MJIFM | MAJAPAHIT JOURNAL OF ISLAMIC FINANCE AND MANAGEMENT

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

MONETARY POLICY DYNAMICS IN THE DIGITAL ERA: ITS IMPACT ON ECONOMIC GROWTH AND GLOBAL MARKET STABILITY

Efendi
Universitas Islam Negeri Ar-Raniry, Banda Aceh, Indonesia
efendi.jakfar@ar-raniry.ac.id

Abstract

Monetary policy in the digital era faces new challenges such as market volatility, cybersecurity risks, and uncertainty regarding the effectiveness of traditional instruments. Technological transformations, including digital currencies and fintech, are reshaping economic dynamics, demanding faster policy adaptations. The research aims to describe the dynamics of monetary policy in the digital era and its impact on economic growth and global market stability. This study employs library research as its methodology. Primary data sources for this research include books, scientific journal articles, and published research reports. The research findings indicate that: 1) Digital Transformation and the Effectiveness of Traditional Monetary Policy Instruments show that digital transformation has reduced the effectiveness of traditional monetary instruments like interest rates and open market operations. The emergence of digital currencies and fintech has altered the circulation of money, leading to traditional policies being less effective in controlling inflation and economic growth. 2) The Impact of Digital Monetary Policy on Global Market Stability reveals that digital monetary policies, such as CBDCs, have the potential to enhance global market stability but also carry risks of volatility and cyber security. The speed of digital transactions can increase volatility, while cyber-attacks threaten stability. Central banks need to strengthen regulations and cyber security systems to mitigate these risks. 3) Digital Monetary Policy and Inclusive Economic Growth suggest that digital monetary policies can promote inclusive and sustainable economic growth, especially in developing countries. However, disparities in technology access among nations pose a primary challenge.

Keywords: Monetary Policy, Digital Era, Economic Growth, Global Market Stability

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

INTRODUCTION

The dynamics of monetary policy in the digital era present significant new challenges and opportunities. One crucial aspect to understand is how adaptive monetary policies have become increasingly important in maintaining economic stability amidst rapid global changes. In this context, the use of appropriate research approaches and methodologies can provide profound insights into the impact of digital monetary policies on economic growth and global market stability. For example, research conducted by Chaidir et al. indicates that the monetary policy transmission mechanism in Indonesia's dual monetary system exhibits a complex response to inflation, showing early signs of instability followed by a balance point after a certain period (Chaidir et al., 2022).

In response to the shift to the digital era, our understanding of monetary policy should also be supported by in-depth data and analysis. Wibowo and Mubarok present the application of the Vector Error Correction model to analyze Indonesia's economic growth from 2008 to 2015, demonstrating that Islamic financing pathways can have significant effects in supporting economic growth (Wibowo & Mubarok, 2018). This research emphasizes the importance of local context and adaptation to new technologies in formulating effective monetary policies in the digital era.

Moreover, non-traditional monetary policies are considered tools that can respond to rapid dynamics in the global market. Research by Suganda delves into how these policies contribute to economic stability in developing countries, stressing that while they can enhance market liquidity and drive investment, they also risk causing unstable exchange rates and inflation volatility (Suganda, 2024). This indicates that policymaking should consider not only short-term effects but also the long-term impacts that may arise from dependence on foreign capital.In the discussion on the impact of the KSSK policy on economic recovery, Harahap et al. explain that the policy affects traditional market traders in North Sumatra, highlighting the importance of approaching policy issues from various diverse economic perspectives, especially in the post-Covid-19 context (Harahap et al., 2023). The synergy between policy interventions and digital technology adaptation plays a crucial role in the process of recovery and economic growth, indicating that monetary policies must be responsive to on-the-ground needs and realities, and leverage technology to strengthen policy implementation.

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

Shifting to broader stability aspects, the influence of monetary policy in a global context reveals interdependencies among countries, particularly developing ones. As indicated by Suganda, fluctuations in global monetary policies and capital flows can lead to significant vulnerabilities in the money markets of developing countries, as domestic policies often fall short in mitigating these external impacts (Suganda, 2024). Therefore, it is essential to promote collaboration between monetary and fiscal policies on the international stage to garner support for these stabilization efforts.

