

Structural Pillars of



Financial Imperialism



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“Structural Pillars of Financial Imperialism”

This paper offers a historical and political perspective on financial imperialism, from the dawn of the Bretton Woods system through to the present day. It is the second in a series of papers on structural issues written with the aim of internationalist political education, produced by Regions Refocus.

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Introduction

The global financial architecture has been set up to entrench and exacerbate patterns of unequal exchange and extraction between the Global North and South. **Colonial histories of plunder and appropriation have under-developed the Global South, and ongoing imperialism in the global financial architecture has ensured that this under-development remains.** The term 'financial imperialism' refers to the disproportionate power of the wealthiest governments and largest banks and corporations, concentrated in the G7 countries,¹ that has been built into the global financial architecture. This power is wielded to facilitate the accumulation and maintenance of material, financial, and political agenda-setting power by the ruling classes within these countries and their networks of elite allies around the world.

This paper offers a historical and political perspective on financial imperialism from the dawn of the Bretton Woods system through to the present day, showcasing the deliberate ways that hegemony has been constructed and is maintained. **The four thematic pillars of financial imperialism explored are: (1.) foreign debt, (2.) currency hegemony, (3.) financialization, and (4.) tax evasion and avoidance.** The paper concludes by highlighting key moments

in ongoing South-led resistance to financial imperialism, reflecting the continuing fight for economic and development justice.

This paper's discussion of how financial imperialism functions is by no means exhaustive. Moreover, **financial imperialism is merely one register of imperialism within a broad and heterogenous range,** including, for example, military imperialism and cultural imperialism. All forms of imperialism are rooted in a foundation of racialized and gendered hierarchies of humanity. One of the most harmful aspects of imperialism is the upholding of a colonial knowledge production regime which seeks to marginalize, silence, and erase non-Western (especially Indigenous) knowledge systems, including philosophies, histories, and ways of living and being. The purpose of this paper is to contextualize the historically interventionist and destructive role of the G7 countries to the systemic privileges they enjoy in the international financial architecture. Ultimately, these connections can provide a building block for collaboration between cross-regional and cross-movement anti-imperial struggles, which is essential in the fight for economic justice.

The Rise and Fall of the Bretton Woods System

The 1944 Bretton Woods Agreement and the Creation of Financial Hegemony

From the latter part of the 19th century through to World War I, most countries used the gold standard. The gold standard was rooted in a guarantee that national currencies could be redeemed for gold because there were sufficient gold reserves to do so. However, many countries cut ties to gold during World War I so they could print their own national currencies, which they desperately needed to pay for the mounting costs of war. This caused hyperinflation, as the supply of local money overwhelmed demand. Hyperinflation caused the purchasing power of money to fall so dramatically that, in some cases, people needed wheelbarrows full of cash just to buy a loaf of bread. This specter continues to haunt Germany, a country known for its staunch support of low inflation targets.² Once World War I ended, many countries returned to what they thought was the safety of the gold standard. But as the Great Depression took hold, triggered by the 1929 stock market crash, people scrambled to redeem their national currencies for gold while there was still any left— in turn, this drove up the price of gold, creating inflation. Central banks made things worse by raising interest rates to defend their nations' gold reserves.

In the aftermath of World War II, the UK's pound sterling was greatly weakened by significant

payment pressures. Suddenly, the UK owed more to the rest of the world than was owed to it. At the same time, the US emerged as the largest creditor nation, boasting substantial foreign exchange reserves due in large part to its luck in being physically unscathed by the war. National infrastructure for production and trade in the US was left intact, whereas European countries faced daunting post-war reconstruction with depleted gold reserves. Moreover, by selling military equipment and supplies to members of the Allied powers,³ the US was able to emerge from the war with stronger manufacturing capacity than before, as well as a significant portion of Europe's gold reserves. **When all was said and done, the US— the only Allied power who had nothing to rebuild— held three-fourths of the world's supply of gold.** The strong position of the US relative to the other major powers led to the adoption of the US dollar as the official global reserve currency in 1944. This decision was made by a delegation from 44 Allied countries and was codified by the now-infamous Bretton Woods Agreement; most African and Asian countries were still under colonial rule and were not represented.

During the Bretton Woods negotiations, powerful financial actors from the US lobbied for dollar-denominated private capital flows as an alternative to public and government-led channels for addressing the dilemma of international liquidity. The dilemma they faced was such that the developing world lacked the necessary liquidity to service loans and purchase bonds issued by the governments and private sector of developed

countries. The twofold solution to this dilemma, they argued, was on the one hand to increase the free flow of private capital into these economies, and on the other to limit the use of capital controls. The result would be the resounding primacy of private, especially finance, capital. In reality, their refusal to consider the case for capital controls stemmed from New York bankers' fear of losing access to the money and businesses fleeing Europe in the aftermath of World War II, as well as the possibility that London could use exchange controls to thwart the ascendancy of the US dollar in the international monetary system.

