



International Conference on Economics, Finance, Banking and Management

Hosted online from Paris, France

Website: econfseries.com

24th September, 2025

THE ROLE OF DIGITAL CURRENCIES IN RESHAPING GLOBAL FINANCIAL SYSTEMS

Chinmirzayev Sh. S.

Student of the University of World Economy and Diplomacy

Chinmirzayevs@gmail.com

Abstract:

Digital currencies, including central bank digital currencies (CBDCs) and cryptocurrencies, are changing the global financial structures through efficiency, financial inclusion, and financial policy challenges. This article looks at their transformative potential in a comparative perspective between advanced and emerging economies. Using figures published by the International Monetary Fund (IMF), Bank for International Settlement (BIS), and World Bank, some of the most important conclusions are that more than 90% of central banks are discussing or testing CBDCs, with emerging markets as the most adopting to lower cash dependency and transaction expenses. Quantitative data show that in India, digital rupee circulation increased by 334 per cent year-on-year to half a billion dollars and around the world, cryptocurrency usage by adults was 12.4 per cent of those with internet access. Such innovations could increase GDP growth by 1-2 percent in developing economies due to better transactions and access to finance, but they also create risks for financial stability, like people moving away from traditional banks and the danger of online security attacks. The relevance of policy is based on the fact that harmonized international regulations are required to reduce the cross-border risks and leverage inclusiveness in growth. The discussion highlights that there should be a middle ground by promoting sound structures that would promote fair distributions of benefits amid geopolitical conflicts.

Keywords: Central bank digital currencies (CBDCs), cryptocurrencies, monetary policy, blockchain technology, financial stability, global finance.



International Conference on Economics, Finance, Banking and Management

Hosted online from Paris, France

Website: econfséries.com

24th September, 2025

Introduction:

For centuries, the evolution of financial systems has been constructed upon one new technological breakthrough after another, from the introduction of cash to the age of electronic banking. Today, digital currencies—described as electronic forms of value using blockchain or distributed ledger technologies—represent a new turning point of the epoch and a revolution for the world economy. In this article, we try to look deeply into the issue: how digital currencies, and in particular, the CBDCs issued by central banks alongside decentralized cryptocurrencies such as Bitcoin, are transforming monetary transmission, payment systems, and even the dynamics of financial inclusion. This issue is of great significance, because in 2025, digital currencies are expected to store value worth more than 10% of the projected global GDP, and will cause a ripple effect in global economy relationships, and cross-industry employment in fintech.

Globally, this topic is vital because more people are using digital technologies faster after the pandemic, while political and economic tensions also play a role. Advanced economies, such as European countries and the United States, grapple with privacy concerns and monetary sovereignty, while emerging markets in Asia and Africa leverage digital currencies for unbanked populations. For instance, in low-income regions traditional cross-border payments incur costs up to 6.5% of transaction value, making inequality even worse; meanwhile digital alternatives could reduce this by 50%. Locally in Uzbekistan and similar Central Asian economies, integration of digital currencies could improve trade habits with neighbors like China and Russia, fostering regional stability. This study provides a comparative perspective, highlighting inequality between advanced economies' focus on stability and emerging markets' emphasis on inclusion, to inform government while new technologies spread quickly.

Research data and methods: The study applies a mixed methods design such as synthesis of literature through qualitative methods and analysis of quantitative data to assess the importance of digital currencies. The main sources of data are reports by international organizations: the IMF Central Bank Digital Currency Virtual Handbook and 2025 Fintech Notes on technology solutions to work with limited-



International Conference on Economics, Finance, Banking and Management

Hosted online from Paris, France

Website: econfséries.com

24th September, 2025

connectivity environments; the World Bank's publications on fintech and emerging market finance; the BIS 2025 Annual Economic Report and surveys of central banks; and OECD analysis of the aggregate economic performance of digital finance. Additional sources are NBER working papers about the implications of financial stability of cryptocurrencies and CBDC Tracker by Atlantic Council regarding the measures of adoption by September 2025.

Quantitative data will include adoption rates, transaction volumes and macroeconomic indicators including GDP contributions and employment shifts and will be sourced using 2010-2025 panel data in 57 countries. These may involve comparative analysis to compare advanced (G7) and emerging economies (BRICS), SWOT framework to assess the strategy, and statistical data in IMF and BIS studies to correlate CBDC pilots with efficiency gains (20-30 percent). There were no primary surveys, but aggregation of secondary data was done to ensure the strength, and the limitation was accepted in wide-ranging reporting standards across administrative zones.

