Power, Platforms & Participation

By Mayada El-Zoghbi

Foreword by Payal Dalal,

Global Executive in Social Impact and Philanthropy

Published by **Elevation Publishing Group, LLC.**
Cover design by **DeVasha Lloyd**

eBook ISBN: 979-8-9999460-0-3
Paperback ISBN: 979-8-9999460-2-7
Hardcover ISBN: 979-8-9999460-1-0

Printed in United States of America

Table of Content

Foreword

By Payal Dalal,

Global Executive in Social Impact and Philanthropy

We live in a world where technology can amplify opportunity or entrench inequality. Nowhere is this tension more visible than in the rapidly expanding digital economy – the fabric which connects individuals, businesses and data in an intricate network of value creation, innovation and exchange. *Power, Platforms & Participation* is a timely, compelling and easy-to-read exploration of the forces shaping this new economic frontier and, more importantly, a guide to ensuring that it works for everyone.

This book arrives at a crucial moment. It takes a complex topic - the intersection of technology, finance and inclusion - and translates it into clear, practical guidance that deepens understanding and sparks ideas for real world collaboration. Whether you're an entrepreneur, policymaker, development practitioner or simply someone curious about the digital age, you'll find yourself both informed and empowered by its insights.

At the heart of this book is a powerful message: access to the digital economy is no longer a luxury. It's a necessity. From basic financial transactions to entrepreneurs reaching new customers and managing inventory, to governments delivering social benefit payments, the digital economy is not just reshaping *how* people connect - but also determining *who* gets to be connected.

I've seen this transformation firsthand. Through the support of the Mastercard Center for Inclusive Growth and RISE, Champi, a 24-year-old garment worker in Cambodia, began receiving her wages digitally instead of in cash. With basic financial education and a safe place to receive her digital wages, she started saving each month and now feels more secure about her family's future. "If someone is sick, then I have savings to pay the hospital bill," she says. Stories like Champi's show how digital access can unlock opportunity, build resilience and bring more people into the formal economy. That is the promise and the imperative of digital inclusion.

But access remains uneven. Too many people are still being left out. *Power, Platforms & Participation* addresses this reality head-on. It unpacks the risks of digital exclusion and growing digital divides - gender, racial, geographic - and goes beyond diagnosing the problem, to offering promising, practical pathways forward. It highlights examples of how technology is already being used to monitor and manage risks - like scams, fraud and exclusionary algorithms - while pointing to solutions that prioritize safety and inclusivity.

It also holds actors accountable. From governments, private sector companies, civil society and global development organizations, everyone plays a role. In today's volatile economic and geopolitical landscape, we know that partnership is more important than ever. As the world navigates mounting headwinds, from economic instability to global conflict and rising inequality, no one can drive digital inclusion alone, and no one can afford to ignore it.

The good news is that inclusion is not just the right thing to do, it's good for business. Inclusion drives innovation, unlocks opportunity and strengthens economies – and *Power, Platforms & Participation* tells that story.

My vision for the digital economy is one where power is shared. Where innovation includes more voices, and where participation is not determined by where you were born, your gender or the color of your skin. *Power, Platforms & Participation* helps us move toward that vision, reminding us that digital tools are powerful, but that power comes with responsibility and accountability.

This message is bought to life by its author, Mayada El-Zoghbi. Few people are better positioned to write this book. With over two decades of leadership in economic development, inclusive finance and market systems, she brings a rare combination of intellectual rigor, practical experience and global perspective. I have had the privilege of watching Mayada in action, as a researcher who leads with the hard questions and as an advisor whose guidance has shaped programs and organizations around the world. In each of these roles, Mayada has carried an unwavering commitment to building systems that serve everyone, and this shines in every chapter of *Power, Platforms & Participation.* This book is not just informed by her experience; it is shaped by her belief in the transformative potential of inclusion.

I admire that this book ties many threads together – digital finance as the gateway and civil society, private sector and public institutions as disruptors and architects of fair, competitive and safe digital economies. It also keeps a focus on concrete solutions, offering a hopeful, grounded vision on how digital systems can serve everyone, not just those already connected.

I hope you take its message to heart, and more importantly, that you take its ideas into action.

Chapter 3

Gateway to the Digital Economy: Digital Finance

"Digital financial inclusion" can be defined broadly as digital access to, and use of, formal financial services by excluded and underserved populations. Such services should be suited to customers' needs, and delivered responsibly, at a cost affordable to customers and sustainable for providers. There are three key components of any such digital financial services: a digital transactional platform, retail agents, and the use by customers and agents of a device, most commonly a mobile phone – to transact via the platform."