Agreed upon in Bretton Woods, New Hampshire, the 1944 Bretton Woods Agreement cemented financial hegemony in a rapidly changing world order. It established a new international monetary system: it replaced the gold standard with the US dollar as the global reserve currency and, by extension, the standard currency for payments. Upon the signing of the Bretton Woods Agreement, the US became the only country with the ability to print money, with all other countries of the world promising that their central banks would redeem their currency for US dollars, which were in principle redeemable for gold. Technically, this meant that all countries would maintain fixed exchange rates between their currencies and the US dollar, otherwise known as pegging.⁴ Consequently, all currencies became tied to the fate of the US dollar: if the dollar were to become unstable, so too would the other currencies of the world, as if they were being dragged down by an anchor. If a currency became too weak relative to the US dollar, the central bank of that country would have no choice but to buy its own currency in foreign exchange markets⁵ and/or raise interest rates. **As a result, the value of the US dollar began to increase relative to other currencies, which generated a global surge in demand for dollars, even though its worth in gold remained the same.**

Role of the IMF and World Bank

The Bretton Woods Agreement created the World Bank and the International Monetary Fund (IMF), US-backed and -based international organizations that would shape, monitor, and discipline the new post-World War II order with the goal of preserving a business-friendly investment climate for global capital. It also planted the seed of the 1947 General Agreement on Tariffs and Trade (GATT), the predecessor of the World Trade Organization (WTO), which has played a key role in ensuring the success of this agenda.

The World Bank, despite its name, was not meant to be the world's central bank. At the time of the Bretton Woods Agreement, the World Bank was called the International Bank for Reconstruction and Development and was expressly set up to lend to European countries, who were devastated by World War II. Once post-war reconstruction was finished in the European countries, the purpose of the institution had to change in order to maintain its relevance. The International Bank for Reconstruction and Development became the World Bank, and as more and more independence movements succeeded across the Global South, the focus of the institution shifted to lending money to newly independent developing countries. Long-term economic development remains the primary stated goal of the World Bank today—achieved through 'technical assistance' and policy conditionalities on loans to developing countries.

While the initial proposals for the IMF would have essentially created a global central bank, its purpose was scaled back in negotiations at Bretton Woods. The famous economist John Maynard Keynes, head of the British delegation to Bretton Woods and one of the architects of the agreement, wanted the nascent

IMF to be a global central bank issuing a global currency, the *bancor*. He also proposed that the global trade and financial system require countries with trade surpluses to reduce their surpluses instead of forcing the entire burden of adjustment for a balanced global purse onto countries facing trade deficits. The US, which held the majority of the world's gold and had large trade surpluses, saw this as an infringement on its power and policy space.⁶

Instead of a global central bank that enforced symmetrical adjustment and issued a global currency, the IMF became a bank from which member countries could borrow if they faced short-term payment pressures and didn't have adequate funds. This was presented as a favorable alternative to the standard policy responses to a funding shortfall at the time, which were (a.) to institute trade barriers or (b.) to raise interest rates. Both of these options would hurt trading partners and the domestic economy, whereas borrowing from the IMF did not come with any costs— at least not to the original members. In addition, the

IMF propped up the entire Bretton Woods system, because member countries relied on it to bail them out if their currency values got too low— a significant concern given their dependence on the US dollar's fate.

Member countries agreed to establish a quota of national currency and gold contributions to the Fund which corresponded to their share of the global economy. Each member was then entitled to borrow what it needed, within the limits of its annual and cumulative access.⁷ **Once post-war reconstruction was completed, European member countries became contributors rather than borrowers. Duly, the IMF's purpose expanded beyond financial assistance to encompass policy 'advice,' doled out as mandatory policy conditionalities in exchange for loans.** Just like the shift in the World Bank's purpose, this was a necessary evolution to maintain the centrality of the IMF in a changing global economy.

The governance structure of the IMF and World Bank has always been fundamentally unequal.



First IMF Annual Meetings, Washington, D.C., 1946. Source: World Bank Group Archives Multimedia Catalog, Washington, D.C., United States.

The two institutions do not operate on a democratic 'one person, one vote' basis, or even a 'one country, one vote' basis, but rather on a plutocratic 'one dollar, one vote' basis. Both institutions are run by a Board of Governors that represent member countries, and while almost all countries in the world are members, each country's voting power is congruent to its economic power. In turn, each country's economic power within the institutions is defined by their dollar contributions (quotas in the IMF and capital subscriptions in the World Bank), which are determined by the Board of Governors. The US has the largest voting power of any country in the world in both institutions, with effective veto powers, since without the approval of the US, the Board cannot make any loan, decision, or issuance.

Just seven wealthy countries— Canada, France, Germany, Italy, Japan, the US, and the UK— control over half of the vote in both the IMF and World Bank. Global South countries, which constitute a combined 85% of world population and 30-40% of world GDP, have a minority vote in both institutions.

