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# International Monetary System Dynamics and Global Economic Stability: A Systematic Literature Review

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**ABSTRACT**

The international monetary system continues to evolve due to increasing global economic integration, changes in the international currency structure, and advances in digital financial technology. These developments significantly influence global economic stability through exchange rates, capital flows, and financial market integration. This study aims to analyze the dynamics of the international monetary system, identify the key factors driving its transformation, and examine their implications for global economic stability. A Systematic Literature Review (SLR) was conducted following the PRISMA guidelines using articles retrieved from the Scopus, ScienceDirect, Springer, Emerald Publishing, and Taylor & Francis databases. After the screening process, 29 eligible articles were selected and analyzed using thematic and narrative synthesis. The findings indicate that the international monetary system is primarily shaped by the dominance of the US dollar, monetary policies in advanced economies, financial globalization, international economic crises, and the emergence of Central Bank Digital Currencies (CBDCs). These factors affect exchange rate stability, capital mobility, financial system resilience, and the risk of cross-border crisis transmission. Meanwhile, dedollarization, the growing role of the Chinese yuan, and CBDC adoption present opportunities for a more multipolar and inclusive monetary system despite governance and regulatory challenges. The study contributes by providing a comprehensive synthesis that integrates the drivers, implications, and future prospects of international monetary system transformation into a unified conceptual framework for future research and policymaking.

**Keywords**: *Global Economic Stability , International Monetary System; Systematic Literature Review.*

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## INTRODUCTION

The acceleration of economic globalization has increased the integration of international trade, investment, and financial markets, creating closer linkages between countries. Under these conditions, changes in economic policies or financial turmoil in one country can quickly spread and affect the economic stability of other countries through trade mechanisms, capital flows, and global financial markets. This phenomenon shows that the international monetary system has a fundamental role as a framework that regulates monetary relations between countries, maintains smooth international transactions, and supports global economic stability. According to Dallago and Casagrande (2026), globalization and economic integration have shaped the increasingly complex structure of the world economy, while the integration of financial markets accelerates the transmission of risk across countries, thereby increasing vulnerability to external shocks. In line with that, Haddad (2023) emphasized that the increasing interconnectedness of global financial markets causes a country's economic stability to no longer only be determined by domestic factors, but also by the dynamics of the international monetary system

The increasing global economic interconnectedness places the international monetary system as the main pillar in maintaining the stability of economic and financial relations between countries. This system functions to regulate international payment mechanisms, exchange rate stability, the provision of global liquidity, and the coordination of monetary policies that support the smooth running of world economic activities. The existence of a credible international monetary system is becoming increasingly important as economic openness not only expands access to international trade, investment, and financing, but also increases vulnerability to external shocks that can quickly spread through global financial markets. Akinyemi's research (2026) shows that financial globalization is closely related to increased macroeconomic volatility, especially in developing countries that have a high dependence on international capital flows. The findings indicate that the effectiveness of the international monetary system not only determines the smooth flow of cross-border transactions, but is also an important factor in maintaining the resilience and stability of the global economy.

One of the main components that determine the dynamics of the international monetary system is the structure of the international currency used as a means of payment, the reserve currency of foreign exchange, and the denomination of global financial transactions. Until now, the United States dollar still maintains its position as the dominant currency in international trade, financial markets, and foreign exchange reserves of various countries, so that changes in the monetary policy of the United States have a broad impact on global economic stability. Nevertheless, the development of the world economy in recent years shows the emergence of a tendency towards a more multipolar monetary system, characterized by the increasing use of alternative currencies, particularly the Chinese renminbi (yuan), in international trade and financial transactions. Lu et al. (2025) found that the role of the renminbi in the non-dollar currency market increased after the COVID-19 pandemic, reflecting a gradual shift in the global monetary structure. These changes show that the international monetary system is no longer static, but continues to evolve according to changes in economic forces, geopolitical dynamics, and innovation in the international financial system.