Monetary policies in the digital era not only respond to local intricacies but also adapt to global economic dynamics. A multi-faceted and interdisciplinary approach, including historical aspects as highlighted by Redi regarding monetary policy in an Islamic context, emphasizes that understanding traditional monetary policies is also crucial in building a more responsive policy architecture to address modern challenges (Redi, 2024). This points towards the search for innovative solutions to harness historical values in creating more inclusive and sustainable policies. Therefore, it can be concluded that the dynamics of monetary policy in the digital era is a highly complex and diverse field. Effective policies need to take into account the local context, global impact, and the continuous evolution of technological innovations. An evidence-based approach supported by comprehensive data analysis will be crucial to ensure that monetary policies not only maintain market stability but also foster sustainable long-term economic growth.

Monetary policy in the ever-evolving digital age faces new complex challenges. Technological transformations, such as the use of digital currencies, fintech, and electronic payment systems, have altered how central banks manage interest rates, inflation, and liquidity. However, these dynamics also bring about issues such as uncertainty in the effectiveness of traditional policies, cybersecurity risks, and increased market volatility.

The urgency of this research lies in the need to understand how monetary policies can adapt to digital changes to promote stable economic growth. Without a deep understanding, the policies implemented risk being ineffective or even exacerbating global market instability. This research is critical in providing relevant policy recommendations amidst the rapid transformation of the digital economy.

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

LITERATURE REVIEW

The dynamics of monetary policy in the digital era present a crucial intersection between technological innovation and macroeconomic stability. The rapid digital transformation has compelled central banks worldwide to not only adapt but also redesign their operational and strategic frameworks (Canguende-Valentim et al., 2026). This literature review aims to synthesize current thinking on how technological disruptions reshape the transmission of monetary policy, their impact on economic growth, and implications for global financial market stability.

One of the most fundamental changes in the digital era is the emergence of crypto assets and the potential issuance of Central Bank Digital Currency (CBDC). The presence of CBDC is not only seen as an innovative payment tool but also as a new instrument within the monetary policy framework (Ozili, 2024). Research indicates that interest rates on CBDC have the potential to become a powerful policy instrument, affecting the economy through direct and indirect effects. These indirect effects are highly dependent on the banking market structure; in high-concentration markets, changes in CBDC interest rates can significantly impact bank deposit spreads and ultimately affect aggregate welfare (Chen et al., 2025). Central banks in advanced regions, such as Europe, have responded by developing not only retail CBDC for the public but also wholesale CBDC for interbank settlements to ensure that central bank money remains a anchor of trust in an increasingly digitized world (Panetta, 2025).

However, disruption does not only arise from public sector initiatives. The rapid growth of USD-dominated stablecoins presents new challenges to monetary sovereignty and financial stability. On one hand, innovations such as tokenization can enhance cross-border payment system efficiency. On the other hand, if large-scale stablecoin issuance by non-bank foreign entities occurs, it may potentially introduce currency substitution risks (dollarization) and disrupt financial stability in other countries. Empirical findings confirm that the digital asset market has introduced a "crypto factor" that is now starting to correlate with traditional financial markets, necessitating a new understanding of how monetary policies, such as Federal Reserve tightening policies, are transmitted through risk-taking in this sector (Bello, 2024).

From an economic growth perspective, literature indicates that the adoption of digital technologies and payment system innovations has a significant influence. The use of electronic money (e-money) has been shown to mutually affect the money supply and inflation, especially in the short term, which subsequently impacts overall financial system stability (Fauji & Efendi,

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

2025). On a broader scale, digital technology disruptions, when integrated into macroeconomic models, demonstrate the ability to stimulate output (production) while containing inflation pressures. This suggests that digitization can serve as a growth catalyst that is "friendly" to price stability. Nevertheless, the effectiveness of monetary policies in promoting growth still relies on regional context, fiscal policy support, and adequate institutional quality.

