

In Search of Theories of Digital Currency Economics: A Taxonomy of Viewpoints for Empirical Analysis

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Abstract

This study addresses a significant gap in digital currency economics by developing a standardised taxonomy of theoretical viewpoints to enhance clarity, coherence, and applicability in policy and research. The field of digital currency economics has seen a proliferation of theories, yet lacks a structured categorisation system that integrates these theories into a unified research framework. By employing a qualitative, four-step systematic content analysis, the study examines existing literature to identify core principles and recurring themes, categorising digital currency viewpoints across nine distinct theoretical frameworks. These include the proposed Digital Currency Theory of Inclusive Globalisation, which addresses the socioeconomic potential of digital currencies, and the Theory of Digital Currency Environmental Sustainability, which emphasises ecological considerations. The proposed taxonomy serves as a structured lexicon that simplifies the integration of digital currency theories into academic and policy discussions, enhancing cross-disciplinary discourse. This foundation not only facilitates informed policy decisions but also fosters innovation in digital currency applications and offers a framework for advancing empirical research in this evolving field.

Keywords

Digital Currency Economics, Taxonomy of Viewpoints, Inclusive Globalisation, Environmental Sustainability, Monetary Policy, Financial Sustainability

1. Introduction

Digital currencies have transformed from a niche innovation into a significant global financial instrument. Initially introduced through Bitcoin's decentralised,

peer-to-peer design, digital currencies now include a spectrum from cryptocurrencies to central bank digital currencies (CBDCs) that central banks worldwide are actively exploring. However, the theoretical understanding of digital currencies remains fragmented, probably because perceptions and opinions in digital currency economics are diverse and rapidly evolving, yet lack clear categorisation, making it challenging to integrate these theories into economic policy discussions. Thus, despite a proliferation of theoretical viewpoints on digital currency, the absence of standardised terminology creates ambiguity and hinders cross-disciplinary discourse. This inconsistency complicates the development of cohesive research frameworks, limits policy discussions, and creates barriers for newcomers to the field. A more challenging problem is that without a structured taxonomy, the risk of policy misinterpretation or oversight increases.

This study aims at developing a standardised lexicon for theoretical viewpoints in digital currency economics by analysing existing literature, identifying recurring themes, and proposing unique, descriptive names for the various viewpoints. Thus, this paper is designed to develop a taxonomy for digital currency theoretical frameworks, categorising and naming key viewpoints based on their underlying principles, economic implications, and alignment with traditional monetary theories.

This taxonomy provides a structured basis for policymakers and researchers to understand and apply digital currency theories in a coherent manner. A standardised lexicon for the various opinions and perceptions is essential to enhancing communication within the digital currency research community, streamlining future studies, and making it easier for policymakers and educators to discuss digital currency implications. This paper establishes foundational terminology that can evolve as digital currency theories mature. By categorising and naming these frameworks, this study supports more informed policy decisions and improves interdisciplinary research cohesion. Achieving consensus on theoretical viewpoints can strengthen the academic foundation of digital currency research, support regulatory clarity, and enhance the development of educational materials. This paper provides a unified platform that facilitates clearer communication and more robust, evidence-based policy frameworks.

Section 2 presents the literature and methodological issues, Section 3 summarises the results and discussions, which are essentially the proposed theories, and Section 4 concludes with an emphasis on contribution to knowledge.

2. The Literature and Methodological Approach

A qualitative four-step systematic content analysis using a theoretical taxonomy framework on digital currency theories was followed, as shown in **Figure 1**.

For category development and theoretical taxonomy construction, the study organised the identified themes into distinct theoretical categories to develop a taxonomy. This taxonomy categorises digital currency viewpoints by key principles, allowing a structured analysis. Each category corresponds to a specific perspective in digital currency research.