The End of the Bretton Woods System

In 1971, after several years of high inflation and slow economic growth ('stagflation') threatened the US dollar's gold parity, US President Nixon started to officially devalue the dollar.⁸ Nixon first cut the dollar to 1/38 of an ounce of gold, and then to 1/42 of an ounce. The devaluation plan backfired: it created a run on the US gold reserves at Fort Knox as people rushed to redeem their quickly devaluing dollars for gold. In response, Nixon unhooked the value of the dollar from gold altogether, ending the Bretton

Woods system. Without price controls, the price of gold quickly shot up to \$120 per ounce, worsening the stagflation crises in the US and Europe.

After the collapse of the Bretton Woods system, it became New York bankers' goal to construct a post-Bretton Woods international monetary system wholly delinked from the gold standard and anchored instead to a pure dollar standard. However,

a clear conflict of interest is created by the existence of a global reserve system that relies solely on one national currency.⁹ The provision of international liquidity requires that the country supplying the reserve currency run a balance-of-payments deficit, but this deficit could eventually diminish the value of the currency. This implies that the stability of the global reserve system may be inconsistent with the monetary policy objectives of the reserve-issuing country.

The insistence of New York bankers on a pure dollar standard was rooted purely in the profit motive, and almost unjustifiable given that the US had already failed to prioritize international stability over domestic stability, and single handedly ended the Bretton Woods system. Nonetheless, they succeeded. The US dollar remains the global reserve currency even in the absence of the gold standard.

The agenda of New York bankers was, once again, an aggressive pursuit of liberalized financial markets and the dismantling of capital controls in pursuit of dollar-denominated private capital flows. Liberalization and deregulation became key features of the new reigning economic framework, neoliberalism, which has given way to a huge increase in the importance and profits of the private sector, dominated by the finance industry.

The Neoliberal Era

Ideological Underpinnings

Neoliberalism refers to an economic ideology of free market fundamentalism, which is supported by policies of austerity, privatization, deregulation, and liberalization. The ascendancy of neoliberalism in the late 1970s displaced Keynesianism as the dominant economic ideology and policy framework. A Keynesian fiscal perspective follows that the state must act as a counterweight to mitigate the effects of economic recessions.¹⁰ According to Keynes, governments should increase public spending during times of economic recession in order to stimulate the economy with an influx of labor and wage-led economic momentum. This is also known as countercyclical fiscal policy. Central to Keynesian thinking is a belief that the government implements the social contract that binds individuals and institutions in a pact of accountability, responsibility, and mutual trust. Neoliberalism discards this belief altogether.

It is commonly said that since the rise of neoliberal economic policies in the 1970s, the role of the state in the economy has been cut back, when in fact the opposite is true. **Under neoliberalism, the role of the state has been reoriented to serve and facilitate the market above all else through the development of institutions, rules, policy norms, and legal protections.** Indeed, neoliberalism has not given way to self-regulating markets that function as autonomous entities as the theory promised it

would. Adherence to neoliberalism necessitates the construction of conditions both within and outside of the economy that safeguard the market.

Three global institutions at the center of the neoliberal apparatus are the IMF, the World Bank, and the World Trade Organization (WTO). Over the last two decades, regional institutions have also emerged (e.g., the Asian Infrastructure Investment Bank [AIIB], the Inter-American Development Bank [IDB], the New Development Bank [NDB], and the Development Bank of Latin America and the Caribbean [CAF], among others), most of which simply replicate the ideology of the 'big three' international financial and trade institutions. The promises of these institutions, rooted in neoliberalism, have proven hollow.

Neoliberal Logics in Practice

The embrace of neoliberalism promoted by UK Prime Minister Thatcher and US President Reagan ushered in the disastrous era of structural adjustment across the Global South in the 1980s and 1990s. Structural adjustment programs were one-size-fits-all straitjackets in Global South countries that used loan conditionalities to mandate the adoption of deregulatory supply-side policies. These loans were issued, and policy conditionalities mandated, by none other than the IMF and World Bank— the 'Washington

Consensus.’ **The legacy of the Washington Consensus is one of structural impoverishment and inequality: structural adjustment programs distorted and stunted the development trajectories of states across the Global South.** Among the hugely detrimental policies prescribed and enforced by structural adjustment programs were: the privatization of public services and state-owned enterprises, the total liberalization of trade in goods and services, and the deregulation of capital flows and financial transactions.¹¹

Despite the formal ‘end’ of the era of structural adjustment nearly four decades ago, austerity has continued to be the foundational condition attached to IMF and World Bank loans. Austerity is based on the “neoliberal desire to shrink the social (welfare) state” and promotes an orthodox focus on the balance of payments, which is blamed on excessive public spending.¹² The solution to the problems identified by austerity is to cut state social spending and ease taxes for the private sector and the wealthy. But in economies where there is a significant amount of the population earning too little to begin with, reducing public spending does not necessarily balance the budget– it can induce an economic crisis. While the richest people benefit from austerity measures, huge swathes of people are left in precarious socioeconomic conditions and pushed into poverty– or, deeper into poverty. The price of austerity is paid by communities: austerity measures have a long history of exacerbating inequalities and exclusion based on class, gender, race, caste, disability, and sexuality.¹³