Tim Lyman and Kate Lauer, CGAP

Every industry has been affected by the digital economy. Hollywood movies are challenged by streaming services. Newspapers are challenged by social media and influencers who drive the news narrative. The financial services industry is in the midst of transformation, both from within as financial services players themselves take on digital tools and channels to adapt to the new age and from without, where technology companies, FinTechs and non-finance companies (like ride hailing or e-commerce) embedding finance into their operations are chipping away at customers who are either unhappy or were never served in the first place by the traditional financial system. Where banks were the entry point into the financial system, today the gateway is any payment, whether it's using an app or swiping a QR code.

The data that is produced by these seemingly innocuous transactions are paving the way for more complex products such as credit and insurance.[52]

The promise that technology can transform finance is enormous. It can reduce transaction costs. It can completely sidestep physical infrastructure. It can make people without credit histories or collateral become credit-worthy by using their transaction data. In a nutshell, its promise is about making the financial system more inclusive. And an inclusive financial system is what opens up broader participation in the economy. The ride-hailing apps work primarily because they allow the rider to pay electronically, and the company can see those transactions, take their share, and pay the driver their share. Or at least that's the promise.

More people are included in the financial system than ever before

Data from the World Bank Findex tells us that technology is indeed expanding access. During the period 2011 to 2024, account access for adults increased by more than 50 percent globally, now reaching 79 percent of adults. And the gender gap between men and women, which had been stuck at nine percentage points for nearly a decade finally dropped to five percentage points in 2025 in low- and middle-income countries. With countries like India, the gap in account ownership has been completely eliminated.[53]

Undeniably, the COVID pandemic had a massive push for digital adoption. As governments-imposed restrictions on in-person interactions while simultaneously launching the largest social transfer schemes to help individuals and firms survive the pandemic, more and more people in developing countries opened digital wallets and bank accounts in order to transact and receive government payments.

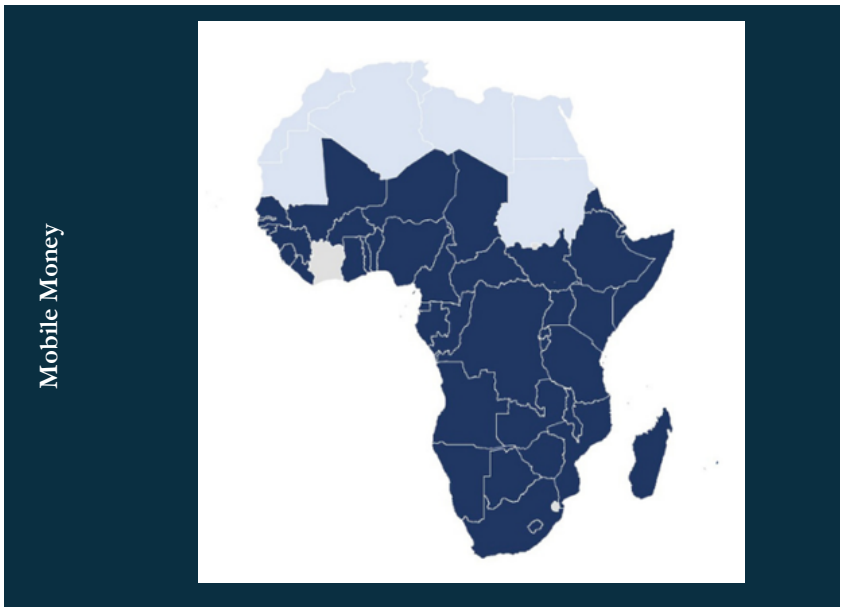
[52] Economist, *As payment systems go digital they are changing global finance* (Economist Special Report, May 15, 2025).
[53] Findex 2024

According to the latest Findex, approximately 61 percent of adults globally made or received a digital payment. This includes using a card, phone or the internet. [54]

What's driving digital finance around the world?

There are now more than 1.7 billion registered mobile money accounts globally, according to GSMA's latest State of the Industry Report.[55] While the rate of growth has slowed somewhat, it is still a respectable 12 percent growth rate from 2021. Mobile money has been a major driver of formal financial service access and usage, particularly in Sub-Saharan Africa. The story is somewhat different in other regions of the world. E-commerce companies and ride-hailing – collectively known as platforms- are driving usage in Asia. In Western nations, where banks and credit cards are already quite dominant, BigTechs and FinTechs are the main drivers of new solutions.