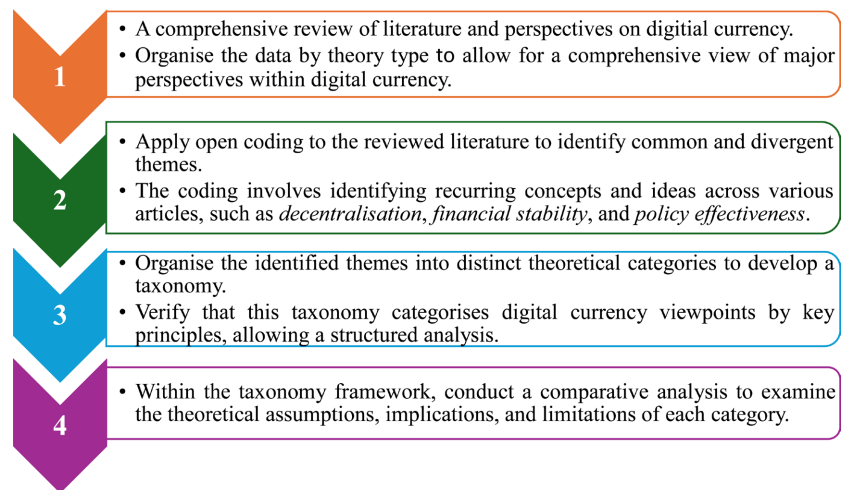


Figure 1. Procedure for systematic content analysis and taxonomy framework construction.

Box 1: Illustrative Examples

Autonomy and Decentralisation: Describes the self-governing nature of digital currencies and their potential to bypass central authorities.

Centralisation and Control: Encompasses theories focusing on CBDCs and central bank regulation of digital currencies.

Financial Stability: Investigates how digital currencies impact traditional financial systems and stability, focusing on disintermediation.

Economic Utility: Examines the functional roles of digital currencies as mediums of exchange or stores of value.

Environmental Impact: The Theory of Digital Currency Environmental Sustainability (TDES), assessing digital currencies' ecological footprint and promoting sustainable practices.

A comparative analysis to examine the theoretical assumptions, implications, and limitations of each category was conducted. This allows for an assessment of how different viewpoints relate to or diverge from traditional monetary theories.

Box 2: Analysis Examples

Autonomy vs. Control: The study compared how decentralised cryptocurrencies (e.g., Bitcoin) foster financial independence (Narayanan, Bonneau, Felten, Miller, & Goldfeder, 2016), whereas CBDCs reflect a controlled framework emphasising regulation and policy (Bordo & Levin, 2017).

Stability and Functional Utility: We assessed how functional utility theories view digital currencies as viable money (Yermack, 2015), while stability theories (Corbet, Lucey, Peat, & Vigne, 2018) address volatility concerns affecting economic reliability.

3. Results and Discussions

3.1. The Proposed Theories of Digital Currency Economics

3.1.1. Decentralised Autonomy Theory

Satoshi Nakamoto (Nakamoto, 2008), credited with introducing Bitcoin, pro-

posed the decentralised, peer-to-peer nature of cryptocurrencies. In a contribution, [Narayanan, Bonneau, Felten, Miller & Goldfeder \(2016\)](#) provided a comprehensive analysis of cryptocurrency technologies, and [Yermack \(2015\)](#), discussed the decentralisation of digital currencies and its challenges to traditional financial systems. The decentralised autonomy theory represents the foundational ideas around cryptocurrencies, focusing on how digital currency decentralised structure enables financial autonomy. The theory addresses how cryptocurrencies, particularly Bitcoin, operate independently of central monetary authorities, with implications for control, governance, and resilience in financial systems.

3.1.2. Central Bank Digital Currency (CBDC) Control Theory

This viewpoint encapsulates the theoretical framework that explores the benefits and limitations of CBDCs. The theory emphasises central bank control, regulatory oversight, and the potential for CBDCs to enhance monetary policy effectiveness, financial inclusion, and stability within regulated economies. The lead proponents of this theory [Bordo & Levin \(2017\)](#), examined the role of CBDCs in enhancing monetary policy effectiveness while maintaining regulatory oversight. [Auer, Frost, Gambacorta, Monnet, Rice & Shin \(2021\)](#) support this theory by exploring the potential of CBDCs for increasing financial inclusion and improving payment systems. In a related contribution, [Bindseil & Panetta \(2020\)](#) discussed the technical and financial stability implications of CBDCs.