Empirical data on the impact of austerity measures, as well as research by the IMF’s own Independent Evaluation Office on the Fund’s responses to financial and economic crises, shows the devastating and wide reaching toll of austerity.¹⁴ Among the effects of austerity’s reduction of public spending are: reductions in health and education investments; losses of hard-earned pensions

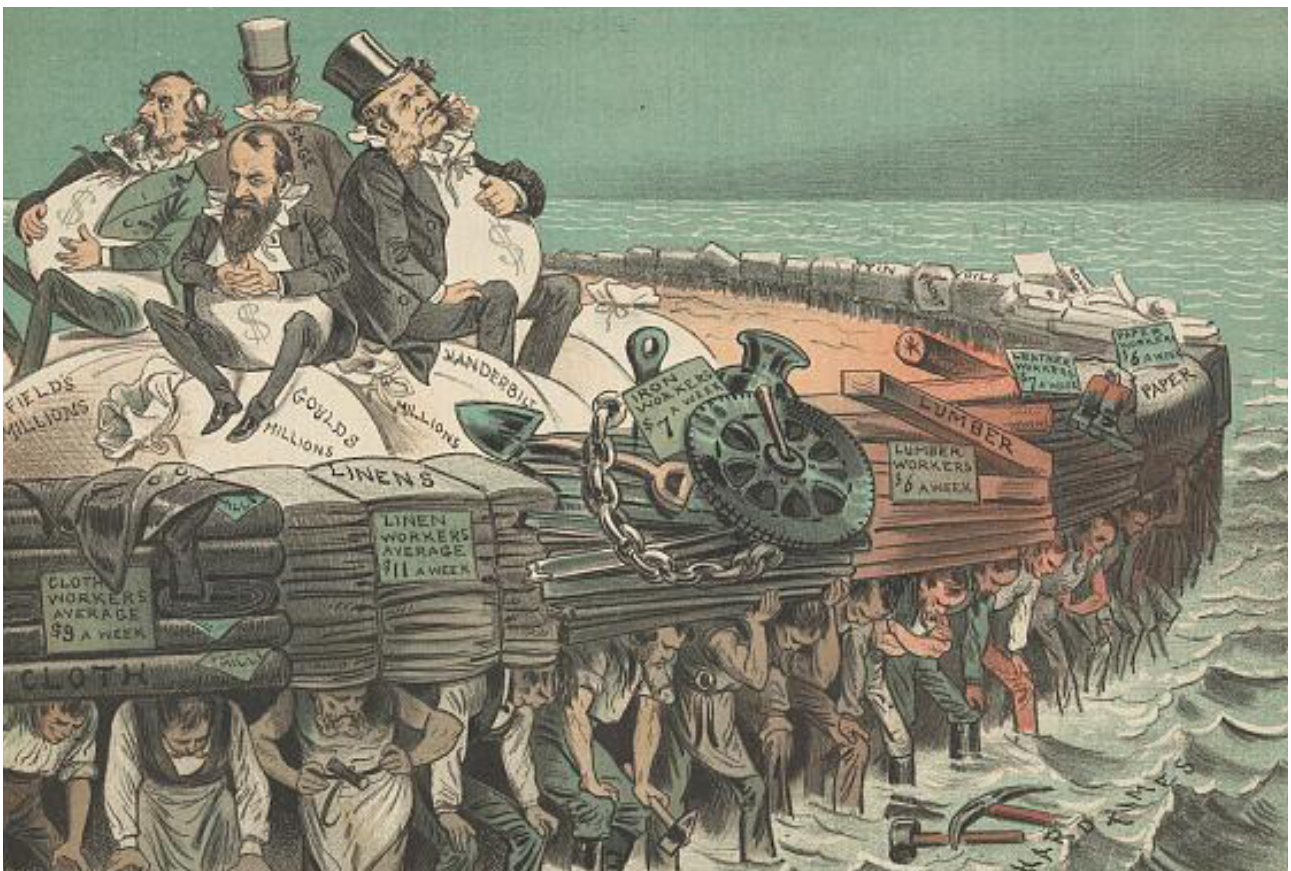
and social protections; wage freezes and layoffs of public sector employees such as teachers, nurses, public servants, and doctors; increases in women’s unpaid care work; and greater consumption taxes. These impacts are not unintended consequences of austerity measures, but rather the very goals of them.

Austerity measures include: the reduction or elimination of subsidies, including on fuel, agriculture, and food products; funding cuts and ceilings on public sector wages, particularly the salaries of education, health and other public sector workers; funding cuts or elimination of social protections and insurance programs; and broadening consumption taxes, such as value added taxes, on basic products that are disproportionately consumed by poor households. **After nearly four decades of IMF and World Bank-mandated austerity, many developing countries are now in danger of facing a lost decade, in a déjà vu of the lost decade suffered by Latin America in the 1980s.**¹⁵ Pathways to economic and social mobility, to fulfilling economic and social rights, to meeting multilaterally agreed emissions reduction targets, and even to meeting the basic needs of vulnerable communities, are being effectively destroyed.

