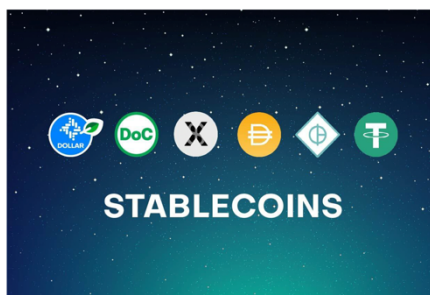


Stablecoins

Why create a digital dollar?



Long version

Introduction

A question that seems strange — Why create a new form of dollar when the dollar already exists? The question may seem surprising. For several generations, the dollar has been one of the most used currencies in the world. It serves as a benchmark for international trade, financial markets, central bank reserves and a large part of digital exchanges. If this currency already exists in the form of notes, bank accounts, payment cards and electronic transfers, why are some players now seeking to create a new digital version?

Behind the word stablecoin — The term stablecoin is now omnipresent in discussions devoted to digital finance. It appears in central bank reports, in regulator publications, in the strategies of international banks and in the analyzes of large technology companies. However, as is often the case in periods of rapid innovation, vocabulary circulates faster than understanding. Many have heard of stablecoins without always knowing precisely what they are, how they work or why there is so much interest in them.

An innovation that seems recent — At first glance, stablecoins could be seen as a simple extension of the world of cryptocurrencies. After all, they circulate on the same digital infrastructures, often use the same technologies and appeared in the wake of bitcoin. This proximity frequently leads to them being placed in the same category. However, this assimilation masks an essential difference. While bitcoin was designed as a currency independent of any central authority, the stablecoin instead seeks to reproduce the stability of an existing currency, most often the US dollar.

A new stage of translation — This question brings us directly to the common thread of this series of articles. In previous texts, we examined how natural resources could be translated into data, digital assets and then economic valorization mechanisms. We saw that this transformation required the construction of chains of trust capable of linking physical realities to digital representations. Once this first translation has been completed, a new question appears almost naturally: in what currency will these new assets be able to circulate, be exchanged, financed or valued?

Digital assets need a monetary language — A forest can be mapped. A mining resource can be traced. An asset can be certified and represented in digital form. But none of these operations answers the question of the circulation of value. As soon as actors wish to invest, buy, sell, remunerate or distribute income, monetary language becomes necessary. Digital infrastructure does not eliminate this need; on the contrary, they make it more visible. Stablecoins appear precisely at this point of reflection, where digital assets meet monetary mechanisms.

An innovation that intrigues banks — The interest generated by stablecoins is in itself a remarkable phenomenon. Tech companies see it as a way to simplify global payments. Digital platforms see this as an infrastructure adapted to the online economy. Investors see it as a new financial tool. Commercial banks sometimes see this as a threat to their historical model. Central banks see this as a potential challenge to monetary sovereignty. Rarely has a relatively recent financial innovation attracted the simultaneous attention of such different actors.

A question older than it seems — Beneath the technical debates lies a much older question. Who has the right to issue currency? Whom do we trust when we accept a means of payment? On which institutions does monetary stability rest? For a long

time, these questions seemed largely settled. Currencies were issued by central banks, deposits were managed by commercial banks, and payment infrastructures operated according to relatively stable rules. The emergence of stablecoins is reopening these debates.

A global phenomenon — What might have appeared a few years ago as an experiment confined to the world of crypto-assets has gradually become a global phenomenon. Hundreds of billions of dollars now circulate in the form of stablecoins. Major banks are taking an interest in the subject. US authorities are drafting new regulations. International institutions are publishing reports on the risks and opportunities they present. The stablecoin is no longer a niche phenomenon; it has become a matter of monetary, financial, and geopolitical significance.

The issue we will explore — To understand this evolution, we must return to the simplest question of all: what problem do stablecoins actually seek to solve? Were they created to replace existing currencies? To improve payments? To support the development of digital finance? Or do they respond to a deeper transformation of the modern economy? Before examining the debates surrounding their regulation, stability, or geopolitical role, we must understand why they emerged.

Going back to basics — This brings us back to the underlying logic of this entire series. Before judging, one must understand. Before understanding, one must translate. Stablecoins represent one of the new languages of digital finance. To determine the role they might play in future ecosystems like AXIS, we must first understand the circumstances of their inception. This is the journey we are now going to undertake.