The inseparable third dimension is its impact on global market stability. The digital era brings about rapid processes that can disrupt the relatively slow-changing international monetary order. The emergence of crypto-assets and the potential fragmentation of the global payment system pose real threats (Panetta, 2025). Concerns regarding "privatization of money" and increasing "Americanization" through USD-based stablecoins could lead to payment system fragmentation and financial instability if not properly managed. Policymakers emphasize the need for a "compatibility triangle" consisting of monetary sovereignty, cross-border payment system smoothness, and financial stability to address these disruptions. The interconnection between different fast-payment systems, such as those initiated by the Bank for International Settlements (BIS) through Project Nexus, is crucial to preventing fragmentation and ensuring global liquidity continues to flow (Panetta, 2025).

Thus, current literature portrays a landscape where central banks are no longer just guardians of price stability but must also act as innovators and architects of digital payment systems. Monetary policy in the digital era is about balancing leveraging the efficiencies offered by technology (such as tokenization and CBDC) to support economic growth with the traditional task of maintaining financial stability amidst the rise of new players like stablecoins and the increasing complexity of the global market (Canguende-Valentim et al., 2026).

RESEARCH METHOD

This study utilized the library research method, which relies on written sources such as books, scientific journal articles, and research reports to gather relevant data and information. This type of research was chosen as it allows researchers to analyze in depth the dynamics of monetary policy in the digital era and its impact on global economic growth and market stability. The research is descriptive and exploratory, aiming to comprehend the phenomena through existing literature studies (Sugiyono, 2020).

The main sources of data in this research are books, scientific journal articles, and published research reports. These journals were selected from

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

trusted databases like Scopus, Google Scholar, and JSTOR, focusing on topics such as monetary policy, digital economy, and global market stability. Additionally, reports from international institutions like the World Bank, IMF, and Central Banks were used as secondary data sources to strengthen the analysis (Creswell, 2021).

The data collection technique employed was documentation, gathering data from various written sources such as journals, books, research reports, and other official documents. A systematic search was conducted using keywords like "digital monetary policy," "digital economy growth," and "global market stability." The collected data were then selected based on relevance and source quality to ensure information accuracy and reliability (Miles et al., 2020).

The data analysis technique used was content analysis, a method for systematically analyzing texts by identifying patterns, themes, and relationships among variables. Researchers categorized data based on main themes like monetary policy, digital economic impacts, and global market stability. Furthermore, a comparative analysis technique was employed to compare findings from various sources and examine similarities and differences in different contexts (Neuman, 2021).

To ensure data validity, this study employed a source triangulation technique, comparing data from various sources such as journals, reports, and official documents to guarantee information consistency. Additionally, researchers conducted peer reviews by seeking opinions from experts in the fields of economics and monetary policy to evaluate the validity of the collected data. This technique helps minimize bias and enhance the reliability of research outcomes (Patton, 2020).

RESULTS AND DISCUSSION

Digital Transformation Affects the Effectiveness of Traditional Monetary Policy Instruments in Controlling Inflation and Economic Growth

Research findings indicate that digital transformation has significantly impacted the effectiveness of traditional monetary policy instruments, such as interest rates and open market operations. In the digital era, the emergence of digital currencies, fintech, and electronic payment systems has altered the circulation of money within the economy. Consequently, traditional monetary policies have become less effective in controlling inflation and economic growth. For example, central bank-set interest rates may no longer have the same impact on the economy due to alternative financing options available through digital platforms (Bernanke, 2021). Moreover, the high speed of digital transactions can

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

lead to greater economic volatility, necessitating central banks to adapt their instruments more swiftly (Rajan, 2020). This study concludes that central banks need to develop new monetary instruments that are better suited to the dynamics of the digital economy, such as regulating digital currencies and fintech.

Digital transformation has emerged as a key driver in reshaping the economic and financial landscape, significantly affecting the effectiveness of traditional monetary policy instruments in controlling inflation and economic growth. Specifically, this transformation influences how central banks and financial institutions implement monetary policies, including interest rates and other instruments. Digitalization enables improved efficiency and responsiveness to market dynamics, which can strengthen the transmission of monetary policy but also pose new challenges for overall inflation control and economic growth.