Meanwhile, the biggest corporations, banks, and investment funds (overwhelmingly located within the G7 countries) have soared since the ascendancy of neoliberalism. For example, as of early 2025, the three biggest US-based corporations– tech giants Apple, Nvidia, and Amazon– had respective market caps of roughly \$3.4 trillion, \$3.2 trillion, and \$2.1 trillion. These numbers rival and even overtake the 2024 GDPs of G7 member countries Canada and Italy (~\$2.2 trillion and \$2.4 trillion, respectively), and far exceed the GDPs of other European countries, including the Netherlands (\$1.3 trillion), Switzerland (\$936 billion), and Austria (\$509 billion). In Europe, as of early 2025, the two largest corporations– German software giant SAP and Danish pharmaceutical giant Novo Nordisk– had respective market caps of roughly

\$350 billion and \$327 billion. While these are much smaller numbers, SAP accounts for nearly 10% of Germany's GDP (which is consistently the largest GDP in Europe), and Novo Nordisk accounts for 80% of Denmark's GDP. **In the financial sector, as of early 2025, US-based BlackRock managed \$11.5 trillion in assets— nearly half the GDP of the US, and more than the combined 2024 GDPs of the UK, France, and**

Germany (totaling \$11 trillion). Vanguard, also US-based, isn't far behind, managing over \$8 trillion as of early 2025. After finalizing its acquisition of Credit Suisse, as of early 2025 Switzerland-based UBS was managing \$6 trillion in assets. These staggering numbers represent a definitive trend of unprecedented wealth accumulation by the private sector of the G7 countries.



1883 political cartoon depicting the working class propping up robber barons and the corporations they ran. Source: Library of Congress Prints and Photographs Division, Washington, D.C.

Foreign Debt

The current era of neoliberal capitalism is debt-driven in that it is characterized by an intensification of both public and private debt—particularly in the Global South—owed to creditors, most of whom are based in the Global North (or the so-called advanced nations). Increasingly, this debt is created by the private sector. The historical significance of foreign debt points to a history of ruthless exploitation, subjugation, and draining of resources and wealth from colonies that has created sustained wealth for former colonizers. Economies that continue to be based on the export of one or two primary commodities, as they were under colonialism, and import everything else are at the mercy of volatile commodity prices. Many countries in the

Global South have to import the basics of modern life: food, fuel, and medicine. Thwarted productive capacities and domestic revenue potential drive the need to borrow externally in order to pay for imports with foreign exchange, finance national expenditures, and of course, to keep up with payments on accrued interest and debt servicing.¹⁶ The consequence is a debt trap rooted in a political economy of dispossession, commanding a great degree of economic and financial control over the Global South.

The use of debt as a tool of financial imperialism is not a new tactic. Taxes extorted from India paid off Britain's debts to the Dutch in the early 1800s, essentially financing its rise from debtor



1818 painting of East India Company being signed over tax collecting rights in various parts of India in 1765. Source: Royal Collection Enterprises Limited 2025, Royal Collection Trust.

to creditor country. Later in the 19th century, the UK government colonized Egypt under the pretext of ensuring repayment of debt to British bondholders. Yet, before WWII, despite threats of military intervention, governments in the Global South routinely defaulted on their debt.¹⁷

The current era of financial imperialism is one in which creditors can coerce debtors to repay even in the absence of the physical coercion that defined formal colonialism (i.e., gunboats, military invasion, physical threat of violence).

Enforcement via intimidation today works through a constellation of threats: of disappearing foreign investment, of capital outflows, of being locked out of international credit markets, of surcharges and accrued interest, of sovereign credit downgrades, and the core threat of increased future borrowing costs and a potential debt crisis.

Practicalities of the Debt Trap: Trade Deficits and Economic Diversification

Global North countries continue to rely on a large net appropriation from the Global South, including tens of billions of tons of raw materials and hundreds of billions of hours of human labor per year. Agricultural products from the Global South are exported as primary commodities to the Global North, processed, and sold back to the South, with all of the value-addition accruing to the North. High-tech industrial goods such as smartphones, laptops, computer chips, and cars are all manufactured using metals from the Global South, but none of the value-addition accrues to the countries they were extracted from. Over the past few decades, these products have increasingly come to be manufactured in the South using exploitative labor practices. But because this manufacturing is controlled by foreign-owned

multinational corporations, the value-addition of even goods that are manufactured domestically does not accrue to the countries where production is located.

