

**NEERAJ AMARNANI**  
Goa Institute of Management, India

## **CBDCS OF THE GLOBAL SOUTH: ASSESSING THE APPROACH TO FINANCIAL INCLUSION**

### **Abstract:**

A rapid increase in interest for Central Bank Digital Currencies (CBDCs) has come about recently as governments and central banks globally explore their potential benefits. This paper examines the motivations behind CBDC adoption, particularly in countries forming the Global South, with an emphasis on the critical goal of financial inclusion. We analyze central bank policy documents from Nigeria, India, Brazil, and Thailand, in order to highlight the strategic design elements employed to enhance financial inclusion. These include the use of third-party agents, electronic Know Your Customer (eKYC) processes, and the possibility of offline functionalities. We find that while there are commonalities in approach, such as the utilization of eKYC and third-party agents, challenges remain, particularly concerning offline functionality. The paper highlights the importance of these design features in addressing the issue of financial inclusion, such as geographic, institutional, and demographic hindrances. By addressing these issues, CBDCs could bring unbanked individuals into the formal banking system, leading to wider and more equitable economic development. The study also points to the potential of CBDCs to spur innovation in digital payments and support existing financial inclusion policies. Further, based on our analysis, we believe there is rationale for a concerted effort towards the international interoperability of CBDCs, enhancing their effectiveness and adoption across borders.

### **Keywords:**

Central Bank Digital Currencies, Financial Inclusion, Digital Payment Systems, Cryptocurrencies, Fintech

**JEL Classification:** E42, E58, O33