The transformation of the structure of the international monetary system does not occur naturally, but is influenced by various changes in the global economic and financial environment. The monetary policies of developed countries, especially changes in interest rates and liquidity policies by major central banks, are one of the factors that determine the direction of capital flows, exchange rates, and the stability of international financial markets. In addition, increasing financial globalization, geopolitical uncertainty, and international economic crises have further exacerbated the complexity of global monetary system governance. On the other hand, advances in financial technology through the development of Central Bank Digital Currency (CBDC) have presented a new paradigm in the international payment system that has the potential to change the structure of cross-border transactions and reduce dependence on conventional monetary mechanisms. Ben El Rhadbane and El Moudden (2025) show that strong monetary governance increases currency resilience in times of crisis, while Ogawa and Luo (2025) find that global risks have a significant effect on the dynamics of interest rates and exchange rates in different countries. These findings show that the dynamics of the international monetary system are the result of the interaction of various economic, institutional, technological, and geopolitical factors that affect each other, thus demanding an increasingly adaptive and resilient monetary system in maintaining global economic stability

The various changes that have occurred in the international monetary system show that the relationship between global monetary structure, economic policy, financial innovation, and economic stability is increasingly complex and interdependent. Various previous studies have examined these aspects partially, such as the dominance of the United States dollar, the internationalization of the renminbi, the effectiveness of monetary policy, financial globalization, and the implementation of the Central Bank Digital Currency (CBDC). However, these studies generally still focus on specific issues or specific geographical areas so that they do not provide a comprehensive understanding of how these factors simultaneously shape the dynamics of the international monetary system and their implications for global economic stability. This condition indicates the need for a systematic synthesis of literature to integrate the latest empirical findings, identify patterns of research development, and formulate a more complete conceptual framework regarding the relationship between the dynamics of the international monetary system and global economic stability. Therefore, the Systematic Literature Review (SLR) approach is relevant to produce a more comprehensive understanding while identifying future directions for the development of international monetary policy and research.

Based on these research gaps, this study seeks to provide a more comprehensive synthesis of the dynamics of the international monetary system through the Systematic Literature Review (SLR) approach. This research is directed to answer three main questions, namely: (1) how the development of the international monetary system in contemporary academic literature is; (2) what factors are driving the change and transformation of the international monetary system; and (3) how the implications of these dynamics are for global economic stability. To answer this question, this study aims to identify the development of the study of the international monetary system, analyze the factors that shape its dynamics, and synthesize its implications for global economic stability based on empirical findings from various international studies. The contribution of this research lies in the preparation of a synthesis of literature that integrates the development of the international monetary system, the factors driving its transformation, and its implications for global economic stability into one comprehensive conceptual framework. The synthesis is expected to enrich the development of theories, become a reference for future research, and provide input for the formulation of monetary policy and international financial governance that is more adaptive to global economic dynamics.

## RESEARCH METHODOLOGY

This study uses the Systematic Literature Review (SLR) approach to identify, evaluate, and synthesize scientific findings regarding the dynamics of the international monetary system and its implications for global economic stability. The SLR approach was chosen because it is able to produce a comprehensive, systematic, transparent, and replicable literature synthesis, thereby providing a deeper understanding of the development of a field of study based on published empirical evidence. The SLR implementation process refers to the guidelines of Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) which includes the stages of identification, screening, feasibility assessment, and inclusion of articles in a systematic manner. The focus of the study is directed at research that discusses the international monetary system, global monetary policy, exchange rate stability, international currencies, the development of the Central Bank Digital Currency (CBDC), and its implications for global economic stability. With this approach, this study not only maps the development of the literature, but also identifies the main themes, research gaps, and directions of development of the international monetary system that are the basis for the preparation of conceptual synthesis and recommendations for future research and policy.

