the king of Alyattes supports Knapp's claims on Money as an exogenous creation of law and states (Sieron, 2019). Lavorschi (2014) backs Knapp's claims as references by monetary theory specialists that it was Kings, princes, and governments that had an obligation to issue coins to the financial system in the 7th century and beyond.

Paper and Credit Money

The increase in economic activities in the 9th century and the weight of carrying around coinage money as a payment system led to the discovery of paper money by the Tang and Song dynasty of China in 105 AD (Faure, 2013; Niggle, 1990; Nishibe,2023; Durani, 2015; Pender, 2023). Instead of exchanging coins, the Chinese dynasty exchanged “I owe you” (OIU) certificates and documents acknowledging the debt, also known as Promissory notes, to facilitate bilateral and multilateral exchanges (Nishibe, 2023; Taskinsoy, 2019). The Chinese merchants issued promissory notes as receipts for the coinage equivalent deposited to facilitate trade between merchants (Niggle, 1990; Faure, 2013; Farras, 2018).

According to Farras (2018) and Nisibe, 2023, an IOU certificate was initially registered by the individual merchant as credit money to be passed from one trader to another to facilitate long-distance trade. Under the gold standard and IOU promissory note system, the privately created money-denominated liabilities were created as a medium of exchange by truth-worthy individual merchants or businesses through an endorsement that guaranteed the IOU backed by gold (Nishibe,2023; Durani, 2015). Thus, credit money was invented in the 11th century. According to Durani (2015), both paper money and credit money payment systems foster public confidence in the financial system and increase government revenue and economic growth, especially in the Chinese economy. European travelers Marco Polo and William Rubruck were the first westerner to give an exciting account of how the Chinese used paper and credit money as a medium of exchange and unit of account (Durani, 2015, Nishibe, 2023; Niggle, 1990). On account of this discovery announced to the West by Marco Polo, an English monarch in the 12th century discovered the Tally tick, another form of credit money that became the first bill of exchange in the world (Faure, 2013; Niggle, 1990; Nishibe,2023). Nevertheless, despite the pros of paper and credit money in facilitating the ease of transactions during this monetary regime, it was prone to abuse through excessive overissuing of notes, which hurt the financial system negatively (Durani, 2015).

As economic activities grew in the 13th century, paper and credit money circulation in Asia and Europe increased. Paper money became the most recognized means of exchange, and the wealthy became a target for criminals. The urgency to safeguard merchants who have more paper and credit money creates the need for bookkeeping and accounting services. Accounting and bookkeeping services became lucrative, which led to Johan Palmstruch starting the world's first commercial Bank in 1656. A.D. Ogachi et al. (2021) stated that the first bank paper money was printed by Sweden's first chartered Bank around 1661 AD, and the first electronic Money (debit and credit card) appeared in 1946. The emergence of the World Wide Web (www) and the development of technologies have seen a surge in e-money such as smarts cards, debit cards, and credit cards issued by commercial banks, referred to as private Money (Pender, 2023; Grodecka-Messi et al., 2023; Resis, 2018).

Digital currency

The digitalization of the financial system, the loss of public confidence in the fiat currency as a legal tender, and digital technological innovation in the twentieth century paved the way for the evolution of Money from paper and credit money to *digital currency*, a peer-to-peer payment system (Ogauchi, 2023; Pender, 2023; Qu et al., 2022). According to Molnar (202) and Qu et al. (2022), digital currencies are private Money embedded in decentralized cryptography technology. Digital currency is electronic Money available exclusively in electronic form (Rodeck et al., 2023; Baltigailis et al., 2023). Currently, there are three types of digital currency: cryptocurrency, stablecoins, and Central Bank Digital Currency known as CBDC (Rodeck et al., 2023; Panetta, 2020).

Cryptocurrency and Stablecoins

The digital currency dates back to 1983 when David Chaum introduced the concept of a digital version of cash controlled by a private key (Chaum,1983). Chaum's discovery set the stage for the introduction of Satoshi Nakamoto cryptocurrency in 2008, stable coin and now Central Bank Digital Currency - CBDC (Chaum,1983). The collapse of the global financial systems in 2008 shook public confidence in the banking system, and the central Bank's mandate saw the emergence of a new form of Money called cryptocurrency (Saleem, 2018; Peneder, 2022). Without any government backing, Satoshi Nakamoto cryptocurrency has gained popularity among the millennial and Gen Z demographic from 2008 and beyond globally (Saleem, 2018; Market Trends, 2022; Peneder, 2022). Hence, today, cryptocurrency is no longer considered a speculative asset as viewed by most economists in the past, as we have seen countries like El Salvador establish cryptocurrency as legal tender in 2021 (Bibi, 2023).