Figure 1: Actors driving inclusive digital finance in different regions of the world



[54] Ibid

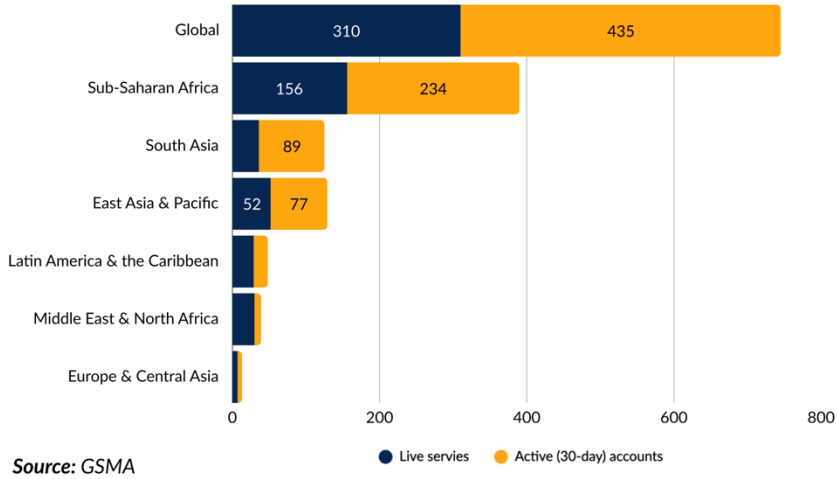
[55] GSMA, *The State of the Industry Report on Mobile Money* (GSMA, 2024).

Figure 2 below shows the extent of mobile money service in SSA as compared to other regions of the world. In fact, SSA accounts for half of the entire global mobile money deployment. SSA also has the largest number of accounts, at 835 million. It is a region where not only does the number of services proliferate, but also the volume of transactions is the highest in the world at US$912 billion.

The rise of mobile money in SSA is attributed to several key important differentiators:

- An enabling regulatory framework where regulators allowed mobile network operators to offer wallets without banking licenses. This compared to other regions where typically banks controlled all financial services.
- Large unbanked populations also had access to mobile phones. This latent demand meant that customers were ready to meet their needs through new channels.
- Fierce competition among mobile network operators that were looking for ways to differentiate themselves and create stickiness with their customers. Offering mobile money allowed them to address other pain points their customers faced.

Figure 2: Regional growth of mobile money 2024 (and growth since 2023)



Source: *GSMA*

Embedded finance - every firm is now a finance firm

While in SSA mobile money has led the way to digital finance and the digital economy, in East Asia and the Pacific, platform companies have been the biggest driver of uptake. Platforms include e-commerce, ride-hailing, and other digital services that bring demand and supply together.

Nowhere has this been more pronounced than in China, where companies like Alibaba, which owns Ant Group, is one of the largest payments and financial services companies in the world, considered to be the 6th largest. Ant Group serves over 1.6 billion buyers and 90 million merchants.[56] Ant Group is not only focused on payments, but also offers credit, investment, insurance, foreign exchange, and international transfers.

Across Asia, e-commerce is driving the usage of digital financial services. After China, both India and Indonesia have robust e-commerce markets. In Indonesia, one of the most successful e-commerce platforms is Bukalapak. It started in 2010 as an online marketplace for small enterprises, helping them source, supply and access customers. The company now serves over 100 million customers and 7 million merchants. It's evolved and is now a super app offering financial services, logistics support, business-to-business services, and support for both online and offline retailers.[57]

In India, companies like FlipKart dominate in e-commerce with 100 million users and 80,000 merchants; PayTM in financial services with 300 million users and 21 million merchants;[58] and Ola in ride-hailing, accounting for around 65 percent of the market share of the ride-hailing business in India.[59]

BigTechs and FinTechs

In Europe and North America, where most consumers already have bank accounts and credit cards, the allure of mobile money has not been as compelling. Instead, banks offer digital banking apps and the BigTech players, such as Google and Apple, offer digital wallets where consumers can store their credit card data or link to their bank accounts.

---

[56] Asian Banking & Finance, *Ant Int'l sees growth in 4 divisions, Alipay+ holds 1.6 billion users* (Asian Banking & Finance, January 2025).
[57] Mulia, Kamila, *The 9-year journey of Bukalapak: Growing beyond e-commerce (*KrEurope, January 2019).
[58] Digital Vidya, *Top Startups In India 2025: Business Model Explained* (Digital Vidya, *December 2024).*
[59] Product Monk, *How did Ola become this big?* (Product Monk, August 2024).

FinTechs have emerged where there are pain points in the current financial systems, mostly linked to transfers between people, services for small merchants, international transfers and retail investing.