The literature search process was carried out systematically on five reputable international databases, namely Scopus, ScienceDirect, Springer, Emerald Publishing, and Taylor & Francis, because the five databases have a wide range of publications and are relevant to the fields of international economics, finance, and monetary policy. The search strategy used a combination of the keywords International Monetary System, Global Economic Stability, Monetary Policy, Exchange Rate System, and Global Financial Stability combined with Boolean operators (AND and OR) to obtain articles that fit the focus of the research. The search is limited to articles published in the range of 2022–2026 in order to obtain the most up-to-date research developments on the dynamics of the international monetary system. All articles obtained are then documented in the research database to eliminate duplication and facilitate the identification and selection process at the next stage in accordance with the PRISMA procedure.

The literature selection is carried out based on the inclusion and exclusion criteria that have been established to ensure that the articles analyzed have adequate relevance and scientific quality. Inclusion criteria include articles published in reputable international journals, have gone through a peer review process, are available in full text, use English, and directly discuss the international monetary system, global monetary policy, exchange rate stability, international currencies, or global economic stability. On the other hand, duplicate articles, not in accordance with the focus of the research, in the form of conference proceedings, editorials, book chapters, or publications that do not go through the peer review process are excluded from the analysis process. The application of these criteria aims to increase the validity of the literature synthesis by ensuring that all articles used have good methodological quality, relevance to the research objectives, and are able to provide strong empirical evidence regarding the dynamics of the international monetary system and its implications for global economic stability.

The literature selection process was carried out following the stages of Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA), which included identification, screening, eligibility, and inclusion. The identification stage resulted in 230 articles obtained from the five databases used. Furthermore, duplicate articles, irrelevant to the focus of the research, as well as articles that are not available in full text form, are removed, leaving 170 articles for the screening process based on titles and abstracts. At this stage, articles that were not in accordance with the research objectives were eliminated so that 120 articles were obtained for full-text assessment. After a feasibility assessment based on inclusion and exclusion criteria, including methodological quality and substance relevance, a total of 29 articles were declared to meet all requirements and were used as the basis for analysis in this study. The entire selection process is presented systematically through the PRISMA flowchart to ensure transparency, consistency, and reproducibility of the literature selection process.

## RESULT AND DISCUSSION

### *Result*

The literature identification and selection process was carried out systematically following the PRISMA guidelines to obtain relevant and quality articles in accordance with the research objectives. The identification stage resulted in 230 articles obtained from five international databases. After the removal of duplicate articles, irrelevant articles, and articles that are not available in full text, a total of 170 articles meet the requirements to enter the screening stage based on titles and abstracts. Furthermore, the process of evaluating the full text and assessing the suitability of substance and methodological quality resulted in 29 articles that met all inclusion criteria and were used as the basis for synthesis in this study. The results of the selection show that the screening process has been able to produce a representative body of literature to analyze the factors that shape the dynamics of the international monetary system, its implications for global economic stability, and the direction of the development of studies in this field.

As a follow-up to the selection process, the research characteristics in articles that meet the inclusion criteria are analyzed to identify patterns and trends in the development of studies on the international monetary system. Of the 29 selected articles, the ten most representative articles are presented in the form of a table to describe the variations in research focus, methodological approaches, key findings, and their contribution to the understanding of the dynamics of the international monetary system and global economic stability. The mapping results show that previous studies not only discuss changes in the structure of the international monetary system, but also examine various determinants, such as financial globalization, monetary policy, global risk, monetary governance, and the development of digital financial technology. This diversity of focus shows that the dynamics of the international monetary system are a multidimensional issue that continues to develop and become the basis for thematic analysis in the next discussion.