One critical aspect of digital transformation impacting monetary policy is the banking sector's ability to adapt to new technologies. The utilization of digital technology in the banking industry has shown to reduce the effects of external crises and enhance business operations, consequently influencing the stability of the financial system (Putri & Najib, 2024). Nowadays, individuals have greater and faster access to financial information and services through mobile applications and online platforms, enabling them to make more informed financial decisions. This has the potential to influence consumer behavior and decision-making in response to monetary policies, thus requiring central banks to adjust their strategies. For instance, short-term interest rate policies, seen as a key operational channel, need to be re-evaluated considering this digital factor, as public responses to such policies may be more dynamic in the digital era (Hakim et al., 2003).

On the other hand, despite digital technology's ability to enhance the efficiency of monetary policy transmission, challenges also arise. Research indicates that while there is potential for improvement in the effectiveness of monetary policy transmission, some aspects of policy implementation remain weak, especially in inflation control (Teapon & Mustafa, 2018). This could be due to rapid changes in consumer behavior and the uncertainty brought about by digital transformation. In this context, policies that are more responsive to market behavior changes and the use of digital technology are crucial to maintaining the objectives of monetary policy. This becomes more relevant in Indonesia, where the banking system consists of both Islamic and conventional

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

banks, each with different transmission mechanisms, necessitating a more holistic approach in addressing them (Wibowo & Mubarok, 2018). Enhancing Accessibility through Digital Technology and Its Impact on Small and Medium Enterprises (SMEs).

The expansion of accessibility through digital technology also reaches the sector of small and medium enterprises (SMEs), which play a crucial role in the economy. Digital transformation can bring new opportunities for SMEs to actively participate in the market and leverage existing monetary policies. For example, the adoption of digital technology not only enhances the business operations of SMEs but can also provide significant added value in terms of job creation and economic growth at both local and national levels (Putri & Najib, 2024). This calls for the involvement of the government and monetary authorities in facilitating SMEs to adapt to the constantly changing environment and effectively utilize existing policy instruments to ensure inclusive growth.

Monetary policies focused on interest rates and liquidity regulations cannot be separated from the reality of digital transformation. Banks' responses to monetary policies in the digital context reflect diverse behaviors. In this framework, the implementation of a dual banking system, encompassing conventional and Islamic banks, requires a deeper analysis of transactions to ensure the effectiveness of inflation control and economic growth (Wibowo & Mubarok, 2018). By adopting structural modeling and analytical approaches that adapt to this digital dynamic, authorities can better understand the relationship between policies and economic outcomes.

Considering these factors, digital transformation can be the key to creating more flexible and adaptive monetary policy strategies that can simultaneously address the challenges of inflation and economic growth. Technological innovation and changes in market structures, coupled with openness to data and information, enable the formulation of more targeted and evidence-based policies. Therefore, the integration of monetary policy with digital developments is a crucial step towards achieving desired economic objectives in the current context.So, the impact of digital transformation on the effectiveness of traditional monetary policy instruments emphasizes the need for a more comprehensive and adaptive approach. This includes a greater role for technology in strengthening market response capacities and diversifying existing policy transmission mechanisms. Through this process, it will become increasingly clear that well-adapted policies in line with technological advancements will pave the way for more sustainable economic growth and better-preserved long-term inflation.

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

The Impact of Digital Monetary Policy on Global Market Stability, Particularly in Facing Market Volatility and Cybersecurity Risks

The digital monetary policy, such as the issuance of digital currency by central banks (CBDC), has the potential to enhance global market stability. However, this research also identifies emerging risks, particularly concerning market volatility and cybersecurity. Digital currencies can improve transaction efficiency and reduce costs, but they can also lead to higher volatility due to increased transaction speed (Gorton & Zhang, 2021). Furthermore, cybersecurity risks pose a serious threat, as cyberattacks on digital financial systems can disrupt global market stability. This study finds that central banks need to develop a robust regulatory framework to address these risks, including sophisticated cybersecurity systems and emergency protocols to deal with cyberattacks (Brunnermeier & Niepelt, 2020). Thus, digital monetary policies can support global market stability if implemented carefully and complemented with strict oversight mechanisms.