Stablecoin was launched in 2014 to act as a safer store of value in the crypto space (Hussey et al., 2023; Peneder, 2022). Stablecoins are digital currencies backed by fiat currencies —dollars, pounds, and euros- instead of cryptocurrencies in blockchain technology (Hussey et al., 2023; Peneder, 2022). In just over a decade, cryptocurrencies and stablecoins have grown to a trillion-dollar market capitalization value- disrupting commercial banks' financial intimidation role, and central banks' mandates (Siripurapu et al., 2023; Peneder, 2022). The advent of cryptocurrency, stablecoins, and digital currencies as mediums of exchange and payment systems has impacted money supply, money velocity, and commercial banks' profitability (Heller, 2017; Chen et al., 2021). Shui et al. (2022) explained that blockchain technology, artificial intelligence, and other payment systems apps such as cash app, Apple Pay, Google Pay, PayPal, and e-wallets have promoted the disintermediation of transactions and private payment in the financial system, which have direct effects on the central bank monetary policy and commercial banks' financial intermediation role (Peneder, 2022). The evolution of money to digital currency is changing the world financial system in a problematic way to predict with minimal or zero central bank control or supervision (Heller, 2017; He, 2018). How do central banks intervene?

Central Bank Digital Currencies

The emergence of private digital currencies such as cryptocurrency and stable coins and the growing popularity of fintech products have constrained central banks, including Nigeria and the Bahamas Central banks, to examine the exploration and issuance of central bank digital currency (CBDC) in other to compete in the digital ecosystem with the new peer-to-peer payment system coupled with the decline of cash used(Auer et al., 2021; McKinney, 2023; Carsten,2021; Chapman et, al 2023; Baltgailis, 2023; Peneder, 2022). To differentiate traditional central bank reserves from CBDC, Chapman et al. (2023), Dobrauz et al. (2019), and Mckinsey, 2023 define central bank digital currency as electronic central bank money that : can be retrieved more broadly than reserves; be held as a token for executing a transaction; possibly has greater functionality for digital transactions than cash; can be interest-bearing or noninterest bearing; value link to the issuing country's official currency; and central bank direct deposit liability

According to the Atlantic Council CBDC tracker, as of June 30, 2024, 134 countries' central banks, representing 98% of the world's Gross Domestic Product (GDP), are actively involved in implementing, developing, and researching CBDC. As of September 2024, three countries have entirely adopted CBDC: Nigeria, the Bahamas, and Jamaica.

Furthermore, every G20 country is actively exploring CBDC, with 19 in the advanced stages of their CBDC exploration phase (Kumar et al., 2024). 44 countries are currently piloting CBDC, including the digital euro.

Ogauchi et al. (2023) qualitative study on the 21st century evolution of money and suggest that even though technological industrialization in the 21st century will lead to an influx of digital currencies in various forms and types but paper money will not disappear entirely due to its humanity's psychological attachment attributes. Dagtekin (2023) qualitative study examines the evolution of Money from stones to digital blocks and suggests that the evolution and history of Money can only be studied with a close look at the social, legal, and political trends. Dagtekin (2023) believes that technological advancement has played a critical role in the evolution of Money. Zafiroski (2021) expands on Dagtekin's (2023) research and states that each phase of the evolution of Money is based on trust because trust is significantly connected to the function of Money;

The literature review on the evolution of Money from barter exchange system to Central Bank Digital Currency (CBDC) revealed that the monetary system in all spheres of human existence and the public confidence in the medium of exchange coexist. Hence, anyone can create Money, but getting it accepted as a medium of exchange is the biggest problem. The illustrative view from the reviewed literature is further confirmed by Uwaleke's (2022) paper on "The evolution of money and the changing role of central banks in the digital age" that success in every phase of the evolution is based on public trust and confidence. According to Uwaleke (2022), in the case of Nigeria and Baham central banks that are currently implementing CBDC as a legal tender, their central banks should continuously innovate in partnerships with the private institutions as well as rise to seen and unforeseen implications of CBDC on commercial banks financial intermediation role, monetary policy, and financial stability.