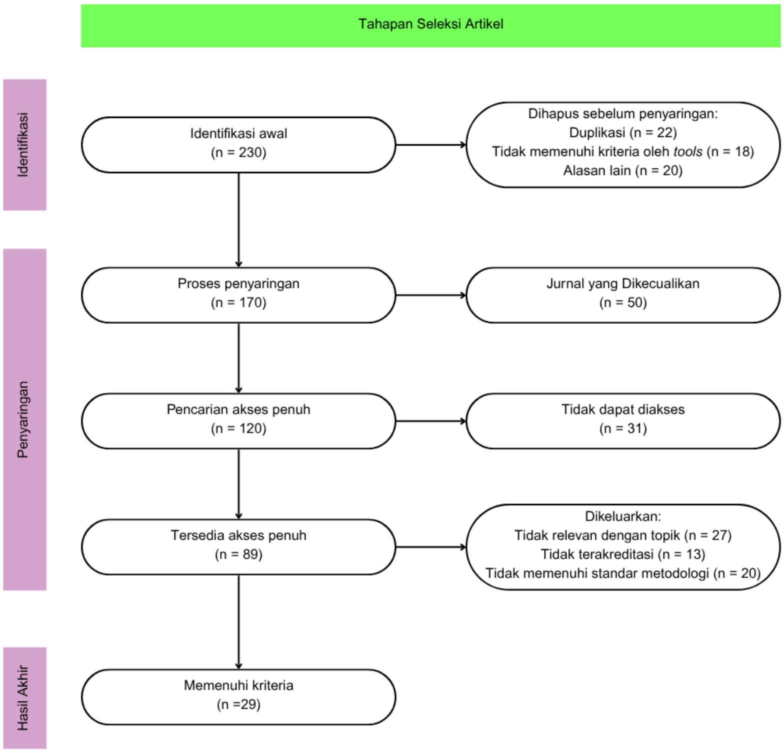


Figure 1. Stages of article selection

As a follow-up to the literature selection process, the ten most representative articles from a total of 29 selected articles are presented in Table 1 to provide a systematic overview of the development of the study of the international monetary system and its implications for global economic stability. The table contains information regarding the research focus, methodological approach, main findings, and the relevance of each study in explaining the dynamics of the international monetary system. The mapping results show that previous research has not only focused on changes in the structure of the international monetary system, but also examined various determinants, such as the dominance of the United States dollar, monetary policy in developed countries, financial globalization, global economic risks, monetary governance, and the development of the Central Bank Digital Currency (CBDC). The diversity of themes and approaches reflects that the dynamics of the international monetary system is a multidimensional issue that continues to develop and becomes the basis for thematic analysis of the driving factors, implications and prospects of the international monetary system in the following discussion.

Table 1. SLR Results of Selected Articles

| No. | Author (Year) | Research Focus | Method | Key Findings | Relevance to the Present Study |
|---|---|---|---|---|---|
| 1 | Akinyemi (2026) | Financial globalization and macroeconomic volatility in Sub-Saharan Africa | Empirical panel data analysis | Financial globalization strengthens economic integration while increasing macroeconomic volatility in developing countries. | Explains the relationship between the global financial system and economic stability. |
| 2 | Ben El Rhadbane & El Moudden (2025) | Monetary governance and currency resilience during crises | Comparative empirical analysis | Strong monetary governance enhances currency resilience during economic crises. | Highlights the importance of governance in the international monetary system. |
| 3 | Ogawa & Luo (2025) | Effects of global risk on interest rates and exchange rates in ASEAN+4 | Econometric model | Global risk significantly influences interest rate and exchange rate movements. | Demonstrates the role of exchange rate stability in the international monetary system. |
| 4 | Fedajev et al. (2023) | Effectiveness of monetary and fiscal policies during the European crisis | PLS-SEM | Coordinated monetary and fiscal policies strengthen economic resilience during crises. | Illustrates the monetary system's response to global economic shocks. |
| 5 | Lu et al. (2025) | Evolution of the Renminbi's role after COVID-19 | Spillover effect analysis | The influence of the Renminbi in non-USD markets increased after the pandemic. | Explains changes in the international currency structure. |
| 6 | Alexiou et al. (2024) | Cross-border dollar claims and global economic growth | Dynamic econometric analysis | The US dollar remains strongly associated with global economic growth. | Demonstrates the central role of the US dollar in the international monetary system. |
| 7 | Shen (2022) | Digital RMB and the | Empirical | Digital RMB has the | Explains the |