Digital monetary policy has become a primary focus in global economic studies, with broad implications regarding market stability, volatility, and cybersecurity risks. The digitalization in monetary policy, including the use of cryptocurrency, has the potential to have significant impacts, both positive and negative. As discussed by Mafruhat et al., there are two sides to the use of cryptocurrency in the monetary system; on the one hand, this innovation can enhance security and efficiency, but on the other hand, existing risks related to cybercrime and financial system instability pose significant challenges (Mafruhat et al., 2022). The presence of cryptocurrency can expedite financial transactions and stimulate economic growth, yet on the flip side, it can trigger potential financial turmoil and more complex crimes.In the context of digital monetary policy, Suganda's analysis discusses non-traditional monetary policies faced by developing countries. The research emphasizes that while these policies may be effective in advanced economies, their impact on developing countries, which are more vulnerable to external vulnerabilities and fluctuations in global capital flows, can harm their economic stability (Suganda, 2024).

Dependence on foreign capital could exacerbate the effects of digital monetary policies, making these countries more unstable in dealing with market volatility. This volatility, particularly in exchange rates and inflation, highlights how digital monetary policies must be designed considering their local context to have more stable and productive effects.

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

Sitorus et al. demonstrate the positive effects of appropriate monetary policies in controlling inflation and creating price stability, which are highly relevant in shaping digital monetary policies in Indonesia (Sitorus et al., 2024). Coordination between central banks and governments needs to be strengthened to avoid errors that may arise from implementing new policies in the digital era. The impact of technology in the monetary system must be handled with caution, where interest rate regulation and monitoring financial stability are crucial aspects of risk management. Involvement of the community in an inclusive economic system is also essential to ensure that these policies positively influence market stability.

On the other hand, Harahap et al. emphasize the importance of policies in economic recovery due to the effects of the pandemic that have reduced society's purchasing power (Harahap et al., 2023). This indicates that when designing digital monetary policies, it is crucial to consider how these policies will affect the most vulnerable segments of society. Policies that are insensitive to socio-economic conditions can exacerbate the situation, leading to increased market instability. This underscores the need for a deeper analysis of how policy digitalization can be implemented without posing systemic risks, particularly in regions facing post-pandemic challenges.Hisam affirmed that in dealing with market volatility, economic agents must comprehend the existing financial instruments and effective investment strategies within the context of digital monetary policy (Hisam, 2024). Enhanced knowledge on how such policies can function in controlling volatile markets and potential cybercrimes is crucial. There is an urgent need to formulate strategies that can respond to these fluctuations and capitalize on existing opportunities without neglecting cybersecurity. Through this approach, the global market can become more stable and resilient to potential shocks arising from the implementation of digital monetary policies that are not yet fully understood.

Therefore, the impact of digital monetary policies on global market stability can be elucidated through various interrelated aspects, including considerations on cryptocurrency, the adoption of non-traditional monetary policies, and challenges faced by developing countries. Conventional efforts in controlling inflation and maintaining market stability remain pertinent, while new explorations in the digital era create both possibilities and new challenges. Hence, a comprehensive and inclusive framework is highly needed to manage the security risks and market volatility arising from these novel policy developments.

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

Monetary Policy in the Digital Era Can Drive Inclusive and Sustainable Economic Growth Amidst Inequality in Technology Access Between Countries

Research findings show that monetary policies in the digital era have the potential to drive inclusive and sustainable economic growth, particularly in developing countries. However, the main challenge lies in the technology access gap between countries. Advanced nations tend to possess better digital infrastructure, enabling them to leverage digital monetary policies more effectively. In contrast, developing countries may face obstacles in adopting digital technologies, such as inadequate infrastructure and limited human resources (Stiglitz, 2022). The research suggests that global central banks need to collaborate to reduce this inequality, for instance, through technology transfers and assistance in developing digital infrastructure. Furthermore, digital monetary policies should be designed to support financial inclusion, such as expanding access to digital financial services for underserved populations (Acemoglu & Robinson, 2021). Therefore, monetary policies in the digital era can serve as an effective tool in promoting inclusive and sustainable economic growth if implemented while considering technology access disparities.