The Prebisch-Singer theory posits that unequal terms of trade lead to decreases in the price of primary commodities (such as raw minerals, agricultural products, etc.) relative to the price of manufactured goods in the long term. In other words, the producers of primary commodities are stuck on a hamster wheel having to export ever more to raise enough revenue to import manufactured goods. As Global South countries are the main producers of primary commodities, their terms of trade continually deteriorate relative to those of Global North countries, who predominantly produce manufactured goods. This creates chronic trade deficits for Global South countries which are further exacerbated by loan conditionalities of deregulation and liberalization, and the asymmetrical trade and investment agreements which these conditionalities invite. The solution to the trade deficits, of course, is to borrow more money— from the World Bank and IMF as well as bilateral and private creditors.

It is by no means happenstance that much of the Global South produces low cost, low value-added goods just as they did under colonialism, or that commodities that countries in the South produce do not consistently generate adequate domestic revenue, which leads to excessive dependence on borrowing. As is widely held by those involved in global economic justice struggles, there are an extensive range of constraints in the international financial and trade systems that hinder developing countries' ability to diversify their economies and move up the value chain. Some of these constraints are, for example: a restrictive international legal architecture of intellectual property rights which preclude technology transfer; unilateral trade measures of Global North countries which

discriminate against developing countries' exports, including the EU's Carbon Border Adjustment Mechanism (CBAM); WTO rules that prohibit developing countries from subsidizing their local industries; and blanket trade liberalization requirements in WTO rules and World Bank and IMF loan conditionalities. This list goes on, forming a constellation of obstacles for the Global South to avoid debt creation, move up the value chain, and create healthy, dignified, diversified revenue- and job-generating economies. Thus, **much of the Global South has chronic trade deficits and liquidity shortfalls, especially given that the cost of imports often far exceeds the revenue from exports. This leads to structural dependence on external borrowing and foreign investment, both of which worsen the existing problems– and the cycle repeats.** This cycle ensures the central role of the World Bank and IMF– and, by extension, the G7 countries– in dictating the trajectory of economies across the Global South.

Foreign Debt and Debt Relief in the Economy Today

The past decade has seen the largest, fastest, and most broad-based increase in foreign debt across the Global South in half a century. Average foreign debt of developing countries rose from ~110% of GDP in 2010 in the aftermath of the global financial crisis of 2008, to more than 170% of GDP in 2019 before the onset of the Covid-19 pandemic. The share of foreign debt owed by developing countries to the private sector has ballooned, increasing from an average of 25% of GDP in 2010, to an average of 47% of GDP in 2018, to an average of 62% of GDP in 2021.¹⁹ Private foreign creditors range from New York hedge funds to Middle Eastern sovereign wealth funds and Asian pension funds. A significant number of these creditors are US-based banks and investment houses, including BlackRock, JP Morgan Chase

Bank, and Citibank. In 2020 alone, foreign debt increased by ~12% of GDP in middle-income developing countries and by ~8% in low-income developing countries.²⁰ Even before the Covid-19 pandemic, an average of more than 25% of public budgets across the South were being spent on debt and interest payments. These trends demonstrate clearly the Lucas paradox: the consistent net capital flows from the Global South to the North despite the fact that based on income levels, the opposite should be true.²¹

Responding to pressure from developing countries and civil society, the G20 countries²² created a pandemic debt suspension initiative: the Debt Service Suspension Initiative for Poorest Countries (DSSI). This initiative suspended debt payments (principal and interest) for 73 primarily low-income developing countries from May 2020 to December 2021, worth around \$20 billion of public debt owed to official bilateral creditors. However, the DSSI did not provide cancellation, or even reduction, of debt. It barely even addressed immediate debt needs, and critics were quick to point out that it merely “kicked the can down the road.”²³ Even given its flaws, no such initiative has been created by either the private sector or international financial institutions (IFIs). Private creditors– overwhelmingly located within the G7 countries– have outright refused to participate in any effort to curb the debt crisis in developing countries. For the duration of the DSSI, debtor countries simply repurposed their suspended debt servicing to bilateral creditors as debt servicing to private lenders– not to finance urgent national health and economic needs.²⁴

The bottom line of global debt injustice is that the majority of the Global South is acutely mired in external debt crises, wherein significant portions of public revenues go towards repaying foreign creditors– who are among the wealthiest entities in the world– rather than towards the needs of people and communities. In 2023, debt service absorbed an average 38% of revenue and 30% of spending

across developing countries as a whole, and 54% of revenue and 40% of spending in Africa.²⁵ **Debt servicing today is equal to developing countries' combined total spending on health, education, social protection, and climate, and exceeds combined total spending in these areas by 50% in Africa.** These figures are more than twice the debt levels of low-income countries before the Heavily Indebted Poor Countries (HIPC) relief plans came into effect and are higher than those paid by Latin American countries before the 1980s Brady Plan.