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|---|---|---|---|---|---|
| | | internationalization of the Renminbi | policy analysis | potential to strengthen the Renminbi's position in the international monetary system. | prospects for transforming the global monetary system. |
| 8 | Yousfani et al. (2025) | Global shocks and Pakistan's monetary dynamics | Financial Stress Index | External shocks increase pressure on financial markets and the domestic monetary sector. | Illustrates the transmission of global risks through the monetary system. |
| 9 | Bhiri & BenMabrouk (2026) | Central bank transparency and international investment | Index development and empirical analysis | Central bank transparency enhances global investor confidence. | Relates to international financial stability. |
| 10 | Oyadeyi et al. (2026) | Exchange rate volatility and global banking sector stability | Cross-country analysis | Exchange rate volatility negatively affects banking sector stability. | Demonstrates the implications of the international monetary system for global economic stability. |

***Discussion***

***a. Factors that Drive the Dynamics of the International Monetary System***

The results of the synthesis of the 29 articles analyzed show that the dynamics of the international monetary system are not determined by a single factor, but are the result of the interaction of various economic, institutional, and technological factors that affect each other. In general, there are five main factors that consistently appear in the literature, namely the dominance of the United States dollar as an international currency, the monetary policies of developed countries, financial globalization, the international economic crisis, and the development of the Central Bank Digital Currency (CBDC). These five factors contribute to changes in the structure of the international monetary system through their influence on exchange rate stability, international capital flow mobility, and global financial system resilience. From a theoretical perspective, these findings are in line with Institutional Theory, which explains that changes in the monetary system are a response to the dynamics of the economic, political, and institutional environment, and Hegemonic Stability Theory, which asserts that countries with dominant economic power have a great influence in shaping the international monetary order. Thus, the dynamics of the international monetary system can be understood as a transformation process influenced by changes in the balance of global economic power, financial technology innovations, and increasing complexity of international economic governance.

The dominance of the United States dollar remains the most influential factor in shaping the dynamics of the international monetary system. The results of the synthesis show that most studies place the US dollar as the main currency in international trade, foreign exchange reserves, as well as global financial transactions, so that changes in the monetary policy of the United States have a wide impact on the stability of the world economy. This position can be explained through Hegemonic Stability Theory which states that countries with dominant economic, political, and financial power tend to form rules and institutions that support the international economic order. In addition, Network Externalities Theory explains that the widespread use of the dollar creates network effects, where the more countries and economic actors use the dollar, the higher the benefits and efficiency obtained, thus strengthening its dominance in the global monetary system. These findings are supported by Alexiou et al. (2024) who show that the dominance of the dollar still has a strong relationship with global economic growth, while Karunia (2026) asserts that globalization is further strengthening the position of the dollar even though various countries are beginning to encourage the use of alternative currencies. These conditions show that the dominance of the dollar is not only a historical legacy, but is also maintained by the economic strength of the United States, the depth of financial markets, the level of investor confidence, and the high dependence of international trade and investment on the currency.

In addition to the dominance of the United States dollar, the monetary policies of developed countries and the increasing globalization of finance are important factors driving changes in the international monetary system. The results of the synthesis show that changes in interest rates, monetary easing and tightening policies, and liquidity management by major central banks have a significant influence on international capital flows, exchange rate stability, and global financial market conditions. This phenomenon can be explained through the Mundell–Fleming Model and the concept of the Impossible Trinity, which states that in an open economy a country cannot simultaneously maintain exchange rate stability, free capital flow, and monetary policy independence. The higher the level of global financial integration, the greater the transmission of a country's monetary policy to the economy of another country. These findings are in line with Spyromitros (2023) who showed that monetary policy affects investment activities and economic development, and Ibrahimov et al. (2025) who found that macroeconomic conditions are an important factor in determining the effectiveness of monetary policy. In addition, increasing financial globalization accelerates cross-border capital mobility, creating opportunities for economic growth, but at the same time also increases vulnerability to external turmoil and systemic risks. Therefore, the effectiveness of monetary policy coordination between countries is one of the main prerequisites in maintaining the stability of the international monetary system in the midst of the increasingly integrated global financial market