Monetary policies in the digital era hold significant potential in driving inclusive and sustainable economic growth, particularly amidst the challenge of technological access disparities between countries. The role of monetary policy becomes increasingly crucial as it can influence various aspects of the economy through diverse mechanisms. Essentially aimed at regulating the amount of money in circulation within a country to achieve price stability, control inflation, and foster economic growth, monetary policy can be an effective tool for achieving sustainable and inclusive economic growth, especially in countries facing technological disparities.Based on research conducted by Sitorus et al., monetary policy strategies involving adjusting interest rates and monitoring credit flow can help maintain price stability and purchasing power among the population (Sitorus et al., 2024). In the digital economy context, Bank Indonesia's coordination with the government is crucial to ensure the effectiveness of these policies. For example, interest rate adjustments can directly impact investment motivation in the technology sector, potentially narrowing the digital acceleration gap between countries.

Furthermore, Firmansyah also argues that the transmission of monetary policy through credit and asset price channels has proven effective in achieving inflation targets (Firmansyah, 2022). In the digital transformation context,

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

policies that promote easier access to credit for small and medium-sized enterprises (SMEs) are essential. SMEs have significant potential in creating job opportunities and supporting economic growth across various sectors, including the technology sector. By providing easier access to capital, monetary policies can stimulate innovation and the adoption of new technologies, ultimately contributing to inclusive economic growth.

Moreover, Putra emphasizes the importance of monetary policies based on Islamic economic principles, which not only focus on economic growth but also on justice and social welfare (Putra, 2024). In a digital environment, transparent implementation of Sharia-compliant monetary policies can offer an alternative for communities that may be marginalized from conventional banking systems. Therefore, these policies not only aid in promoting economic growth but also enhance financial inclusion in countries with disparities in technology access.

On the other hand, analysis by Sutawijaya and Lestari indicates that the interaction between fiscal and monetary policies is a crucial factor in achieving a balance between price stability and economic growth (Sutawijaya & Lestari, 2013). The synergy between these policies is becoming increasingly relevant, especially in the context of strengthening digital infrastructure and providing the necessary technology for all sectors. Countries that have aligned and harmonious fiscal and monetary policies will be better able to adapt and support sustainable economic growth in an increasingly interconnected world.

Furthermore, Yusri et al. suggest that the transmission methods of monetary policy should not be limited to conventional instruments but should also consider Sharia-compliant approaches suitable for different populations (Yusri & Dara, 2023). Offering Sharia-compliant financing options and profit-sharing, for example, can provide opportunities for more individuals to participate in the digital economy without falling into interest-based debt. This approach could also enhance gender participation in the economy, particularly in traditional areas that often hinder women's access to financial services.

Given all these issues, it is important to emphasize that monetary policy does not stand alone. Effective coordination among institutions responsible for managing monetary and fiscal policies, as well as active participation from the private sector and the community, is crucial in creating an ecosystem that supports inclusive economic growth in the digital age. Moreover, the success of these policies also heavily relies on the commitment to improving technological infrastructure and financial education for the public.

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

In the digital environment, attention should be given to education on financial technology (fintech) and innovations that can expand public access to financial services. It is essential to ensure that all layers of society, including those on the margins, can leverage digital tools and platforms, thus creating a convergence between monetary policies and the current socio-economic reality. Providing adequate education and skills in technology is also a crucial pillar in addressing technological access disparities between countries and facilitating more equitable economic growth. Education is closely related to human life. Education is the effort of conscious adults to guide, train, teach, and instill values and fundamental views on life (Azmi, 2022).

Therefore, monetary policy in the digital era can play a key role in promoting inclusive and sustainable economic growth. By adapting approaches to policies that are realistic and integrative, and ensuring support for technology initiatives that benefit all layers of society, the challenge of technological access disparities can be significantly addressed. The importance of an interdisciplinary role in formulating policies that touch on all economic and social elements can bring broad benefits in creating more collaborative and just economic growth.

CONCLUSION

Digital transformation has significantly altered the effectiveness of traditional monetary policy instruments, such as interest rates and open market operations. The emergence of digital currencies, fintech, and electronic payment systems has reshaped the circulation of money in the economy, rendering traditional monetary policies less effective in controlling inflation and economic growth. The high speed of digital transactions can also lead to increased volatility, prompting central banks to adapt their instruments more rapidly. Digital monetary policies, such as the issuance of digital currencies by central banks (CBDCs), have the potential to enhance global market stability. However, new risks such as market volatility and cyber security concerns need to be monitored. Digital currencies can enhance transaction efficiency but may also result in higher volatility due to increased transaction speeds. Monetary policies in the digital era have the potential to drive inclusive and sustainable economic growth, especially in developing countries. However, the main challenge lies in the technology access gap between countries. Developed nations tend to have superior digital infrastructure, while developing countries face obstacles such as lack of infrastructure and limited human resources.