1. Bitcoin opened a door without solving the problem

A historic breakthrough — In 2009, the emergence of Bitcoin introduced a concept that had previously seemed almost inconceivable: the ability to transfer value over the Internet without relying on a bank, a clearinghouse, or a central authority. For the first time, a global network of computers succeeded in collectively maintaining a shared transaction ledger. This innovation represented more than just a technical advancement; it sparked a new way of thinking about the very nature of money in the digital age.

Bitcoin proves that digital currency is possible — For decades, numerous electronic currency projects had attempted to solve the same problem. They all faced a major hurdle: preventing the same digital asset from being copied or spent more than once. Bitcoin offered a novel solution to this issue. More importantly, it demonstrated that a global community could assign value to an asset issued by neither a state nor a central bank. This demonstration would profoundly reshape financial perceptions.

An invention that transcends technology — Early observers focused primarily on cryptographic mechanisms, consensus algorithms, and blockchain technology. Yet, the most significant innovation may lie elsewhere. Bitcoin showed that it is possible to build collective trust without a visible central institution. This discovery captivated developers, investors, and entrepreneurs alike. Many saw it as the starting point for a new generation of financial infrastructure capable of operating on a global scale.

Volatility emerges quickly — However, a problem soon became apparent. The price of Bitcoin experienced dramatic swings. Within months—and later, years—its value could multiply or plummet by significant factors. While this volatility attracted speculators and contributed to Bitcoin's fame, it also revealed a fundamental contradiction: the more sought-after Bitcoin became as an asset, the more its price fluctuated. Yet, a currency cannot effectively fulfill its role if its value is constantly changing. Why no one sets prices in Bitcoin — To understand this challenge, imagine a merchant selling a product for one hundred monetary units. If the value of the currency used fluctuates significantly between the time the price is set and the time payment is made, economic activity becomes unpredictable. This is precisely what happens with Bitcoin. Very few businesses base their accounting, contracts, or price lists on this unit of account. Bitcoin is held, traded, and stored, but rarely used to set long-term prices.

A currency that rises and falls — This situation creates a specific pattern of behavior among Bitcoin holders. When the value rises, many prefer to hold onto their assets in the hope of further appreciation. When the value falls, they hesitate to use them for fear of selling at a loss. In both cases, the payment function takes a back seat. The asset tends to become an investment vehicle rather than a means of everyday exchange. This evolution was not necessarily foreseen by its creators, but it has gradually taken hold.

The limits of everyday payments — Early Bitcoin proponents sometimes envisioned a future where everyone could settle routine purchases directly on the blockchain. In practice, this vision faces several obstacles. Price fluctuations complicate commercial transactions. Users must manage relatively complex digital wallets. Businesses face accounting and tax uncertainties. Bitcoin works remarkably well as a proof of concept for a decentralized digital currency, but far less effectively as a stable everyday currency.

The digital economy seeks something else — As digital platforms expand, a new need is emerging. Companies operating globally want an instrument capable of moving as quickly as a crypto-asset while maintaining a predictable value. Digital markets require a settlement method that is available around the clock. Decentralized finance applications seek a stable unit of account. International users want to transfer value without exposure to excessive volatility.

The need for stable value — This quest for stability is nothing new. For centuries, monetary systems have relied on the ability to maintain a benchmark that remains relatively predictable over time. An economy can adapt to moderate price fluctuations; it struggles to function when the monetary unit itself becomes unpredictable. The challenge facing digital finance pioneers is therefore not new: it involves replicating a fundamental property of any currency—stability—within the digital realm.

An initial solution emerges — It is against this backdrop that the first stablecoins have emerged. Their ambition is both simple and bold. Since digital markets seem to value the speed, programmability, and openness of blockchain infrastructure, why not combine these features with the stability of an existing currency? Rather than creating a new, fluctuating monetary unit, stablecoins offer a way to digitally represent an already established currency. The idea seems obvious today. It nevertheless represents a decisive step in the evolution of digital finance.

2. Stability is a monetary function

An often-overlooked fundamental — Debates on digital currencies often focus on technology. Discussions center on blockchain, cryptography, distributed ledgers, smart contracts, and even artificial intelligence. Yet, before being a technical object, money primarily fulfills an economic and social function. Even the most sophisticated innovations can only thrive in the long term if they meet fundamental monetary needs. Stability holds a special place among these needs; it is what enables economic actors to plan for the future.