The increasing integration of global financial markets has also made the international monetary system increasingly vulnerable to economic crises and systemic risks that are cross-border in nature. The results of the synthesis show that various crises, such as the global financial crisis, the COVID-19 pandemic, geopolitical tensions, and commodity price volatility, have shown how shocks that occur in a country can quickly spread through international trade routes, capital flows, exchange rates, and banking systems. This phenomenon is in line with the Financial Instability

Hypothesis put forward by Hyman Minsky, which explains that financial system stability can ultimately encourage excessive risk-taking behavior, thereby increasing vulnerability to crises. In addition, Systemic Risk Theory explains that the high connectivity between institutions and global financial markets causes disruptions in one part of the system to cause a domino effect on world economic stability. These findings are supported by Yousfani et al. (2025) who show that global shocks increase pressure on financial markets and the domestic monetary sector, while Johansyah et al. (2024) affirm that the stabilization of the monetary system is an important factor in maintaining economic balance amid increasing global uncertainty. Therefore, strengthening monetary policy coordination, increasing institutional transparency, and developing risk mitigation mechanisms are important prerequisites for strengthening the resilience of the international monetary system to various external shocks.

***b. Implications of the International Monetary System on Global Economic Stability***

The results of the synthesis of the analyzed articles show that the dynamics of the international monetary system have far-reaching implications for global economic stability, both at the macroeconomic level and the international financial system. Changes in the structure of the monetary system, the monetary policies of major countries, and the increasing integration of financial markets not only affect exchange rate stability and capital flow mobility, but also determine the resilience of the financial system, the effectiveness of economic policy transmission, and the ability of countries to deal with external shocks. From the perspective of Open Economy Macroeconomics, economic openness causes a country's monetary condition to be increasingly influenced by international economic developments through trade, investment, and cross-border capital flows. This finding is also in line with the Financial Stability Theory which affirms that financial system stability is a key prerequisite for the creation of sustainable economic growth, as disruptions in the monetary system can quickly affect the real sector, financial markets, and global economic activity. Therefore, the implications of the dynamics of the international monetary system are not only reflected in monetary indicators, but also in the level of resilience of the global economy in the face of uncertainty, financial crises, and changes in the structure of the international economy.

One of the main implications of the dynamics of the international monetary system is the increasing volatility of exchange rates which has a direct effect on global economic stability. The results of the synthesis show that changes in the monetary policies of developed countries, fluctuations in international capital flows, and increasing global economic uncertainty cause exchange rates to become increasingly sensitive to various external shocks. These conditions affect the competitiveness of international trade, domestic inflation, financing costs, and cross-border investment decisions. From the perspective of Purchasing Power Parity (PPP) and Interest Rate Parity (IRP), differences in inflation rates and interest rates between countries are the main factors that drive exchange rate changes in the long and short term. These findings are supported by Ogawa and Luo (2025) who show that increasing global risks have a significant effect on interest rate and exchange rate movements in the ASEAN+4 region, while Oyadeyi et al. (2026) find that exchange rate volatility has a negative impact on the stability of the global banking sector. These results show that exchange rate stability not only plays a role in maintaining the balance of international trade, but is also an important indicator of financial system resilience and the effectiveness of macroeconomic policies in the face of the dynamics of the international monetary system