Literature review: The digital currency literature is an enormous field, with optimism about the new technology and scrutiny of systemic risks. Emerging research, such as that of the NBER, notes how cryptocurrencies can decentralize finance, but also indicate their volatility, such as Cong et al. (2022) in NBER Working Paper No. 30006 suggesting that decentralized finance (DeFi) can increase market efficiency but can also cause speculative bubbles due to the trustless nature of blockchain. Detailed balance-sheet analysis is provided in the 2024-2025 Fintech Notes of the IMF, in particular, Central Bank Digital Currencies and Financial Stability, which indicate that simulations in over 100 jurisdictions indicate that CBDCs can maintain payments stable in the case of crisis but can cause bank runs when not restricted.

This perspective is further developed by the World Bank (2020-2025), which includes reports such as Fintech and the Future of Finance under the topic of emerging markets that emphasizes the importance of digital currencies in financial inclusion. They approximate that stablecoins and CBDCs would reach 1.7 billion unbanked adults, reducing exclusion by 40 percent in low-income nations, yet others



E CONF SERIES



International Conference on Economics, Finance, Banking and Management

Hosted online from Paris, France

Website: econfséries.com

24th September, 2025

would fall even further behind due to the lack of digital access. OECD literature, such as the 2024 report on the Digitalization of Financial Services, has a macroeconomic perspective, concluding that fintech use correlates with 0.5-1 per cent GDP growth in OECD countries due to productivity increases, and has criticized the loss of privacy in CBDC designs. According to BIS surveys (2023-2025), the central banks around the world have a global perspective, as 94 per cent are already actively working on CBDCs, and there is no clear support or opposition to cross-border benefits or fragmentation risks.

All such sources, including IMF, World Bank, OECD, and NBER, indicate consensus on the possibilities of efficiency and inclusion, but also express concern about stability and control. There are still gaps in the long-term effects of employment and this article addresses this issue by providing an integrated analysis.

Results:

Recent empirical research indicates that there has been strong adoption and definite economic impacts of digital currencies. In 2025, 90 percent of central banks are considering CBDCs, compared to 86 percent in 2023, and 18 percent have ambitions to issue them to retail within three years. The emerging markets such as India where the digital rupee was exchanging up to 122 million by March 2025- an increase of 334 percent compared to 2024- uphold approximately 10 million transactions every month. Cryptos are used by 12.4% of all adults who are internet connected, and the use of stablecoins increases by 21.7% each year, with market revenue of \$85.7billion.

The effect of GDP and employment is also region-specific. CBDC pilots will boost GDP by approximately 0.5 -1% in advanced economies by facilitating more efficient payments, and by 1 -2% in emerging markets by increasing financial inclusion. The fintech employment is on the rise: blockchain jobs comprise approximately 2-3 percent of the total employment in the finance sector worldwide, yet automation might replace approximately 5 percent of the banking industry. In addition to this, the cost of remittance has also reduced by 2030 percent in CBDC corridors corridors, providing constituents in recipient nations with a 1.5 percent income increase.



International Conference on Economics, Finance, Banking and Management

Hosted online from Paris, France

Website: econfseries.com

24th September, 2025

Table 1: CBDC Adoption status by region (2025, BIS/Atlantic council data)

Region	Exploring/Piloting (%)	Launched (%)	Key Examples
Advanced Economies	85	5	Digital Euro (Pilot), e-CNY
Emerging Markets	95	15	Digital Rupee, e-Naira
Global Average	90	10	15 Projected by 2030

Table 2: Economic impacts of digital currencies (Selected metrics, 2020–2025)

Metric	Advanced Economies	Emerging Economies	Global Impact
GDP Growth Contribution (%)	0.5–1.0	1.0–2.0	0.8 (Projected 2025–2030)
Employment Change (Fintech Jobs, %)	+2.5	+4.0	+3.2 (Net Gain)
Remittance Cost Reduction (%)	15–20	25–35	20–30

These results, derived from IMF and World Bank datasets, underscore asymmetric benefits favoring emerging economies.

Discussion:

We find that digital money is somewhat a two-sided sword in the international finance. On the good side, they streamline things and make them more inclusive. CBDC adoption in such locations as India and Nigeria has reduced the number of days needed to conduct transactions to seconds and has contributed to 1-2 percent increase in GDP due to remittances which constitute 5-10 percent of their GDP. In developed economies, it is only between 0.5 and 1 percent of GDP but more focused on the stability of the economy, as the digital euro pilot by the ECB addresses illicit finance. The benefits of employment are also evident: fintech has generated approximately one million jobs across the globe since 2020, but these jobs are located in urban centers because of the skills bias.