The three functions of money — For centuries, economists have described money in terms of three main functions. It serves as a unit of account for expressing prices and measuring value. It acts as a store of value, allowing purchasing power to be transferred over time. Finally, it functions as a means of payment by facilitating exchanges between economic actors. These three functions are closely interconnected. When a currency loses its stability, maintaining each of these functions becomes more difficult.

Why stability is essential — Monetary stability does not imply a total absence of variation. All currencies experience fluctuations linked to inflation, interest rates, or economic developments. What matters is the relative predictability of their value. Households need to be able to plan their spending. Businesses need to be able to draw up budgets and contracts. Investors need to be able to evaluate projects spanning several years. Without a minimum level of stability, uncertainty spreads throughout the entire economy.

The unit of account — The primary function of money is to provide a common reference for expressing prices. Whether an entrepreneur is drawing up a quote, a company is preparing a budget, or an investor is valuing an asset, a unit of account is used. This function seems so natural that it often goes unnoticed. Yet, it relies on the assumption that the currency being used retains a relatively stable value. A unit of measurement that constantly fluctuates would quickly become difficult to use.

The challenge of an unstable unit of account — Imagine a builder setting the price of a building today in a currency whose value could double or be cut in half in the weeks that follow. Negotiations would become extremely complex. Every contract would need to incorporate constant adjustment mechanisms. Price comparisons would lose their meaning. This situation explains why highly volatile cryptocurrencies are rarely used as a unit of account. They can be held or traded, but they rarely serve as a stable benchmark for the real economy.

Store of value — The second function of money is to preserve value over time. An individual saving money, a company accumulating cash reserves, or an investor deferring future spending are all seeking to preserve some of their purchasing power. This function does not require perfect stability. However, it does require that fluctuations remain limited enough to allow for rational economic decisions. A currency whose value fluctuates sharply makes it more difficult to fulfill this function.

Economic activity and time — All economic activity unfolds over time. Businesses invest today to produce tomorrow. Households save to fund future projects. Governments borrow over multi-year periods. In each of these cases, decisions are based on expectations. When currency becomes unpredictable, these expectations become more fragile. Monetary stability thus acts as an invisible infrastructure,

enabling economic actors to coordinate their actions despite the uncertainty of the future.

A means of payment — The third function of money is to facilitate exchange. For a payment to be accepted, both parties must have confidence in the value of the instrument being used. A merchant accepts a payment because they believe they can use that same currency to pay their suppliers, employees, or taxes. This confidence relies largely on the expected stability of the currency. If that stability vanishes, it becomes harder for the means of payment to gain acceptance.

Stability over technology — Monetary history shows that technologies evolve faster than the functions of money. Seashells, precious metals, banknotes, electronic transfers, and mobile apps have radically transformed the forms money takes. Yet, fundamental needs have remained remarkably constant. Users seek a reliable unit of account, a credible store of value, and a widely accepted means of payment. Digital innovations do not eliminate these requirements; they simply rediscover them in a new form.

Digital currencies and an old problem — Cryptocurrency pioneers initially focused their efforts on decentralization, security, and censorship resistance. These were legitimate and innovative goals. However, as usage expanded, a more traditional challenge resurfaced: how to maintain a value stable enough to support everyday economic activity. In other words, the digital revolution found itself confronting an age-old question that every society has had to resolve at some point. The Return of the Dollar — Faced with this challenge, many players opted for a pragmatic solution. Rather than devising a new monetary benchmark, they decided to use the one that already dominated the global economy. The US dollar offered significant advantages: it was widely accepted, used in international trade, present in financial markets, and recognized by economic actors worldwide. Thus, the first stablecoins built a bridge between the world of blockchains and that of the dollar.

A simple idea with far-reaching consequences — The concept seems almost mundane: combining the stability of an existing currency with the possibilities offered by digital infrastructure. Yet, this combination would yield unexpected results. By linking blockchains to the dollar, stablecoins do more than just create a new payment tool; they pave the way for a new form of money circulation—one that is available around the clock, programmable, and potentially global in scope. To understand this transformation, we must now examine more closely how a stablecoin works.

3. How does a stablecoin work?

A simple promise — Beyond the regulatory, geopolitical, or technological debates, the stablecoin concept rests on a relatively simple idea: creating a digital asset capable of circulating across computer networks while maintaining a stable value. The ambition is to combine two worlds that have long evolved separately—the stability of traditional currencies on the one hand, and the flexibility and speed of digital infrastructures on the other. The entire mechanism of the stablecoin stems from this initial promise.