PayPal, Venmo and a host of other such FinTechs enable friends to split the bill or people to pay small merchants quickly without waiting days for a payment to clear through the financial system.

Sending money internationally has been another pain point where international transfers can take a week and can be quite costly. Sending $200 internationally can cost a U.S.-based customer $12.80, or approximately 6.4 percent.[60] Companies such as Remitly and Xoom (owned by PayPal), offer much faster and cheaper options. Remitly, for example, charges only $1.99 for transfers from the U.S. to Mexico and $3.99 for transfers to India. For large transfers over $1,000, it even waives the fees.[61]

Supporting small merchants with digital payments is another vibrant space where FinTech and BigTech innovations have proliferated in the U.S. and Europe. In the U.S., companies such as Stripe and Square offer tailored solutions for small merchants. Square offers point of sale hardware and software and also supports small merchants with bill payments, payroll and access to credit. Square also works in Europe through Square International.

Mollie, a Dutch FinTech, supports local EU payment methods such as iDEAL, SEPA, or PayPal, and allows simple integration without complicated setup. It has limited onboarding and doesn't lock customers into the service.[62]

[60] Migration Data Portal
[61] Remitly.com
[62] The European Payments Experts, *8 best stripe alternatives for European businesses*.

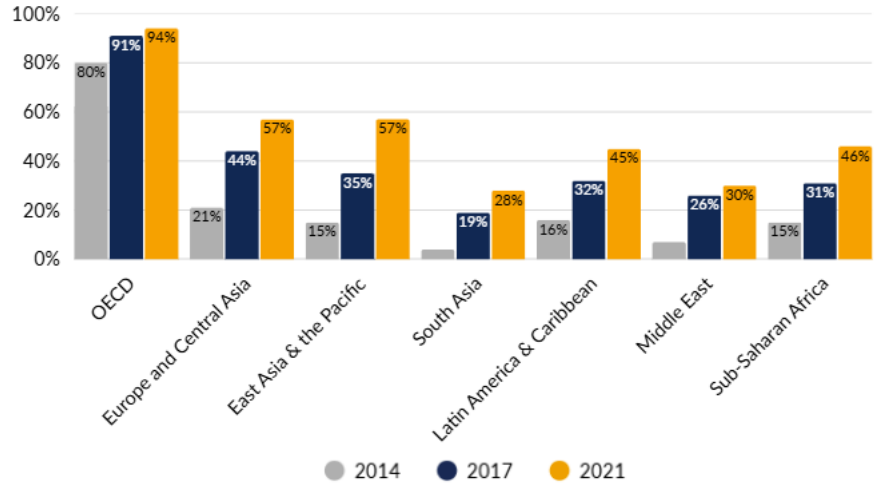
Connecting low-value retail investors is another area where FinTechs have played a big role in Europe and North America. Perhaps no other FinTech has received as much attention as Robinhood.[63] It offers free trading for U.S. equities, ETFs, options (no per-contract fees), and crypto assets. It also offers fractional shares allowing investors to own as little as $1 in a company. While Robinhood has been controversial with several outages in 2020 linked to excessive trading of meme stocks like GameStop and its inability to meet clearinghouse collateral requirements, it continues to flourish in the U.S., especially among young and previously unbanked consumers.

Payments are the gateway product

Whether it's the convenience of shopping online or tapping your card or phone at the local bodega, the path to using digital finance is typically a payment transaction. Figure 3 below depicts the massive rise in payment usage in different regions of the world. OECD countries are clearly well ahead of the rest of the world, but Eastern Europe, and East Asia and the Pacic regions are showing remarkable growth in the use of digital payments. Latin America and SSA are not too far behind.

[63] Bankrate, *Robinhood review 2025* (Bankrate, June 2025).