Bahamas and Nigeria - Origin and Evolution of Money

The current study focuses on Nigeria and the Bahamas, the first two countries to adopt CBDC. Thus, the study delves into review of literature on the Origin and evolution of Money in Nigeria and the Bahamas.

Bahamas Origin and Evolution of Money.

The Island of San Salvador, now the Bahamas, was discovered by Christopher Columbus in 1492 (Taylor, 2022). In 1629, the British colonists settled in the Bahamas at New Providence (Taylor, 2022). The Spanish took over from the Brits in 1641 and introduced their Spanish milled dollar in the 17000s. Notwithstanding, the Island extensively used the barter monetary system before the British introduced conies in 1806 after recapturing the Island from the Spanish in 1783 (Taylor, 2022; Takinsoy,2019). After that, the Bahamas used the British pound sterling coins and paper money as a medium of exchange until the Island gained independence from the Brit in 1936 (Taylor, 2022).

The British pound was replaced with the Bahamian dollar in 1966 by the Bahamas Currency Board, which was responsible for the money supply, but was later replaced by the Bahamas Central Bank in 1974 (Taylor, 2022; Prokos,2022). Thereafter, the Central Bank of Bahamas, with the aid of digital innovation and modification of the national payment system infrastructure, evolved the Bahamian dollar to central bank digital currency (CBDC) (Branch et al., 2023). This pioneering step made the Bahamas the first country in the world to launch a central bank digital currency in February 2020 (Branch et al., 2023).

Only a few unrelated studies exist on Money's history, Origin, and evolution in the Bahamas. One such study is Taylor's (2022), which documents the history of currencies worldwide, including the Bahamas. Taylor (2022) provides a systematic flow of the Bahamas' evolution of Money from the date the Island was discovered by Christopher Columbus in 1492 to when the British pound was replaced with the Bahamian dollar by the Bahamas Currency Board. At the same time, Takinsoy (2019) describes the Bahamas barter trade from Adam Smith's perspective in their research. In addition, Prokos's (2022) research investigates the economic importance and implications of transitioning from the currency board to the current-day Bahamas Central Bank. Also, Branch et al. (2023) examine the evolution of the Bahamian dollar to CBDC (Bahamian Sand dollar).

The Bahamian barter monetary system evolution into the Sand Dollar (CBDC), the world's first central bank digital currency (CBDC), has been through a series of initiatives to enhance the nation's financial inclusion that is banking for all (Branch et al., 2023; Haans, 2024). According to Haans(2024) and Branch et al.(2023), the concept of evolution of the Bahamas monetary system to CBDC began when the Central Bank of Bahamas started the modernization of the domestic payments system, followed by the Bahamian payments system modernization initiatives and the implementation of retailer CBDC act as an extended phase of the Bahamian payments system modernization initiatives.

Nigeria Origin and Evolution of Money

Britain colonized Nigeria on the West Coast of Africa in 1861 (Taylor, 2022). During the pre-colonial era, the barter system and commodity money such as cowries, manila, beads, and salts were used by different cultures in Nigeria as a medium of exchange (Ofonagoro, 2010; Pillah, 2023; Chukwu, 2010). When the British colony established control in Nigeria, barter and commodity money were replaced with the British Pound Sterling (GBP), the Spanish Dollar, and the French franc (Taylor, 2022; Chukwu, 2010). However, the British later demonetized the Spanish Dollar and the French franc (Taylor, 2022). On July 11, 1913, the West Africa Currency Board was established to issue coins and banknotes under the directive of the British (Taylor, 2022; Pillahs, 2023).

On July 1, 1959, the Nigeria Central Bank replaced the West African Board, and the Bank started printing the Nigerian pound immediately after its formation (Taylor, 2022; Pillah, 2023; Abubakar, 2023). In 1973, just after Nigeria gained independence from the British colony, the Central Bank of Nigeria started issuing the current day Naira notes and coins as legal tender and medium of exchange (Taylor, 2022; Pillah, 2023; Abubakar, 2023). In 2017, as a result of the global recession in 2008, the reduction in the velocity of Money, and the rise in electronic Money, the Central Bank of Nigeria began a projected planning process for the launch of Central Bank digital currency as a legal tender electronic money with online wallet (Akindipe, 2023). On October 25, 2021, the Central Bank of Nigeria adopted CBDC, making Nigeria the second country in the world and the first country in Africa to adopt CBDC (Akindipe, 2023).