3.1.3. Digital Currency Functionality Theory

[Yermack \(2015\)](#) pioneered this theory in a study that evaluated digital currencies in the context of traditional money functions, typically medium of exchange and store of value. [Selgin \(2015\)](#), and [Berentsen & Schär \(2018\)](#) are other notable contributors to studying how regulatory and technological factors impact the effectiveness of digital currencies in fulfilling these roles.

This theory addresses how digital currencies impact the traditional functions of money: medium of exchange, store of value, and unit of account. The theory highlights how factors such as volatility and transaction efficiency influence these functions, with models that analyse the economic roles of digital and traditional currencies.

3.1.4. Algorithmic Issuance Stability Theory

To capture the dynamics of digital currency issuance, particularly for cryptocurrencies, this theoretical perspective focuses on algorithm-based issuance mechanisms and protocols that control currency supply and manage price stability. Thus, the algorithmic issuance and stability theory examines the stability protocols (e.g., stablecoins) needed to counteract volatility and support valuation models.

This perception was pioneered by [Nakamoto \(2008\)](#) who designed Bitcoin's algorithmic issuance model, providing a fixed supply and decentralisation. [Cong & He \(2019\)](#) contributed to the development of this theory by examining blockchain protocols for controlled issuance and circulation. In this same spirit, [Corbet, Lucey, Peat & Vigne \(2018\)](#) analysed the challenges of valuation due to speculative

demand, particularly within algorithm-based issuance models.

3.1.5. Disintermediating Financial Risk Theory

This theoretical perspective examines how digital currencies impact traditional financial intermediaries, such as banks, and the resultant exposure to financial risks. This theory addresses both the positive aspects of reduced transaction costs and the potential risks to financial stability as digital currencies disrupt conventional banking roles.

[Bindseil & Panetta \(2020\)](#) expressed this viewpoint by discussing the disintermediation effects of digital currencies on the banking sector, highlighting the potential instability caused by diminished banking roles in payment processing. Similarly, [Frost, Gambacorta, Huang, Shin & Zbinden \(2020\)](#) advanced this theory by studying the changing financial intermediation structures due to digital currencies. [Auer & Claessens \(2020\)](#) also explored how cryptocurrency networks challenge traditional monetary control with implications for financial volatility.

3.1.6. Digital Economy Monetary Policy Transmission Theory

Lead proponents, [Bordo & Levin \(2017\)](#), explored how CBDCs could enhance monetary policy transmission by providing central banks with tools for more direct interventions. Other proponents, [Engert & Fung \(2020\)](#) investigated the implications of CBDCs for monetary policy in Canada, while [Rogoff \(2016\)](#) proposed that CBDCs could help central banks overcome zero lower-bound constraints through negative interest rates.

In effect, the monetary policy transmission theory in a digital economy focuses on how digital currencies, particularly CBDCs, affect the transmission mechanisms of monetary policy. The theory explores the role of CBDCs in allowing central banks to implement monetary policy more directly, while also considering the challenges that decentralised cryptocurrencies present for traditional monetary policy frameworks.

3.1.7. Digital Currency Valuation and Speculative Demand Theory

This theory focuses on the unique factors driving the valuation of digital currencies, especially the speculative demand that affects cryptocurrencies. It provides the framework for explaining the impact of volatility and investor behaviour on valuation and suggests stability mechanisms that can enhance digital currencies to serve as more reliable financial assets in an economy.

[Cheah & Fry \(2015\)](#) expressed this viewpoint after analysing the price dynamics of Bitcoin and speculative bubbles, highlighting volatility concerns. [Gandal, Hamrick, Moore & Oberman \(2018\)](#) contributed to this proposition by providing evidence of price manipulation in cryptocurrency markets. [Bariviera \(2017\)](#) also contributed to the development of this theory by assessing the financial stability risks posed by high cryptocurrency volatility.