Figure 3: Usage digital payments at least once a year



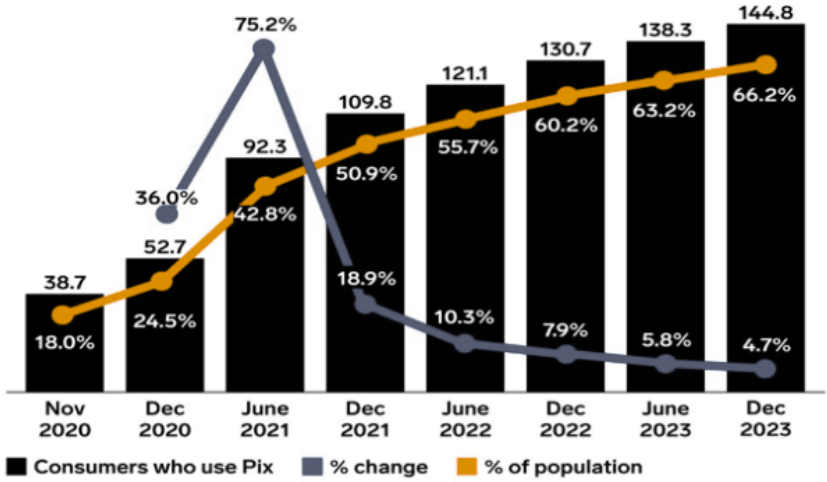
Source: *World Bank*

Typically, digital payments usage is accelerated by important investments in fast payment systems. This is a trend around the world, best depicted by PIX in Brazil. Usage of PIX has been astronomical as seen in Figure 4. In just three years usage has gone from 18 percent of the population to 63 percent of the population. PIX is a secure instant payment system that's available 24 hours a day and is free for individuals and only costs 0.33 percent for merchants. This lower price point is significant compared to 1.13 percent for debit cards and 2.34 percent for credit cards.[64]

[64] IMF, *Pix: Brazil's Successful Instant Payment System* (IMF, July 2023).

Figure 4: Usage of PIX in Brazil between Nov 2020-Dec 2023

Millions, % change and % of population



Source: IMF

Once a laggard, Egypt is a country that is replicating global trends in digital payments. In April 2022, the Central Bank authorized InstaPay which now has over 12.5 million registered users and a volume of 2.9 trillion Egyptian pounds (more than $57 billion) by the end of 2024.[65]

Cash is still essential

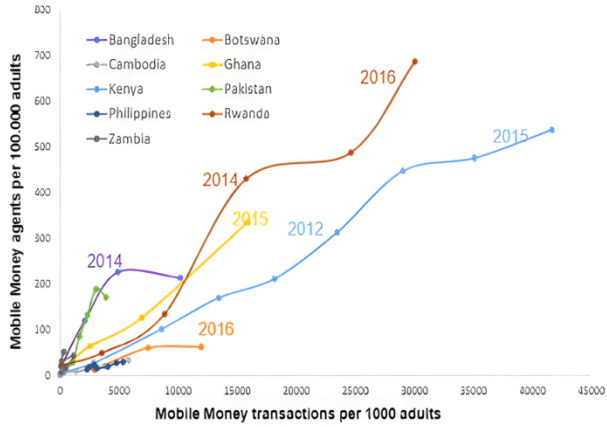
Despite the marked increase in digital finance around the world, the use of cash is not yet dead and it's unlikely to ever be. Research by CGAP on cash-in, cash-out (CICO) agents align closely with the uptake of digital payments (See Figure 5).[66] The more agents there are to load wallets with cash and to take out cash to use for school payments, utility bills or give to your children, the more likely people are to use digital finance.

[65] Central Bank of Egypt, *Central Bank of Egypt Issues New Decrees for Extending the Exemption of Individuals from Transfer Fees via Instant Payment Network and InstaPay Application for a Renewable Period of 3 Months* (Central Bank of Egypt, December 2024).

[66] Hernandez, Emilio and Blackburn, Christopher, *Agent Networks at the Last Mile* (CGAP, September 2020).

A major reason for this correlation is the fact that in many developing countries, digital literacy is still limited among certain groups. Many low-income people are also in informal work where payment is still in cash. Imagine a house cleaner or a market vendor in a rural community; it's likely they are still operating in cash. Even in developed markets like the U.S., the use of cash has remained stable and digital payments are disrupting checks rather than cash.[67] Furthermore, for small and informal businesses, cash remains the best way to avoid taxation and scrutiny by tax authorities.

Figure 5: Mobile money use increases with the availability of CICO agents in 9 markets



Source: *Proximity Matters, Five Case Studies in Closing the CICO Gap, CGAP, 2018*

Governments have been important enablers

Digital finance has taken off in countries where governments have played an important enabling role. India is probably the most well-known case of the government taking a proactive vision and investing in digital public infrastructure that has laid the groundwork for private sector innovation.

[67] CGAP, *Cash Is King in Merchant Payments* (CGAP, October 2019).