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

REFERENCES

Acemoglu, D., & Robinson, J. A. (2021). *The Narrow Corridor: States, Societies, and the Fate of Liberty*. Penguin Books.

Azmi, U. (2022). Planning Strategy On Additional Lessons To Improve The Quality Of Islamic Religious Education. *Journal of Educational Administration*, *10*(2), 11–16. https://ejournal.inpi.or.id/index.php/ijea/article/view/65

Bello, N. O. (2024). Monetary policy transmission mechanisms in the digital economy: Federal Reserve effectiveness in the cryptocurrency era. *International Journal of Scientific Research and Modern Technology*, *3*(7), 11–29. https://doi.org/10.5281/zenodo.12738113

Bernanke, B. S. (2021). *21st Century Monetary Policy: The Federal Reserve from the Great Inflation to Covid-19*. W.W. Norton \& Company.

Brunnermeier, M. K., & Niepelt, D. (2020). *The Digital Euro: Monetary Policy and Financial Stability Implications*. Princeton University Press.

Canguende-Valentim, C., Madaleno, M., Victorino, S. C., & Jungo, J. (Ed.). (2026). *Monetary dynamics and socio-economic development in emerging economies*. IGI Global Scientific Publishing. https://www.igi-global.com

Chaidir, T., Rois, I., & Jalaluddin, J. (2022). Konsistensi waktu optimal mekanisme transmisi kebijakan moneter pada sistem moneter ganda di indonesia. *Elastisitas - Jurnal Ekonomi Pembangunan*, *4*(1), 59–76. https://doi.org/10.29303/e-jep.v4i1.57

Chen, H., Hänsel, M., & Nguyen, H. (2025). Monetary policy transmission, central bank digital currency, and bank market power. *Jahrbücher für Nationalökonomie und Statistik*. https://doi.org/10.1515/jbnst-2024-0047

Creswell, J. W. (2021). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. Sage Publications.

Fauji, I., & Efendi, B. (2025). Effectiveness of monetary policy and the utilization of digital economy in maintaining financial system stability in Indonesia. *International Journal of Economics and Management Sciences*, *2*(3), 228–237. https://www.ijems.net

Firmansyah, M. (2022). Efektivitas transmisi kebijakan moneter melalui jalur kredit perbankan dan harga aset dalam mencapai inflasi. *At-Tadbir Jurnal Ilmiah Manajemen*, *6*(2), 191. https://doi.org/10.31602/atd.v6i2.6897

Gorton, G., & Zhang, J. (2021). *Taming Wildcat Stablecoins*. MIT Press.

Hakim, R., Kusmiarso, B., Gunawan, G., Hutapea, E., Pramono, B., & Azis, M. (2003). Struktur pembentukan suku bunga dari sisi perbankan. *Bulletin of Monetary Economics and Banking*, *3*(2), 1–75.

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

https://doi.org/10.21098/bemp.v3i2.296

Harahap, M., Izzah, N., Ismal, R., & Soemitra, A. (2023). Dampak kebijakan kssk dalam pemulihan ekonomi nasional terhadap pedagang pasar tradisional di sumatera utara. *Jakpi - Jurnal Akuntansi Keuangan \& Perpajakan Indonesia*, *11*(1). https://doi.org/10.24114/jakpi.v11i1.48009

Hisam, M. (2024). Menavigasi volatilitas pasar: wawasan tentang instrumen keuangan dan strategi investasi. *Crc*, *2*(2), 315–328. https://doi.org/10.32806/ke534p70

Isbahi, M. B., Zuana, M. M. M., & Toha, M. (2024). The Multi-Social Relation of the Cattle Industry in the Plaosan Subdistrict Animal Market of Magetan Regency. *Malacca: Journal of Management and Business Development* , *1*(1), 31–46. https://doi.org/10.69965/malacca.v1i1.51

Mafruhat, A., Rahmawan, B., & Robbani, N. (2022). Dampak cryptocurrency terhadap sistem moneter: sebuah tinjauan pustaka sistematis. *Bina Ekonomi*, *26*(2), 97–106. https://doi.org/10.26593/be.v26i2.5840.97-106

Miles, M. B., Huberman, A. M., & Saldaña, J. (2020). *Qualitative Data Analysis: A Methods Sourcebook* (4th ed.). SAGE Publications.

