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Currency stablecoins as an enabler of emerging economies

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ABSTRACT

Stablecoins are a type of cryptoassets that were developed to provide greater stability to the crypto market by being based on a currency such as the dollar. The foregoing allowed investors to have a new form of coverage against the high volatility of other cryptoassets such as Bitcoin or Ether. The evolution of stablecoins has been relevant in terms of capitalization volumes, as of september 2020, the market capitalization of dollar-based stablecoins alone represented US\$20.22 billion and, as of September 2022, it already reached US\$152.8 billion. This is because stablecoins have found other types of functionalities such as remittances, loans, and even long-term investments. Although the issue of stablecoins has generated concern for governments in terms of financial stability, what is a fact is that a stablecoin developed with the appropriate mechanisms and policies can be an economic booster, mainly for countries that have levels of high levels of hyperinflation, mainly in Latin America. In this research work, the potential of stablecoins is presented, as well as the areas of opportunity and the risks that must be considered at the time of their issuance.

KEYWORDS stablecoin; cryptoassets; blockchain; CBDC

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