Central Banks have been keen to test and learn from new innovations using regulatory sandboxes. The concept emerged in the UK in 2016, when the Financial Conduct Authority (FCA), encouraged financial services providers to test their products live with consumers but in a confined and safe space. All types of providers were encouraged, whether regulated or unregulated and included FinTechs, big banks (e.g., Barclays, HSBC, Nationwide), and BigTech companies.[68] By 2020, CGAP identified 16 regulatory sandboxes around the world, hosting 134 companies. As of 2025, the IMF reports over 95 regulatory sandboxes, while other sources estimate even higher numbers.[69]

Risks are also rising

Despite this tremendous transformation that is happening in the financial sector, which is expanding access to new users in every corner of the world, the risks are also proliferating. In some markets, the growth has been so phenomenal and out of step with the government's ability to supervise, eliciting some governments to step in to slow down progress. Most notable was the Chinese government's decision to halt the planned flotation of Ant Group in November 2020.[70] Meta's foray into finance[71] through the launch of its online currency, Libra and later called Diem, was also halted.[72]

In low and middle-income countries, the risks to consumers continue to escalate and regulators and supervisors have been less aggressive in stepping in. Risks for low-income users come from many directions, whether it's the technology itself, the agents they need, or the lack of recourse given the number of players who are now in the value chain of every transaction.

---

[68] Jenik, Ivo and Lauer, Kate, *Regulatory Sandboxes and Financial Inclusion* (CGAP, October 2017).
[69] Bains, Parma and Wu, Caroline, *Institutional Arrangements for Fintech Regulation: Supervisory Monitoring* (IMF, 2023).
[70] The Banker, *Ant's IPO halt marks shift for China's fintech scene* (The Banker, January 2021).
[71] Previously Facebook
[72] Nijland, Shikko and Lycklama, *Douwe, Why trust and timing were key libras downfall (*INNOPAY, August 2022).

CGAP's research on mobile money points to several worrying trends since 2015; the rise of fraud, data misuse, and inadequate redress. Also of concern is the lack of transparency by many of the providers in the digital finance space.[73]

One of the most striking concerns is the rise in fraud since the pandemic. A study by researchers in Switzerland tracking apps in 71 countries found that "most downloaded mobile apps in a number of countries following the outbreak of COVID-19 include finance-related apps that show signs of being either predatory or entirely fraudulent." The apps were shadowing government cash transfer programs as a result of the pandemic, aiming to get people's private data.[74]

Another growing concern is over-indebtedness: with digital credit, borrowing is now as easy as a click. In 2016, the Center for Effective Global Action (CEGA) at the University of California, Berkeley created the Digital Credit Observatory with funding from the Gates Foundation to better understanding the effects of digital credit on low and middle-income countries. Research by CEGA affiliates in Malawi finds that consumers using digital credit are not fully aware of the loan terms or conditions and thus often pay late without realizing the substantial implications financially and on their credit histories.

Over 47 percent of borrowers repay their loans fully but do so late, and in turn incur effective interest rates of 27 percent as compared to the 10 percent had they paid on time.[75]

---

[73] Mulenga, Marjorie, Duflos, Eric and Coetze, Gerhard, *The Evolution of the Nature and Scale of DFS Consumer Risks: A Review of Evidence (*CGAP, February 2022).
[74] Fu, Jonathan and Mishra, Mrinal, *Combating the Rise in Fraudulent Fintech Apps (*CFI, December 21, 2020).
[75] Dupas, Pascaline, et al.**,** *The impact of digital credit in low-income countries* (VOXEU, March 8, 2022).

Other researchers exploring digital credit markets in Côte d'Ivoire, Ghana, India, Kenya and Tanzania, find that consumers in Ghana and Kenya are highly likely to take up digital credit (80 percent and 54 percent respectively) and that there is a greater likelihood of financial delinquency when these borrowers take up digital loans than those who take traditional loans from a financial institution.[76]

Sometimes, customers are borrowing without even knowing it. For example, there is massive growth in buy-now, pay-later (BNPL) payment options which most individuals do not realize are credit. In the U.S., there is rapid uptake of BNPL payment options and this has led to an increase in overall spending. Researchers looked at transaction data before the introduction of BNPL and after and found that purchasing decisions went from 17 percent to 26 percent after BNPL was introduced.[77]

Using technology to monitor and address risks

Increasingly, regulators and supervisors are waking up to the emerging risks and are investing in how technology can help them keep up with the scammers and fraudsters. One of the most important investments supervisors are making is improving market monitoring and recourse systems, which help them track the kinds of risks that are happening in the market while also enabling them to get the data they need to course correct.