Credit Rating Agencies

Interest rates on sovereign loans are determined by risk, which in turn is determined by credit rating agencies (CRAs). The three largest CRAs—Moody's, Standard and Poor, and Fitch—control more than 94% of outstanding credit ratings, and are all headquartered in the US. This oligopoly exacerbates credit rating biases, as CRAs deliver ratings to borrowers who pay for them,²⁶ and could risk losing future business if they downgrade their largest clients (the G7 countries). **Developing countries have transferred an estimated \$4.2 trillion in interest payments to their creditors in Europe and North America since 1982, far outweighing the total development finance these countries received during the same period.**

Paradoxically, because developing countries are deemed the least credit-worthy by CRAs, they pay far higher interest rates on their loans than developed countries do; but developing countries need access to affordable credit far more than developed countries do. The biases of CRAs are particularly pronounced in Africa: countries in other regions with the same economic indicators pay lower interest rates than their African counterparts. This pattern has been deemed the 'African interest rate.' As such, it is unsurprising that for many African countries, interest

repayments constitute the highest and fastest growing expenditure item in their public budgets.

Even **when developing countries have been offered the rare option of debt relief, their participation in such initiatives can be reason enough for CRAs to give them a downgrade.**²⁷ Because of this threat, some of the most debt-distressed Global South countries have refrained from ever even requesting debt relief, even if it meant having to take out new loans in order to keep repaying their creditors. Unequal debt burdens, in no small part created by unequal access to affordable credit and credit rating biases, came to a head during the Covid-19 pandemic: Argentina, Belize, Ecuador, Lebanon, Suriname, and Zambia all defaulted on their sovereign debt in 2020, the "highest annual tally on record," while not a single Global North country defaulted.²⁸ **During the first half of 2020— the height of the Covid-19 pandemic and of affordable credit needs— 23 countries received sovereign credit downgrades, of which 21 were developing countries.**²⁹

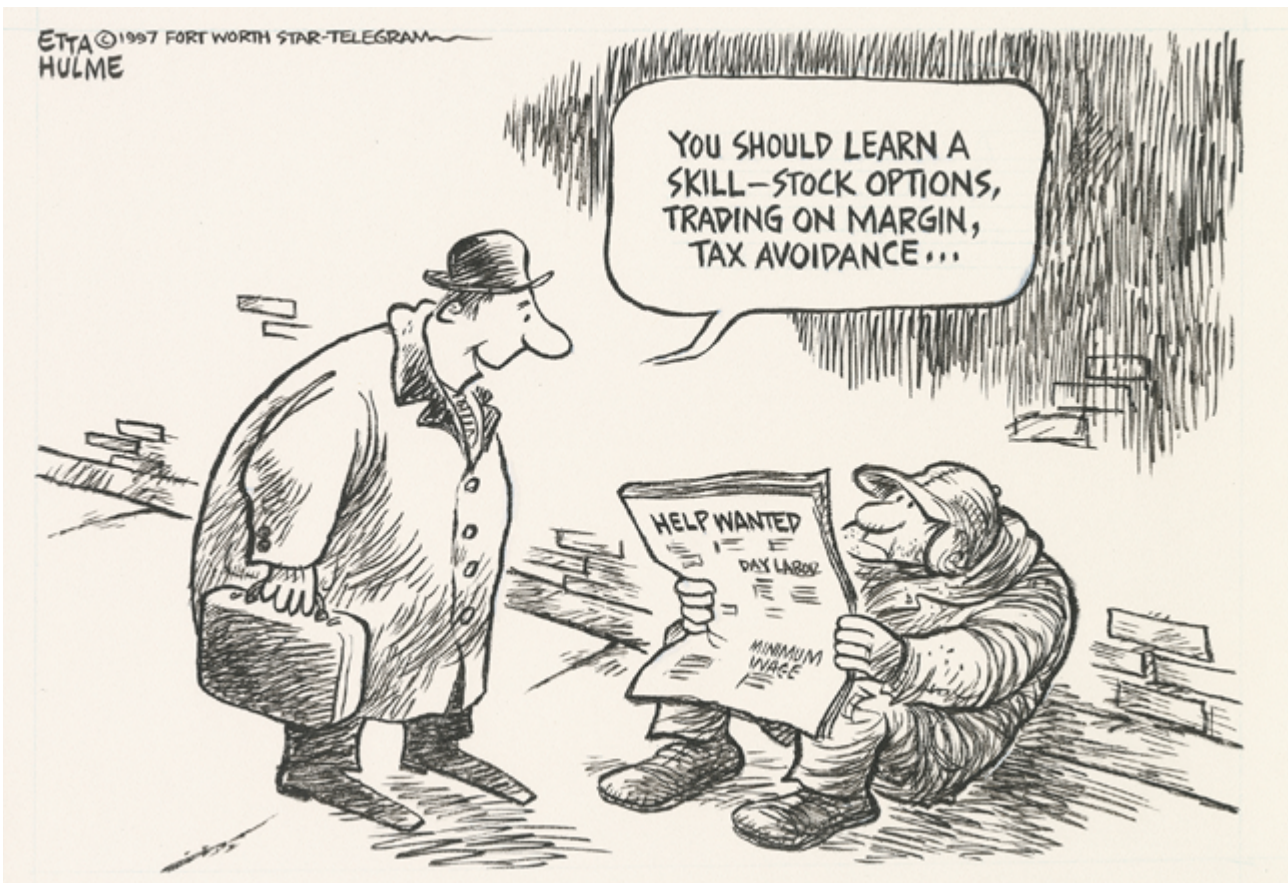
A longstanding critique of CRAs is their procyclicality: during economic upswings, ratings are overly optimistic, which fuels excessive borrowing, and during economic downturns, at the very moment when countries require liquidity to respond to national needs, ratings move quickly towards downgrades.³⁰ Moreover, the criteria employed in producing ratings are biased against most kinds of government intervention, and skewed towards business-friendly deregulation.³¹ This makes credit ratings a very volatile, and potentially counterintuitive, indicator of credit worthiness and economic stability. Yet, credit ratings are becoming increasingly important to investors, who are relying on ratings alone instead of doing their own due diligence— adding to volatility.³² Nonetheless, CRAs are shielded from accountability and liability by freedom of speech laws. What they claim is simply their 'opinion' is nonetheless interpreted as a judgement.