In addition to affecting exchange rate stability, the dynamics of the international monetary system also have a significant impact on the stability of the global financial system and the mobility of international capital flows. The results of the synthesis show that changes in monetary policy, global interest rates, and increasing economic uncertainty affect investment decisions and capital allocation across countries. In increasingly integrated financial market conditions, changes in monetary policy in major countries can trigger rapid capital inflows and capital outflows, thereby increasing financial market volatility, especially in developing countries. This phenomenon can be explained through Capital Mobility Theory, which states that the openness of financial markets allows for the free movement of capital in response to changes in the rate of return and investment risk, as well as the Portfolio Balance Theory, which explains that investors will adjust their asset composition according to changing global economic conditions and monetary policies. These findings are supported by Bhiri and BenMabrouk (2026) who show that central bank transparency is able to increase the confidence of international investors, while Ben El Rhadbane and El Moudden (2025) affirm that good monetary governance plays an important role in strengthening currency resilience and maintaining financial system stability during crisis periods. Thus, the stability of the global financial system is determined not only by the domestic economic conditions of each country, but also by the effectiveness of monetary policy coordination, the quality of institutional governance, and the level of confidence of market participants in the international monetary system.

Another equally important implication of the dynamics of the international monetary system is the increased risk of financial crisis and the faster transmission of economic shocks between countries. The results of the synthesis show that the high integration of the global financial market causes changes in monetary policy, geopolitical turmoil, banking crises, and economic slowdowns in one country can quickly affect the economic stability of other countries through trade routes, capital flows, exchange rates, and the financial system. This phenomenon can be explained through Contagion Theory which states that financial crises have a tendency to spread from one country to another due to the high interconnectedness of the financial market, and Systemic Risk Theory which emphasizes that failure in one part of the financial system can have a chain impact on the entire global economic system. These findings are in line with Yousfani et al. (2025) who showed that external shocks increase pressure on financial markets and the domestic monetary sector, while Fedajev et al. (2023) found that monetary and fiscal policy coordination plays an important role in strengthening economic resilience during crisis periods. The synthesis shows that a country's ability to respond to external shocks depends not only on the fundamental conditions of the domestic economy, but also on the effectiveness of policy coordination, institutional strength, and international cooperation in maintaining the stability of the global monetary system.

The dynamics of the international monetary system also have implications for increasing economic inequality between developed and developing countries. The synthesis results show that countries with stronger financial systems, large foreign exchange reserves, and broad access to international financial markets have a higher ability to respond to global monetary policy changes than developing countries that still have limited fiscal, institutional, and financial market deepening capacity. These conditions make developing countries more vulnerable to exchange rate volatility, sudden capital reversals, increased financing costs, and pressure on the balance of payments during global economic turmoil. This phenomenon can be explained through Dependency Theory which emphasizes that the dependence of developing countries on the centers of the world economy creates structural vulnerabilities in the international economic system, as well as the World Systems Theory which explains that the distribution of global economic power is still dominated by core countries, so that the benefits and risks of the international monetary system are not evenly distributed. These findings are in line with Akinyemi (2026) who shows that financial globalization increases macroeconomic volatility in developing countries, while other studies in this study indicate that the effectiveness of monetary governance and policy coordination are important factors in strengthening a country's economic resilience to external shocks. Therefore, strengthening institutional capacity, diversifying financing sources, deepening domestic financial markets, and increasing regional monetary cooperation are strategic steps to reduce inequality and strengthen global economic stability in the midst of the transformation of the international monetary system.

### c. Challenges and Prospects of the International Monetary System

The results of the synthesis show that the international monetary system is currently facing increasingly complex challenges as a consequence of changes in the global economic structure, increasing geopolitical uncertainty, and rapid development of financial technology. These dynamics cause the governance of the international monetary system to be required to be able to adapt to changes in the increasingly integrated and uncertain economic environment. From the perspective of Institutional Theory, changes in the international monetary system are a response to external pressures that encourage institutional adjustment in order to remain able to carry out the functions of coordination, stabilization, and supervision of global economic activities. In addition, Global Governance Theory explains that the effectiveness of the international monetary system is highly dependent on the quality of cooperation between countries and international financial institutions in formulating policies that are able to maintain world economic stability. The results of this study show that global economic fragmentation, increasing geopolitical risks, differences in monetary policy direction between countries, and high financial market volatility are the main challenges that can reduce the effectiveness of the international monetary system in supporting global economic stability. Therefore, strengthening monetary policy coordination, international financial governance reform, and increasing multilateral cooperation are increasingly urgent needs to face these challenges.