3.1.8. Theory of Digital Currency Environmental Sustainability (TDES)

This paper advocates for a new theory, the Theory of Digital Currency Environ-

mental Sustainability (TDES), by proposing a novel framework for assessing the ecological impacts of currency systems. As economies increasingly adopt digital currencies, the environmental implications of these digital assets become essential to consider. Unlike traditional fiat money that requires physical materials for production, digital currencies are predominantly internet-based and rely on energy-intensive infrastructures.

Cryptocurrencies, especially those relying on proof-of-work mechanisms like Bitcoin, consume vast amounts of electricity to maintain their networks. CBDCs, although generally less energy-intensive, still depend on stable internet infrastructure and substantial computing power. In contrast, traditional currency issuance involves environmental impacts tied to the extraction, processing, and transportation of physical materials, but it generally operates independently of ongoing energy inputs. The TDES, thus, compares the long-term environmental costs of producing and maintaining both physical and digital currency systems, urging a shift toward low-energy solutions (e.g., proof-of-stake protocols, energy-efficient hardware) for digital currencies.

The TDES can help assess the resource needs and lifecycle sustainability of both digital and physical currencies. For example, while the production of cash requires finite physical materials (such as metals for coins and paper for notes), digital currencies rely heavily on rare minerals for electronics and server farms. This dimension would consider not only the initial resource use but also the sustainability of sourcing and recycling in both systems. Digital currency systems require frequent hardware upgrades, resulting in electronic waste, while cash has limited recyclability issues. TDES encourages a shift towards sustainable practices in both the digital and physical aspects of currency life cycles, including efficient recycling methods for hardware and reduction of physical cash production where digital options are viable.

Again, the theory examines the carbon footprint associated with each transaction type. Traditional currency transactions tend to have a low environmental impact per transaction, particularly in smaller, localised economies where cash circulates without the need for digital infrastructure. Digital currencies, however, require constant internet connectivity and computational power, particularly in blockchain-based systems where each transaction is recorded and validated across multiple nodes. TDES focuses on encouraging advancements in low-carbon transaction models, such as light blockchain or centralised validation processes for CBDCs, to reduce emissions associated with digital currency usage.

Digital currencies require substantial infrastructural support, including data centres, network connectivity, and cooling systems to maintain server efficiency. With TDES, it is possible to reflect and analyse how building and maintaining these infrastructures impact the environment. In contrast, traditional currency infrastructures, like minting facilities and vaults, have localised and relatively fixed environmental costs. This theory, therefore, advocates for environmental strategies to optimise digital currency infrastructure, such as using renewable en-

ergy sources, implementing green data centres, and enhancing operational efficiencies.

Furthermore, TDES introduces the concept of environmental equity, recognising that energy-intensive digital currencies can lead to disparities in energy consumption, particularly in countries with limited access to sustainable energy sources. Mining-heavy digital currencies, for example, are more likely to operate in regions with lower electricity costs, sometimes leading to ecological damage and strain on local power grids. The theory emphasises that a sustainable digital currency system should not only be energy-efficient but also socially responsible, minimising environmental harm and avoiding exacerbation of energy inequalities across regions.

Finally, TDES outlines policy recommendations that encourage the development of regulatory frameworks to manage the environmental impacts of digital currency systems. It suggests policies that mandate energy efficiency for blockchain and CBDC infrastructures, incentivize sustainable practices (like green certifications for data centres), and promote international cooperation on environmental standards for digital currency systems.

Given the above, this theory is unique in its comprehensive approach, combining economic and environmental analysis to create a sustainability-focused framework for both digital and traditional currencies. It encourages innovation in currency system designs that not only meet monetary needs but also support long-term environmental goals. This theory challenges financial institutions, governments, and blockchain developers to rethink their approaches to digital currency creation and maintenance, considering both immediate economic benefits and broader ecological impacts.

Conclusively, TDES provides a foundational model for future research and policymaking at the intersection of economics, finance, technology, and environmental sustainability, advocating for a balanced transition to digital currencies that prioritise ecological welfare.