A pragmatic solution — Unlike Bitcoin, early stablecoins did not seek to invent a new currency. Instead, they adopted a far more pragmatic approach. Since the dollar is already widely accepted in the global economy, why not create a digital representation of that dollar for use on blockchain networks? This logic avoids many of the challenges involved in establishing trust in a new currency; the stablecoin derives its credibility from an already recognized currency.

The principle of the peg — This relationship between the stablecoin and the reference currency is generally referred to as a "peg." A dollar-backed stablecoin aims to maintain a constant equivalence with the dollar. The goal is for a digital unit to retain a value close to one dollar, regardless of market fluctuations. The entire system architecture is built around this requirement; if the peg fails, the stablecoin ceases to fulfill its primary function.

A relationship based on trust — The peg is not an inherent property. It relies on a combination of technical, financial, and institutional mechanisms designed to convince users that the parity will be maintained over time. In reality, a stablecoin is not worth a dollar simply because an algorithm dictates it; it is worth a dollar because users believe they can exchange it for a dollar whenever necessary. As is often the case with money, stability ultimately rests on a foundation of trust.

One token for one dollar — In its simplest form, the model operates on a principle of representation. When a user hands over a dollar to the stablecoin issuer, the issuer creates a corresponding digital token. The token then circulates freely on the blockchain. When a holder wishes to redeem their original currency, they return the token and receive the corresponding dollar in exchange. The stablecoin thus acts as a digital certificate representing a claim on a monetary reserve.

Digital value circulation — Once created, the token can be transferred from one digital wallet to another without moving the underlying reserves. This decoupling of token circulation from the immobilization of reserves is a key mechanism of the system. Users exchange digital representations, while the collateral assets remain held by specialized financial institutions. This architecture enables rapid transfers while maintaining a link to the traditional monetary economy.

Collateral reserves — The issue of reserves is central to how stablecoins operate. To maintain confidence, issuers must demonstrate that they actually hold the assets needed to honor redemption requests. These reserves can take various forms: cash, bank deposits, short-term Treasury bills, or other financial instruments considered safe and liquid. The higher the quality of the reserves, the greater the stablecoin's credibility tends to be.



Why reserves are so important — Reserves play a role comparable to a building's foundations. They are rarely visible to the end user, yet they support the entire structure. If holders begin to doubt their existence or quality, confidence can quickly erode. A significant part of the debate surrounding stablecoins focuses precisely on the transparency of these reserves, their composition, and the issuers' ability to meet massive redemption requests.

The role of the issuer — Behind every stablecoin lies an organization responsible for managing the system. This entity performs several essential functions: it holds the reserves, creates new tokens, destroys redeemed ones, and publishes information to reassure users. The issuer thus occupies a strategic position. Unlike some fully decentralized cryptocurrencies, most stablecoins rely on a clearly identified entity that assumes responsibility for the promised stability.

The redemption mechanism — The ability to convert a stablecoin into its reference currency is the primary stabilization mechanism. If the stablecoin's price deviates from its theoretical value, market participants have an incentive to capitalize on this discrepancy. This arbitrage process helps gradually bring the price back to its target level. Redemption thus acts like an anchor, preventing the system from drifting too far from its initial monetary reference.

Blockchain as infrastructure — While stablecoins use traditional currencies as a reference, they circulate on new infrastructures. Blockchain acts as a shared ledger that records the issuance, transfer, and destruction of tokens. It enables users in different countries to exchange value without relying directly on banking hours or national payment systems. It is this infrastructure that gives stablecoins their truly digital nature.

Constant availability — One of the most visible consequences of this architecture is continuous service. Transactions can be carried out at any time of day or night, including on weekends and public holidays. For players accustomed to the constraints of traditional banking systems, this round-the-clock availability represents a significant shift. It partly explains the interest shown by international companies, digital platforms, and financial markets in these new instruments.

Programmable money — Stablecoins do more than simply circulate across digital networks; they can also interact with computer programs known as smart contracts. These programs automatically execute specific operations when predefined conditions are met. Consequently, payments can be integrated into automated processes, commercial contracts, financing mechanisms, or decentralized applications. Money thus ceases to be merely a medium of exchange and becomes an active component of a broader digital system.