The Bank of England, always at the forefront of innovation, has been collaborating with the BIS Innovation Hub's London Centre in a project called Project Hertha**.** The initiative is a pilot using AI to detect suspicious behavior and illicit networks in real-time payment flows. Monitoring these transactions, the initiative was able to increase illicit

[76] Storchi, Gianluca, *Does digital credit lead to over-indebtedness? Evidence from a study* (GSMA, February 24, 2025).
[77] Ang, Dionysius and Maesen, Stijn, *How "Buy Now, Pay Later" Is Changing Consumer Spending* (Harvard Business Review, November 26, 2024).

account detection by 12 percent and improve the identification of new financial crime patterns compared to traditional methods by 26 percent.[78]

In developing countries, one of the most successful initiatives to monitor market conduct has been undertaken by the Philippines Central Bank, which developed a chatbot called BOB, which stands for BSP (Bank Sentral NG Pilipinas) Online Buddy. Consumers can submit their complaints through various channels including BSP Facebook, the BSP mobile app, or BSP webchat. Traditional channels, like submitting a form via email or online, are also feasible. By collecting real-time complaints, the Central Bank can identify concentrations of risk and then focus its supervisory efforts on those actors with the highest numbers of complaints. The use of BOB has greatly increased efficiency of handling consumer complaints. In 2020, BOB handled only 15 percent of cases, but this surged to 58 percent by the second quarter of 2021;[79] by 2024, BOB was handling 95 percent of consumer complaints.[80] The rapidity of the complaint processing has resulted in increased consumer trust and adoption. Furthermore, 69 percent of users are satisfied with the process.[81]

The Central Bank of the Philippines is also prioritizing efforts to improve consumer awareness of fraud and scams. Box 1 below is an example of the type of information that the Central Bank is issuing to consumers to help them stay ahead of the scammers.

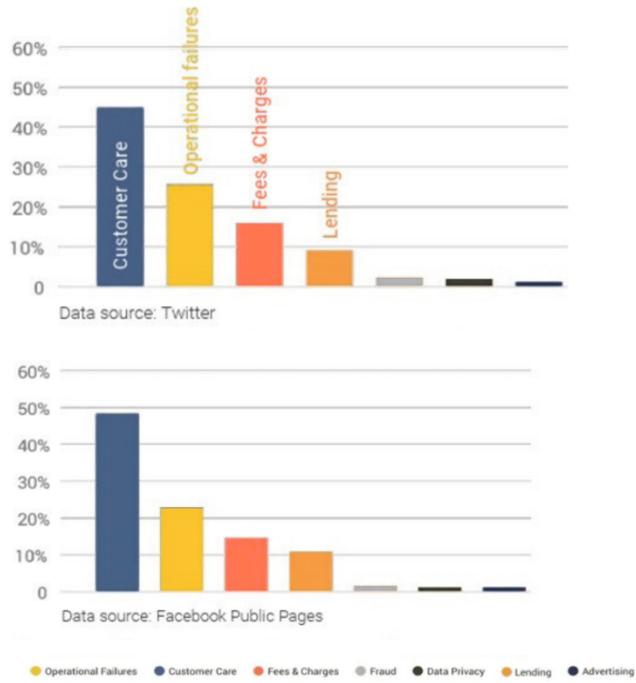
[78] Lacovcich, Silvia, *Bank of England trials AI to detect fraud in real-time payments (*FSTech, June 2025).
[79] Philippines Information Agency (PIA), *More financial consumers tapping BSP's chatbot* (PIA, July 23, 2021).
[80] Reyes, Maria Asumpta Estefanie C., *BSP emphasizes online assistance availability for financial consumers (*PIA, September 9, 2024).
[81] Philippines Information Agency (PIA), *More financial consumers tapping BSP's chatbot* (PIA, July 23, 2021).

Box 1: Improving consumer awareness of scams and fraud in the Philippines

Source: BSP.gov

Academics have been monitoring social media chatter to help detect fraud and scams. Innovations for Poverty Action (IPA) analyzed social media posts (Twitter and Facebook) and online reviews (Google Play Store) to track potential scams and other abuses on FinTech apps. The research focused on three countries: Kenya, Nigeria, and Uganda. They categorized complaints into seven categories including customer care issues, operational failures, fees & charges, fraud, data privacy, lending issues and advertisements. Figure 6 below captures the main findings, with customer care the highest area of concern for users followed by operational challenges. Using social media monitoring presents an interesting and relatively low-cost method for regulators and supervisors to identify potential areas of risks. The method can help identify spikes in complaints by specific user segments or with specific institutions signaling concerns and potentially warranting heightened supervision.