Money has evolved from pre-colonial barter systems in Nigeria to Central Bank digital currency in 2021. A recent study by Pillah (2023) evaluates banknote redesigns or evolution and recommends that the Central Bank of Nigeria can limit the velocity of Money through good governance. Abubakar et al. (2023), in their qualitative research on the evolution of Nigeria's currency system from 1914-2014, argue that the cashless policy that began in 2012 in Nigeria is a policy that came to stay as the global economy leans towards a cashless economy in the 21st century.

One key factor that transcends the Evolution of money from the barter system and commodity money to the Nigerian naira is financial inclusion and the development of the financial view of banking for all. As explained by the outcome of Igoni et al. (2022) quantitative study titled Evolution of eNaira for Re-engineering the Nigeria Emerging Economy, the Nigeria eNaira (CBDC) has a positive and significant relationship with financial inclusion in Nigeria. However, the origin of the Nigeria naira CBDC initiatives dates back to the initiation of the Central Bank of Nigeria (CBN) launched Nigeria's cashless policy in 2012 (Kaur, 2024). Followed by the Nigeria CBDC pilot project on February 21, 2021, and launched on the eNaira on October 25, 2021(Kaur, 2024).

3. Methodology

This research paper exploits the qualitative exploratory research methodology solely based on literature review and synthesis of literatures. The author reviewed existing literature to extract information that sharpened the discussion, and then we used the desk research design to extract additional information. To achieve the research objective relevant academic and professional literature was reviewed and analyzed.

Multiple resources were beneficial in acquiring the literature for this research paper. The multiple resources include Google Scholar, google, government websites, and industry publications. Scholarly peer-reviewed articles were obtained through the EBSCO host portal, Springer link, Gale virtual reference library, and Sage journal within Google Scholar. Segmented databases accessed included Google, Research Gate, and Academic Search Premier. Keywords searched for retrieval of pieces of literature for the review including but not limited to money, origin of money, evolution of money, cryptocurrency, Central bank digital currency, Nigeria money evolution, Bahamas Sand dollar evolution, barter system, electronic money, digital currencies, stable coins, paper and credit money. Professional papers were obtained through a web search engine of standard-setting bodies for status of CBDC and cryptocurrencies and stable coins market valuation. Selected academic scholarly literature and professional papers were analyzed using induction and deduction scientific research methods of analysis and synthesis, abstraction, and generalization methods.

4. Discussion of Findings

Indeed, the evolution of Money is quite a journey from exchanging cows and chickens in 6000 BC to central bank digital currency (CBDC) in 2020. The human race constantly adapts and finds innovative alternatives as a medium of exchange. The literature review results in this study show that technological advancements, financial innovation, lack of public confidence in traditional financial institutions and regulatory authorities, financial crisis, competition, and financial inclusion are closely associated with the evolution of Money from a barter exchange system to CBDC. The study further depicts that the

constant evolution of Money, especially in the digital era, has implications for traditional commercial banks' financial intermediation role, central bank monetary policy, and financial stability.
Moreover, regarding Bahamas and Nigeria, the first two developing nations to adopt CBDC as legal tender, the study noted that irregular internet networks due to poor fiber optics, shortages of power supply as a result of poor electricity infrastructure in developing nations, any seen and unforeseen increase in CBDC platform infrastructure cost, and hackers' activities would negatively impact the implementation of CBDC in these countries.

5. Conclusion

With the constant evolution of Money, the Slogan Cash is King is slowly phasing out. This paper has considered the evolution of Money from a barter payment system to CBDC. Given the inevitably political nature of Money, the Knapp state theory of Money has been a core element in the evolution of Money. This paper also noted that technological advancements, financial innovation, lack of public confidence in traditional financial institutions and regulatory authorities, financial crisis, competition, and financial inclusion are closely associated with the evolution of Money from a barter exchange system to CBDC. Finally, this study argues that public trust and confidence in the past decades have evolved the concept of Money from a barter medium of exchange in 600 BC to the launch of CBDC by Nigeria and the Bahamas in the 21st century. Hence, anyone can create coins, fiat currency, cryptocurrency, or CBDC as a medium exchange, but getting it accepted as a payment system is based solely on trust. Therefore, the evolution of Money and public confidence in the medium of exchange coexist.

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