A hybrid entity — This is arguably the best way to understand stablecoins. They are neither traditional currency nor conventional cryptocurrency; rather, they borrow characteristics from both worlds. Their value is generally pegged to an existing currency, while their infrastructure relies on new digital technologies. Their stability depends on traditional financial assets, yet they circulate via programmable networks. Stablecoins thus emerge as a hybrid entity situated at the intersection of banking, technology, and digital finance.

Understanding the true innovation — This hybridization explains the intense interest surrounding stablecoins. The innovation lies not merely in the creation of a new digital



token, but in the combination of two worlds that, until recently, operated according to distinct logics. Stablecoins bridge the gap between the realm of sovereign currencies and that of programmable infrastructures. To understand their success, one must look at the players who have found an answer to their specific needs in this combination.

4. The players who have adopted stablecoins

Crypto platforms — Neither banks nor large corporations were the first adopters of stablecoins. Their adoption began within the realm of crypto-asset exchanges. These players faced a practical challenge: how to enable users to quickly switch between digital assets without constantly having to revert to the traditional banking system. Stablecoins offered an elegant solution. They gradually became the preferred unit of account and settlement medium for many digital markets.

A response to an operational need — For platforms, stablecoins offer several advantages. They allow for the preservation of relatively stable value while remaining compatible with blockchain infrastructure. They also reduce reliance on bank transfers, which are often slower and more costly. What initially appeared to be an operational improvement gradually became a central element of the ecosystem. Stablecoins evolved from being just one tool among many into an essential component of the daily functioning of digital markets.

Traders — Market participants were among the first to benefit from this innovation. In an environment where crypto-asset prices can fluctuate rapidly, traders need a temporary safe haven that allows them to exit a position without leaving the digital ecosystem. Stablecoins serve precisely this function. They allow liquidity to be held in a relatively stable unit while remaining immediately available for new trades.

A transitional currency — In traditional markets, investors often revert to bank-held cash when they wish to reduce their risk exposure. In digital markets, stablecoins are increasingly playing a comparable role. They have become a form of transitional currency, enabling movement between different assets without the need to constantly route transactions through banking infrastructure. This function has been a major driver of their initial adoption and rapid growth.

Digital enterprises — As stablecoins mature, new categories of players are beginning to take an interest in them. Companies operating internationally are discovering that stablecoins can simplify certain fund transfers and reduce settlement times. Digital platforms also view these instruments as a potential way to more easily integrate payments into their services. Interest is no longer driven solely by speculation but by operational considerations regarding transaction efficiency.

Infrastructure suited to the digital age — Technology companies are particularly attuned to certain characteristics of stablecoins. Their round-the-clock availability, programmability, and ability to circulate across global networks align with needs already present in the digital economy. For these players, the stablecoin is seen less as a financial product and more as infrastructure capable of facilitating the automation of numerous economic operations.

International users — Stablecoin adoption is not driven solely by the needs of businesses or financial markets. In many parts of the world, individuals face difficulties accessing international financial services. Remittances can be costly, opening a bank account complex, and access to certain currencies limited. Stablecoins offer an alternative that bypasses some of these constraints by providing direct access to a digital asset pegged to a recognized currency.

Countries facing inflation — In certain economies characterized by high inflation or rapid depreciation of the national currency, stablecoins are attracting particular

interest. Users are less concerned with technological innovation than with preserving their purchasing power. A dollar-backed stablecoin becomes a form of digital dollarization accessible via a simple mobile phone. This usage demonstrates that stablecoins sometimes address very concrete monetary needs, far removed from Western technological debates.

Cross-border payments — International transfers represent another area where stablecoins are gradually gaining a foothold. Traditional systems often involve multiple intermediaries, variable processing times, and sometimes significant fees. While stablecoins do not eliminate all these costs, they offer a new way to organize the movement of value. In certain contexts, they enable faster processing and simplify financial flows between different jurisdictions.

Global circulation of value — This ability to cross digital borders is attracting the attention of many economic players. Exporting companies, expatriate workers, international platforms, and financial service providers are beginning to experiment with new models based on these infrastructures. Stablecoins are gradually becoming a tool for connecting economic zones that were previously kept apart by the constraints of traditional payment systems.