Figure 6: Analysis of customer complaints in Kenya, Nigeria, and Uganda



Source: *IPA*

Offering safer payment alternatives

Digital currencies have proliferated widely, and adoption has been surprisingly high in some developing countries, particularly those with high inflation. For example, in 2025, nearly 41 percent of adults in Nigeria either used or held cryptocurrencies. This is one of the highest rates in the world and is mostly a result of the high inflationary environment and the waning of the naira.[82] But in other countries, like Vietnam, over 20 percent of the population held cryptocurrencies mostly for remittances or e-commerce purchases.[83]

[82] Financial Times, *Transcript: The ABCs of CBDCs* (Financial Times, August 2024).
[83] CoinFlexify, *The Growing World of Cryptocurrency: Global Adoption Trends in 2025* (CoinFlexify, April 2025).

Cryptocurrencies are proliferating in countries where there is limited trust in central authorities, offering users a completely decentralized and anonymous way to transact.

The risks of cryptocurrencies have been widely discussed, given the massive drop in Bitcoin prices (from $69,000 in 2021 to $17,000 in 2022)[84] and the crypto 'winter' that took place in 2022-23. The market crash of stable coins (Terra ecosystem) wiped out $45 billion in market value in just a few days.

As unregulated securities, cryptocurrencies may appear to be a great solution to hedging local currencies or facilitating international transfers, but they pose many risks, particularly for low-capacity consumers.

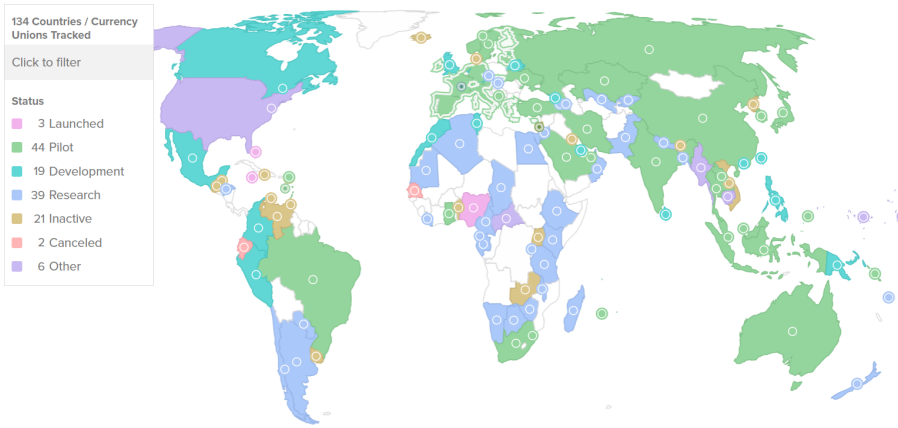
No country went as far as El Salvador with cryptocurrencies which officially adopted Bitcoin as legal tender in 2021. The government believed that formal adoption of Bitcoin by the state would encourage investment, remittances, and financial inclusion. However, usage of Bitcoin, despite government backing, was still limited with only 1 percent of remittances using the cryptocurrency. Trust in the currency was still not prevalent, and government backing did little to bolster this trust. Later, the IMF required El Salvador to scale back its Bitcoin experiment to access its much needed $1.4 billion assistance package.[85]

Many countries have opted to mitigate the risks of cryptocurrencies by offering their own digital currencies to serve as a safer, regulated option. According to the Atlantic Council (See Figure 7), there have been three full-scale central bank digital currency (CBDCs) launches (Nigeria, Jamaica, the Bahamas), while 44 are in pilot phase, and many others are either in development or research phases.

[84] Kerner, Sean Michael, *Crypto winter explained* (TechTarget, June 2023).
[85] Hernández, José Ignacio, *In El Salvador, Bitcoin's Retreat Left Valuable Lessons* (Americas Quarterly, March 17, 2025).

While CBDCs represent an alternative to cryptocurrencies, they remain in the hands of central authorities and thus are perceived as potentially risky in another way, they could enable surveillance by the state. Thus, they do not fully replace the decentralization and anonymity offered by cryptocurrencies.

Figure 7: Where central banks have issued digital currencies



Source: Atlantic Council, CBDC Tracker

Gateway to the digital economy for many users

Digital payments have been one of the clearest pathways to connecting people to the digital economy. But ensuring that the digital financial system is accessible and safe for all types of users, particularly those with limited capacity, remains a challenge. The speed at which technology is evolving is exponential, while consumers, regulators, and supervisors may lag in their ability to keep up with these innovations. Harnessing technology to address this gap needs to be a priority if the financial system, and the digital economy at large, is one that is responsible and safe for all types of users. At the same time, we must acknowledge the barriers that exist for many users and look for alternative solutions that enable them to prosper, regardless of their digital footprint.