In the midst of these challenges, the results of the synthesis show that the international monetary system also has promising transformation prospects through the development of digital financial innovations, the increasing use of alternative currencies, and the strengthening of monetary cooperation between countries. One of the most notable developments is the increasing attention of various central banks to the development of Central Bank Digital Currency (CBDC) as an instrument to improve the efficiency of payment systems, speed up cross-border transactions, and reduce the cost of financial intermediation. On the other hand, the trend of dedollarization and the increasing role of the renminbi in international trade and investment indicate that the structure of the global monetary system is gradually moving towards a more multipolar order. This phenomenon can be explained through Financial Innovation Theory, which emphasizes that technological innovation is able to increase the efficiency and effectiveness of the financial system, and Diffusion of Innovation Theory, which explains that the adoption of new technologies will take place gradually as trust, institutional readiness, and regulatory support increase. These findings are supported by Shen (2022) who showed that the Digital RMB has the potential to strengthen the renminbi's position in the international monetary system, as well as Lu et al. (2025) who found that the renminbi's role in the non-dollar market has increased after the COVID-19 pandemic. Therefore, the transformation of the international monetary system in the future is expected to be marked by a combination of technological innovation, diversification of international currencies, and strengthening of institutional cooperation that is able to create a more efficient, inclusive, and resilient global monetary system.

Based on the overall results of the synthesis, the transformation of the international monetary system shows that the stability of the global economy in the future will be largely determined by the ability of the monetary system to adapt to changes in economic structure, the development of financial technology, and increasingly complex geopolitical dynamics. The findings of this study indicate that the dominance of the United States dollar is still the main pillar of the international monetary system, but the trend of dedollarization, the increasing role of the renminbi, and the development of the Central Bank Digital Currency (CBDC) are gradually starting to form a more multipolar configuration of the monetary system. From the perspective of Adaptive Governance Theory, these changes require monetary governance that is more flexible, collaborative, and responsive to various forms of global uncertainty. Therefore, strengthening monetary policy coordination between countries, reforming international financial institutions, improving the interoperability of digital payment systems, and developing adaptive regulations are strategic steps to maintain global economic stability. This research contributes by presenting a synthesis that integrates the driving factors, implications, challenges, and prospects of the transformation of the international monetary system into one comprehensive conceptual framework. The framework is expected to be the basis for the development of theory, international monetary policy formulation, and further research on the transformation of the monetary system in the digital era and an increasingly integrated global economy.

## CONCLUSION

This study concludes that the dynamics of the international monetary system are the result of the interaction of various economic, institutional, and technological factors that affect each other. The results of the Systematic Literature Review of 29 articles show that the dominance of the United States dollar, the monetary policies of developed countries, financial globalization, the international economic crisis, and the development of the Central Bank Digital Currency (CBDC) are the main factors driving the transformation of the international monetary system. These changes not only affect exchange rate stability and international capital flows, but also impact the stability of the global financial system, increase the risk of cross-border crisis transmission, and widen economic vulnerabilities, especially for developing countries. On the other hand, the trend of dedollarization, the increasing role of the renminbi, and the digitalization of the payment system indicate that the international monetary system is moving towards a more multipolar structure, although it still faces various challenges in terms of governance, policy coordination, regulation, and interoperability of the financial system.

This research makes a scientific contribution by presenting a comprehensive synthesis that integrates the driving factors, implications, challenges, and prospects of the transformation of the international monetary system into one complete conceptual framework. The findings of the study affirm the importance of strengthening international monetary policy coordination, global financial institution governance reform, and the development of secure, inclusive, and interoperable digital payment infrastructure to support sustainable global economic stability. In addition, this study opens up opportunities for further studies on the impact of CBDC implementation, the development of the multipolar monetary system, the effectiveness of regional monetary cooperation, and the implications of digital transformation on the resilience of the international financial system, so that it can enrich the development of theories and become the basis for the formulation of global economic policies in the future.

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