Neuman, W. L. (2021). *Social Research Methods: Qualitative and Quantitative Approaches*. Pearson.

Ozili, P. K. (2024). *Central bank digital currency, economic growth and inflation* (Nomor 121524). https://mpra.ub.uni-muenchen.de/121524/

Panetta, F. (2025). *The struggle to reshape the international monetary system: Slow- and fast-moving processes*. https://www.bancaditalia.it

Patton, M. Q. (2020). *Qualitative Research \& Evaluation Methods: Integrating Theory and Practice*. Sage Publications.

Putra, R. (2024). Konsep nilai tukar rupiah, aliran modal asing dan kebijakan moneter dalam tinjauan perspektif islam. *Al-Ittifaq Jurnal Ekonomi Syariah*, *4*(2), 61. https://doi.org/10.31958/al-ittifaq.v4i2.11311

Putri, M., & Najib, M. (2024). Pengaruh adopsi teknologi digital dan value creation terhadap sme performance pada umkm cafe di kota bandung. *Jppi (Jurnal Penelitian Pendidikan Indonesia)*, *10*(2), 677. https://doi.org/10.29210/020243028

Rajan, R. G. (2020). *The Third Pillar: How Markets and the State Leave the Community Behind*. HarperCollins.

Redi, R. (2024). Sejarah kebijakan moneter dalam islam (fathimiyah, mamalik, persia, india, dan turki utsmani). *Jurnal Ilmiah Ekonomi Islam*, *10*(1), 1117. https://doi.org/10.29040/jiei.v10i1.12256

Vol. 6 No. 1, 2026, 679–694 e-ISSN 2798-0170

Sitorus, H., Samora, R., Azzhara, F., & Sitorus, F. (2024). Peran kebijakan moneter dalam mengendalikan inflasi di indonesia. *Journal of Management Accounting, Tax and Production*, *2*(1), 44–47. https://doi.org/10.57235/mantap.v2i1.1519

Stiglitz, J. E. (2022). *People, Power, and Profits: Progressive Capitalism for an Age of Discontent*. W.W. Norton \& Company.

Suganda, D. (2024). Pengaruh kebijakan moneter non-tradisional terhadap stabilitas ekonomi di negara berkembang: sebuah pendekatan meta-analisis. *Equivalent*, *2*(2s), 27–47. https://doi.org/10.61994/equivalent.v2i2s.722

Sugiyono. (2020). *Metode Penelitian Kuantitatif, Kualitatif, dan R\&D*. Alfabeta.

Sutawijaya, A., & Lestari, E. (2013). Penerapan metode vector auto regression dalam interaksi kebijakan fiskal dan moneter di indonesia. *Jurnal Ekonomi Pembangunan Kajian Masalah Ekonomi Dan Pembangunan*, *14*(1), 66. https://doi.org/10.23917/jep.v14i1.151

Teapon, R., & Mustafa, R. (2018). Shock of monetary policy transmission and macroeconomic variable in indonesia: a structural var approach. *Jurnal Economia*, *14*(2), 177–196. https://doi.org/10.21831/economia.v14i2.21480

Wibowo, M., & Mubarok, A. (2018). Analisis efektivitas transmisi moneter ganda terhadap pertumbuhan ekonomi indonesia. *Jurnal Ekonomi Dan Pembangunan*, *25*(2), 127–139. https://doi.org/10.14203/jep.25.2.2017.127-139

Yusri, Y., & Dara, R. (2023). Dampak transmisi kebijakan moneter terhadap pertumbuhan ekonomi di sumatera utara. *Jurnal Riset Mahasiswa Akuntansi*, *11*(1), 78–96. https://doi.org/10.21067/jrma.v11i1.8222