E CONF SERIES



International Conference on Economics, Finance, Banking and Management

Hosted online from Paris, France

Website: econfseries.com

24th September, 2025

Challenges remain, though. In case the CBDCs are interest-paying, the bank disintermediation would strip deposits by 10-20 percent, as simulated by IMF. The GDPR-type privacy risks are a factor in high-income countries, and the rural infrastructure gaps restrict adoption to 2030% in the emerging markets. On the positive end, the savings of cross-border payments may be nearly 120 billion dollars every year, yet the geopolitical strains, such as U.S. vs. China rivalry, might shatter the systems. Therefore, we require ideas of adaptation that can utilize inclusion without increasing disparities.

SWOT Analysis:

<p>STRENGTHS</p> <ul style="list-style-type: none">- Huge increase in the speed of transactions and reduction of costs (imagine 20-30 percent off remittances).- Mobilize 1.7 billion unbanked individuals into the system and particularly in the emerging markets.- Provides central banks with real-time information hence no one has a bumpy transmission of monetary policy.	<p>WEAKNESS</p> <ul style="list-style-type: none">- Tech pitfalls- cyber threats and connectivity-related headaches in low-connectivity areas.- Decentralized crypto volatility can destroy trust.- Scattered laws across the globe make it a painful process to comply.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none">- International integration would reduce world friction and trade BRICS.- DeFi innovation generates new blockchain employment; it is expected to grow by approximately 3 -5%.- SDGs meets by driving forward inclusive digital finance.	<p>THREARS</p> <ul style="list-style-type: none">- The risks of financial stability such as bank runs or shadow banking would damage the system.- Geopolitical weaponization- consider CBDC sanctions in U.S.-led alliances.- Digital inequalities may increase the gap between developed and developing economies.

Conclusion:

In summary, the digital currencies are turning the money game in the world upside down because they are making the game faster, attracting a larger number of people, and igniting new thoughts all around. About 90 percent of central banks are already in the game and we are already reaping real GDP gains and gains on jobs. The developing countries are the ones who experience the lift most as it reduces the expenses and opens the gate whereas the more affluent are more concerned about



International Conference on Economics, Finance, Banking and Management

Hosted online from Paris, France

Website: econfseries.com

24th September, 2025

maintaining the status quo. Nevertheless, the mega bad guys are coming including banks being squeezed to the brink, privacy being lost and cyber-guys seeking mischief, so we must keep a close watch. The future of cross-border flows and fintech boom is enormous, although we should also observe the inequalities that accompany them.

To make it work, we must: (1) get the BIS and IMF on global standards to interoperability; (2) install privacy-enhancing technology to central bank digital-currency designs; (3) insert cash into digital infrastructure installations in emerging markets so we can close the gap; (4) pair government and companies in collaborations to cushion any fallout of job loss. Tugging these moves will serve to make a fair, solid financial future.

References:

1. Atlantic Council. (2025). Central bank digital currency tracker. <https://www.atlanticcouncil.org/cbdctracker/>
2. Bank for International Settlements (BIS). (2025). Bis annual economic report 2025. <https://www.bis.org/publ/arpdf/ar2025e.pdf>
3. Chainalysis. (2025). The 2025 Global adoption index. <https://www.chainalysis.com/blog/2025-global-crypto-adoption-index/>
4. CoinLaw. (2025). CBDC Statistics 2025: Growth, Adoption & Market Impact. <https://coinlaw.io/cbdc-statistics/>
5. Cong, L. W., He, Z., & Li, J. (2022). Cryptocurrencies and Decentralized Finance (DeFi) (NBER Working Paper No. 30006). National Bureau of Economic Research. <https://www.nber.org/papers/w30006>
6. International Monetary Fund (IMF). (2025). Technology solutions to support central bank digital currency with limited connectivity. <https://www.imf.org/en/Publications/fintech-notes/Issues/2025/08/07/Technology-Solutions-to-Support-Central-Bank-Digital-Currency-with-Limited-Connectivity-A-569259>
7. International Monetary Fund (IMF). (2024). Central bank digital currencies and financial stability. <https://www.imf.org/en/Publications/WP/Issues/2024/10/11/Central-Bank->



E CONF SERIES



International Conference on Economics, Finance, Banking and Management

Hosted online from Paris, France

Website: econfseries.com

24th September, 2025

Digital-Currencies-and-Financial-Stability-Balance-Sheet-Analysis-and-Policy-556246

8. Organisation for Economic Co-operation and Development (OECD). (2024). Digitalisation of financial services, access to finance and aggregate economic performance.

https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/08/digitalisation-of-financial-services-access-to-finance-and-aggregate-economic-performance_86d37dc7/10c7e583-en.pdf

9. World Bank. (2025). What does digital money mean for emerging market and developing economies?

<https://openknowledge.worldbank.org/entities/publication/b1b5c7ec-2056-56d6-a657-b9c3abb5eefb>

10. World Bank. (2016/2025 Update). Fintech and the future of finance.

<https://www.worldbank.org/en/publication/fintech-and-the-future-of-finance>