3.1.9. Digital Currency Theory of Inclusive Globalisation (TIG)

The theory of inclusive globalisation in digital currency economics proposes a framework for understanding how digital currencies can foster financial inclusion across diverse socioeconomic and geographic landscapes. This theory focuses on the opportunities and challenges digital currencies present for marginalised populations, considering disparities in technological infrastructure, economic development, and regulatory environments. It addresses a critical question: Can digital currencies bridge financial access gaps, or do they risk widening them?

TIG emphasises that digital currencies have the potential to provide financial services to underserved populations, particularly in rural, remote, or low-income regions where traditional banking infrastructure is limited or absent. Digital currencies offer a decentralised means for individuals to access financial tools (such as payments, savings, and credit) through mobile technology or digital wallets, bypassing the need for physical bank branches. However, this access hinges on

affordable internet connectivity, basic digital literacy, and secure mobile devices. TIG suggests that equitable access requires not only digital currency availability but also accessible technological infrastructure and educational support.

The theory acknowledges the diverse levels of technological resource endowment between advanced economies and less developed nations, as well as between urban and rural areas within countries. While urban areas in advanced economies may have the infrastructure to support sophisticated blockchain systems and fast transactions, rural areas in developing economies may face constraints such as intermittent internet, low smartphone penetration, and limited electricity. TIG advocates for the development of low-energy, low-bandwidth digital currency solutions—such as lightweight mobile apps or offline digital currency options—that can be adapted to resource-constrained environments.

TIG introduces affordability and financial literacy as central factors in achieving inclusive globalisation. Digital currencies must be affordable to use and manage, with low transaction fees and secure platforms accessible even to those with basic digital skills. Financial literacy initiatives are also critical, as they empower individuals in underserved communities to understand, trust, and use digital currencies effectively. The theory calls for public-private partnerships to foster education, provide affordable devices, and establish accessible digital wallets tailored to the literacy levels of diverse populations.

Digital currencies offer unique potential for financial inclusion among migrant workers and unbanked populations by reducing remittance costs and increasing transaction speed. TIG highlights that high fees for cross-border transactions are a significant barrier to financial inclusion. By supporting low-cost, peer-to-peer remittance channels, digital currencies can provide migrant workers with efficient ways to send funds home, enhancing financial security for millions of households in low-income countries. The theory suggests the establishment of interoperable systems between digital currencies to further ease cross-border financial flows.

For regions prone to economic or political instability, TIG sees digital currencies as potentially stabilising assets. Digital currencies can provide an alternative to volatile local currencies or banking systems susceptible to collapse. However, without strong regulatory oversight, they may also present risks to financial stability. This theory proposes a balance between decentralisation and regulation, advocating for digital currencies that offer stability while respecting the autonomy of local users, especially in crisis-affected areas.

TIG posits that without coherent global regulatory frameworks, the benefits of digital currencies may remain concentrated in technologically advanced economies, creating further disparities. International policy coordination is necessary to ensure digital currencies are regulated yet accessible globally, preventing regulatory arbitrage that could lead to exclusionary practices. The theory proposes that frameworks should focus on digital currency interoperability, protection against cyber risks, and equitable data privacy standards, enabling cross-border digital currency use that is safe and accessible.

This theory proposes policy recommendations that encourage the development of digital currency technologies that work in low-infrastructure environments (e.g., offline wallets, SMS-based transactions); implement educational programmes in collaboration with non-governmental organisations and governments to improve financial and digital literacy among marginalised populations; and support multilateral initiatives to develop regulatory standards that promote the safe and inclusive use of digital currencies, such as anti-money laundering (AML) standards and consumer protection laws. The theory also recommends the need to keep transaction fees low, making digital currency use feasible for low-income individuals and communities.

The newly proposed Digital Currency Theory of Inclusive Globalisation (TIG) contributes uniquely to digital currency economics by foregrounding inclusive globalisation. While other theories have explored digital currencies from economic or technological standpoints, TIG integrates social equity and accessibility as core values, promoting a vision of digital currency as a tool for global financial inclusion. This theory recognises that achieving financial inclusion through digital currencies requires adaptations to technological limitations, cost structures, and policy environments across a diverse range of communities and economies.

