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What the U.S. Can Learn from India's Digital Finance Model

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As the United States advances efforts to regulate digital assets, India's centralized and user-oriented approach to digital finance may offer a valuable blueprint for building a secure and inclusive financial ecosystem, according to Andrew Gordan, a Motwani Jadeja US-India fellow at the Pacific Forum.

India's model, centered on Digital Public Infrastructure (DPI), has gained global attention for its integration of identity, banking, and mobile technologies under a single framework known as the India Stack. Gordan, whose research focuses on Indian tech diplomacy, points to the

India Stack as an example of how strong public-private coordination and infrastructure planning can support innovation while maintaining accountability.

At the heart of this system is the Unified Payments Interface (UPI), a real-time transaction platform managed by the National Payments Corporation of India (NPCI). Used widely by consumers and businesses, UPI has enabled firms like Google Pay and PhonePe to process nearly 90% of India's digital transactions.

"This model shows how central oversight can coexist with market competition," Gordan said in his commentary published by *Asia Times*. "It's open, secure, and scalable, something U.S. regulators have yet to fully implement."

The U.S. Congress is currently weighing several bills aimed at shaping the country's digital finance landscape, including the Guarding Emerging National Interests in U.S. (GENIUS) Act, the Cryptocurrency Legal Clarity (CLARITY) Act, and the Central Bank Digital Currency (CBDC) Anti-Surveillance State Act. While these measures seek to provide legal clarity around digital assets, experts warn that the U.S. still lacks the infrastructure and strategic coherence seen in models like India's.

One major point of divergence lies in the debate over central bank digital currencies. The CBDC Anti-Surveillance State Act, for instance, would ban a digital dollar issued by the Federal Reserve, an approach that could isolate the U.S. as other economies experiment with or adopt central bank digital currencies.

Gordan highlighted India's success in rapidly expanding digital finance access through initiatives like the "JAM trinity," which combines Jan Dhan bank accounts, Aadhaar national IDs, and mobile connectivity. This trio, he said, enabled over 18 billion transactions per month, even in underserved communities.

"The U.S. should consider building foundational infrastructure that supports trust and inclusion, especially in rural and low-income areas," Gordan noted. "Adoption hinges on public trust and user experience. Without both, no amount of legislation will drive meaningful financial transformation."

While differences in political structure and financial systems mean the U.S. cannot replicate India's model wholesale, Gordan emphasized that its core lessons—strategic infrastructure, strong regulation, and a focus on user accessibility—are still relevant.

“India’s approach reminds us that leadership in innovation isn’t just about passing laws,” he said. “It’s about executing them through effective, user-centric systems.”

Gordan previously worked at the Council on Foreign Relations, the Wilson Center, and Harvard’s Davis Center. His full commentary was published by *Asia Times*.