Decentralized finance — The rise of decentralized finance—often referred to by the acronym DeFi—also plays a pivotal role in the adoption of stablecoins. Applications for lending, borrowing, trading, or investing built on blockchains require a relatively stable unit of account. Stablecoins fulfill this function and are rapidly becoming a cornerstone of these new financial ecosystems. They serve as collateral, a means of settlement, and sometimes even a reference asset for numerous protocols.

Fuel for new financial networks — In DeFi, stablecoins play a role comparable to that of bank money in the traditional financial system. They enable different services to interact with one another and ensure the smooth flow of exchanges. Without them, many of today's decentralized applications would struggle to function effectively. This central position reinforces their importance within the broader digital economy.

Gradual adoption — However, it would be a mistake to expect sudden, uniform adoption. Stablecoins have spread in successive stages. They first emerged within specialized crypto communities, then were adopted by certain institutional investors, and subsequently attracted the attention of technology companies, banks, and regulators. Each group of stakeholders finds a solution to its specific needs in these instruments; this diversity of use cases partly explains their rapid growth.

An unexpected convergence — Few recent financial innovations have managed to bring together such a diverse range of players. Traders seek liquidity; companies seek efficiency; international users seek access to a stable currency; developers seek a programmable unit; and investors seek new infrastructure. Each group finds a partial solution to its concerns in stablecoins. This convergence is a major factor in their success.

Adoption extending beyond the crypto world — In retrospect, what stands out is not merely the growth of stablecoins, but the diversity of the players using them today. An innovation born on the fringes of the financial system is now attracting the attention of central banks, governments, commercial banks, and major global corporations. Stablecoins are no longer a phenomenon confined to the crypto-asset

universe; they are gradually becoming a visible component of the digital transformation of money.

A deeper question arises — This rapid spread naturally leads to a more fundamental question. If such diverse players are adopting stablecoins, it may be because they address a shift that goes deeper than the mere modernization of payments. Underlying their success is a gradual transformation in how money circulates within the digital economy. To understand this evolution, we must now examine the very nature of these instruments: are stablecoins simply a new form of money, or do they herald a new stage in the digitization of money?

5. A new stage in the digitization of money

Is a stablecoin really a currency? — After examining how they work and the parties that use them, a question remains: is a stablecoin truly a currency? The answer is not as obvious as it might seem. From a legal standpoint, the situation varies by country and regulation. From an economic perspective, the debate remains open. Yet, this question may reveal a deeper issue. Stablecoins emerge precisely at the intersection of several traditional categories: currency, financial asset, payment infrastructure, and digital technology.

A currency representing another currency — Unlike sovereign currencies, stablecoins generally do not seek to exist independently. Their value relies on their relationship with an already recognized currency. A dollar-backed stablecoin is not designed to replace the dollar; rather, it serves as a digital representation of it, circulating on a different infrastructure. This characteristic explains why some observers view them more as instruments for the circulation of money than as independent currencies.

A digital representation of the dollar — This concept of representation warrants further exploration. When we use a bank card or a mobile app, we are already handling digital representations of money. However, these representations remain closely tied to traditional banking infrastructures. Stablecoins introduce a significant difference: they allow a representation of the dollar to circulate on networks independent of conventional banking systems. This shift in infrastructure is arguably their most significant innovation.

A new form of monetary presence — For centuries, money has changed its medium without fundamentally altering its underlying logic. Coins were supplemented by banknotes; banknotes by bank accounts; and bank accounts by electronic payments. Stablecoins extend this evolution by adding a new digital layer. They enable money to exist within computing environments that were not originally designed by banks or states.

More than just a payment method — However, reducing stablecoins to a mere payment tool would be insufficient. While they do enable the transfer of value, they also serve to organize liquidity, automate financial processes, secure transactions, and connect various digital services. Their role is progressively extending beyond that of a simple transactional instrument; they are becoming a component of numerous emerging economic and financial architectures.

An infrastructure for circulation — This evolution leads to an important distinction. When we observe a bank transfer, we tend to focus on the movement of money itself. Yet, behind that transfer lies an entire infrastructure comprising banks, clearinghouses, payment networks, and legal frameworks. Stablecoins replicate this phenomenon. Their significance lies not only in the currency they represent but also in the infrastructure they provide to facilitate the circulation of that currency.

A currency available around the clock — One consequence of this new infrastructure is service continuity. In many traditional financial systems, certain operations remain constrained by banking hours, business days, or the limitations of national networks. Stablecoins introduce a different logic: transfers can be executed at any time between parties located in different jurisdictions. This constant availability is particularly well-suited to the needs of a digital economy that operates without interruption.