By providing a comprehensive framework that addresses the realities of under-resourced and vulnerable populations, TIG serves as a roadmap for designing digital currency systems that are both globally effective and locally accessible. This novel approach ensures that digital currencies can contribute meaningfully to global financial inclusion rather than reinforcing existing divides.

3.2. The Proposed Taxonomy of Digital Currency Theories

The proposed taxonomy for digital currency theories provides a structured framework categorising each theoretical viewpoint by its core principles, focus areas, and potential applications as presented in **Tables 1-9**. This taxonomy can serve as a foundation for categorising future research and discussions, helping policymakers and researchers navigate digital currency theories with a structured, and comprehensive approach. Each theory reflects a unique perspective on aspect(s) of the economic, financial, social, environmental, and technological impact of digital currencies, providing clarity in an otherwise complex field.

Table 1. Decentralised autonomy theory.

Core Principle(s)	Focus	Application(s)
Independence from central authorities; peer-to-peer architecture.	Financial autonomy, control reduction, and governance resilience.	Cryptocurrencies like Bitcoin operate without centralised control.
Nakamoto (2008)	Proposed the decentralised, peer-to-peer structure of Bitcoin, enabling financial autonomy.	
Yermack (2015)	Discussed challenges decentralisation poses to traditional financial systems and implications for control.	
Narayanan et al. (2016)	Provided a comprehensive analysis of cryptocurrency technologies and the role of decentralisation in autonomy.	

Table 2. Central bank digital currency control theory.

Core Principle(s)	Focus	Application(s)
Regulatory oversight, central bank influence, and monetary stability.	Enhancing monetary policy effectiveness, ensuring financial inclusion, and stabilising economies.	Central Bank Digital Currencies (CBDCs) with frameworks enabling regulatory intervention.
Bordo & Levin (2017)	Examined how CBDCs enhance monetary policy effectiveness under regulatory oversight.	
Bindseil & Panetta (2020)	Analysed CBDC design implications for financial stability and regulatory control.	
Auer et al. (2021)	Explored the potential of CBDCs in increasing financial inclusion and improving payment systems.	

Table 3. Digital currency functionality theory.

Core Principle(s)	Focus	Application(s)
Compatibility with traditional money functions (medium of exchange, store of value, unit of account).	Evaluating the economic roles of digital currencies alongside traditional currencies.	Assessment of cryptocurrencies in everyday transactions and savings.
Yermack (2015)	Evaluated digital currencies' ability to function as money (medium of exchange, store of value, unit of account).	
Selgin (2015)	Examined digital currency efficiency in traditional money roles and regulatory implications.	
Berentsen & Schär (2018)	Studied how regulatory and technological factors affect digital currency functionality.	

Table 4. Algorithmic issuance stability theory.

Core Principle(s)	Focus	Application(s)
Controlled issuance, algorithmic supply management, price stabilisation.	Addressing volatility issues and enhancing currency reliability.	Stablecoins and other algorithm-governed cryptocurrencies aimed at reducing speculative risk.
Nakamoto (2008)	Introduced a fixed-supply issuance model with Bitcoin, establishing a basis for decentralised currency supply.	
Corbet et al. (2018)	Analysed challenges in valuation due to speculative demand in algorithmic issuance models.	
Cong & He (2019)	Investigated blockchain protocols that control currency issuance and stabilise circulation.	

Table 5. Disintermediating financial risk theory.

Core Principle(s)	Focus	Application(s)
Reducing reliance on traditional intermediaries, such as banks.	Financial inclusion and stability, reducing transaction costs, examining risks of diminished bank roles.	Cryptocurrencies or CBDCs that allow direct transactions, minimizing bank involvement.
Bindseil & Panetta (2020)	Discussed how digital currencies may reduce traditional banking roles, impacting financial stability.	
Frost et al. (2020)	Studied the structural changes in financial intermediation due to digital currencies.	
Auer & Claessens (2020)	Explored risks to financial stability posed by digital currencies challenging traditional monetary control.	

Table 6. Digital economy monetary policy transmission theory.

Core Principle(s)	Focus	Application(s)
Direct implementation of monetary policy, adapting to digital currency frameworks.	Enhancing the tools and reach of central bank policies in a digital financial environment.	CBDCs that facilitate real-time monetary interventions, such as negative interest rates.
Rogoff (2016)	Proposed that CBDCs could help central banks implement policies below the zero lower bound.	
Bordo & Levin (2017)	Explored CBDCs' potential to enhance monetary policy tools and transmission.	
Engert & Fung (2020)	Discussed the implications of CBDCs for monetary policy in Canada.	

Table 7. Digital currency valuation and speculative demand theory.

Core Principle(s)	Focus	Application(s)
Understanding valuation dynamics, and addressing speculative demand.	Exploring factors influencing volatility and valuation stability in digital currency markets.	Research into price behaviour in cryptocurrency markets and strategies for mitigating bubble risks.
Cheah & Fry (2015)	Analysed speculative bubbles in Bitcoin, highlighting the volatility in valuation.	
Bariviera (2017)	Assessed risks to financial stability due to high volatility in cryptocurrency valuation.	
Gandal et al. (2018)	Provided evidence of price manipulation and speculative demand in cryptocurrency markets.	

Table 8. Theory of digital currency environmental sustainability.

Core Principle(s)	Focus	Application(s)
Environmental impact of digital currencies, energy consumption, and ecological footprint.	Balancing digital currency use with environmental sustainability; promoting energy-efficient protocols.	Proof-of-stake models, green mining practices, and sustainable CBDC frameworks.
Corbet et al. (2018)	Analysed ecological costs associated with high energy consumption in Bitcoin mining.	
Mora et al. (2018)	Projected potential environmental harm from energy-intensive digital currency protocols.	
Bindseil & Panetta (2020)	Discussed environmental impacts of CBDCs compared to traditional currencies.	

Table 9. Digital Currency Theory of Inclusive Globalisation

Core Principle(s)	Focus	Application(s)
Financial inclusivity, equitable digital access, socioeconomic diversity.	Bridging financial access gaps through digital currencies, especially in underserved regions.	Digital currency platforms that facilitate access to banking for unbanked populations, with minimal technical barriers.
Narayanan et al. (2016)	Emphasised how digital currencies could bridge gaps in financial access.	
Frost et al. (2020)	Discussed cross-border digital currency use to improve financial access and reduce remittance costs.	
Auer et al. (2021)	Highlighted the role of CBDCs in financial inclusion across diverse demographics.	

4. Conclusion

The taxonomy developed in this study provides an essential, standardised lexicon for digital currency economics, fostering clarity in academic and policy contexts. The taxonomy of theories comprises the Decentralised Autonomy Theory, Cen-

tral Bank Digital Currency Control Theory, Digital Currency Functionality Theory, Algorithmic Issuance Stability Theory, Disintermediating Financial Risk Theory, and the Digital Economy Monetary Policy Transmission Theory. Other theories identified are the Digital Currency Valuation and Speculative Demand Theory, the Theory of Digital Currency Environmental Sustainability, and the Digital Currency Theory of Inclusive Globalisation. By categorising theoretical viewpoints, this taxonomy supports structured discourse, enhances interdisciplinary collaboration, and facilitates a clearer understanding of digital currency implications. The introduction of the Digital Currency Theory of Inclusive Globalisation and the Theory of Digital Currency Environmental Sustainability further advances the conversation on the socioeconomic and environmental impacts of digital currencies. This foundation offers a valuable framework for future empirical analysis and policy development, enabling a more inclusive and sustainable approach to digital currency integration worldwide.

This paper contributes significantly to the academic and practical understanding of digital currency by creating a standardised taxonomy for theoretical perspectives, which addresses a current gap in digital currency economics. The taxonomy serves as a foundational framework that aids in cross-disciplinary discourse and policymaking, establishing clear terminology for the various viewpoints in digital currency. The originality of this research lies in its novel integration of terminology and structured classification, facilitating clarity and coherence in policy and research while aiding newcomers and policymakers in navigating the complexities of digital currency.

Overall, this study advances the discourse by offering a structured analytical tool, allowing for comparative studies, future theoretical developments, and more refined empirical research in digital currency economics.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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