A programmable currency — Programmability represents another major shift. In traditional systems, money generally circulates separately from the contracts governing exchanges. With stablecoins, these two dimensions can be integrated. Computer programs can automatically trigger payments, distribute income, execute specific contractual clauses, or coordinate complex operations. Money thus becomes an active element of the information system, rather than merely a means of settlement.

A currency that interacts with networks — This evolution is gradually changing how stakeholders conceive of economic exchanges. Payments can be integrated directly into operational processes. Digital assets can be linked to automated financing mechanisms. Platforms can coordinate transactions among multiple participants. The stablecoin thus ceases to be an isolated object; it becomes a component of a broader network where data, assets, contracts, and financial flows circulate simultaneously.

A global currency — Another characteristic deserves highlighting. Stablecoins are designed from the outset to operate in a global environment. A single digital asset can be held, transferred, or used by actors located on different continents. This international dimension is not entirely new; the dollar has played a global role for decades. What is changing is the ease with which this global presence can now be integrated into open, programmable digital infrastructures.

A globalization of monetary circulation — Digital networks reduce certain barriers that historically limited the circulation of money. Geographical distances become less significant. Technical delays are reduced. Interactions between actors become more direct. Stablecoins fully capitalize on this trend, helping to create an economic landscape where the flow of value becomes as fluid as the flow of information.

An innovation scaling up — This is likely why stablecoins are now attracting the attention of a wide range of stakeholders. What initially appeared to be an innovation aimed at crypto markets is beginning to be viewed as a new layer of financial infrastructure. Banks, technology companies, regulators, and investors are no longer focused solely on the token itself; they are considering the implications of its large-scale adoption and the transformations it could bring to the way exchanges are organized.

A deeper transformation than it seems — At this stage of our analysis, stablecoins appear less like an isolated innovation and more like a symptom of a broader transformation. Money is gradually becoming digital, programmable, interconnected, and global. Stablecoins represent one of the first visible manifestations of this evolution. They demonstrate that monetary matters are no longer the exclusive domain of banks and central banks; they now involve platforms, networks, digital infrastructures, and new economic ecosystems.

A new question arises — Understanding stablecoins means understanding more than just a new financial instrument. They reveal a gradual transformation in how value circulates within the digital economy. Yet, this transformation immediately raises another question. If money becomes programmable, global, and accessible around the clock, who should guarantee its stability? Who should define the rules? Who should exercise ultimate authority? This is precisely where the debates pitting stablecoins against commercial banks, central banks, and regulators begin.

An initial answer — We can now answer the question posed at the beginning of this article. Stablecoins emerged because Bitcoin had demonstrated the feasibility of digital



currency without solving the problem of stability. By combining the trust placed in an existing currency with the capabilities of digital infrastructure, stablecoins offered an initial solution. However, their success in turn raises new questions. Understanding why they exist was the first step; understanding why they cause concern is the next.

Conclusion

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One question remains — Yet, understanding the origins and mechanics of stablecoins does not fully cover the subject. A more fundamental question now arises. If these instruments continue to grow, who will guarantee their stability? Who will oversee their reserves? Who will set the rules governing their issuance and use? As stablecoins gain prominence, technical questions are gradually giving way to institutional and political ones.

Who should control this new form of money? — Underlying this question is a debate far older than digital technologies themselves. Should money be primarily organized by the market, by banks, or by public authorities? Stablecoins are reviving this question in a new form. Some see them as an opportunity for private-sector innovation. Others believe that a function as essential as money cannot be left solely to private companies. This tension lies at the heart of many current debates.

The real question for the next article — We have dedicated this article to understanding why stablecoins emerged. We have seen that they meet a need for stability in the digital economy and represent a new stage in the digital circulation of value. However, their success opens a second, equally important chapter. Once stablecoins become credible, useful, and widely adopted, they begin to unsettle those who have traditionally played a central role in monetary systems.

An inquiry that is just beginning — The question is no longer merely "what is a stablecoin?" It becomes: why are commercial banks, central banks, and regulators watching this phenomenon with growing attention? What risks do they perceive? What interests are they seeking to protect? And why have debates about stablecoins evolved into debates about monetary power itself? This is the next stage of the inquiry that we will explore in the upcoming article.