Tax Evasion and Avoidance

Tax evasion and avoidance is another form of resource drain in the Global South. The problem of tax evasion and avoidance is such that large multinational corporations (MNCs) headquartered in G7 countries, and, increasingly, wealthy individuals, evade and avoid paying the tax payments they owe to Global South governments. Due to less diversified economies, smaller domestic tax bases, and much lower manufacturing capacities (drivers of debt), developing countries rely on corporate and wealth income tax as sources of domestic revenue to a much greater degree than developed countries do.

This makes tax evasion and avoidance a particular problem in developing countries. The Cayman Islands are one notorious tax haven, but modern-day havens include the finance capitals of the world: New York, London, Tokyo, and Singapore.

Between 70-80% of global trade takes place in global value chains linked to MNCs today.³³ This makes MNCs very important for developing countries, as they are dependent on integration into the bottom of MNC-controlled value chains, despite the fact that continuing to play this role locks in patterns of colonial-era exchange. Similarly, developing



1997 political cartoon of a wealthy businessman speaking to a houseless man on the street. Source: University of Texas at Arlington Libraries, Special Collections (CC BY-NC 4.0).

countries are highly dependent on foreign investment, despite the fact that it exacerbates structural vulnerabilities. **Increasingly, tax havens are being created in developing countries as their dependence on MNCs and foreign investment leads them to engage in tax competition with one another in a 'race to the bottom.' This brings about widespread tax deregulation, leading to the loss of domestic revenue.**

Illicit financial flows (IFFs) are defined as cross-border flows of money that are “illegal in source (e.g., corruption, smuggling), transfer (e.g., tax evasion), or use (e.g. terrorist financing).”³⁴ According to UNCTAD, as of 2020, the African continent is losing \$88.6 billion per year through IFFs.³⁵ To put this in perspective, African countries received a combined \$102 billion of official development assistance (ODA) and foreign direct investment (FDI) in 2020.³⁶ After accounting for their IFF losses, they only received a combined \$13.4 billion in ODA and FDI.

As of 2024, an estimated \$492 billion in tax revenue is lost each year to MNCs and wealthy individuals.³⁷

Of this \$492 billion, \$347.6 billion (two thirds) is lost to MNCs alone.³⁸ While developed countries technically lose more revenue than developing countries, they lose much less as a proportion of their budget. For example, in 2024 developed countries lost average amounts equivalent to 7% of their public health budgets, while developing countries lost average amounts equivalent to 36% of their public health budgets.³⁹ These daunting numbers have serious implications: they distort economic and political competition, subvert government institutions, generate conflicts and violence, and undermine the integrity of legal and financial systems.

Tax evasion and avoidance ultimately results in a net transfer of financial resources from South to North, as wealthy individuals hide their wealth offshore and MNCs are either directly handed tax breaks, knowingly underpay tax, or engage in transfer pricing⁴⁰ that goes under the radar due to deregulation. IFIs then once again gladly offer loans to revenue-deprived Global South countries, complete with a self-perpetuating bucket of conditionalities.

Currency Hegemony

The Currency Hierarchy

In the context of ever-increasing international financial transactions (both illicit and non-illicit), including loans, trade in goods and services, private capital flows, debt servicing, and interest payments, the currency denomination of these transactions is of great significance. The majority of cross-border transactions today are denominated in US dollars, creating a currency hierarchy which has systemic implications of financial accumulation and extraction.⁴¹ The global currency hierarchy can be visualized as a pyramid, where the more liquid a currency is (i.e., the more of it there is), the higher it is in the pyramid. The US dollar, as the global reserve currency, is the most liquid and lies at the top of the pyramid, with the other currencies of developed countries such as the euro, yen, pound, and increasingly the renminbi, just below it.⁴²

Functionally, this means that the US can keep raising national debt ceilings and expand public spending for national needs with little regard for the effect on its balance of payments.⁴³ This privilege is of immense competitive advantage in times of global crises. During the Covid-19 pandemic, for example, the US government's total pandemic relief tab amounted to a staggering \$5 trillion in fiscal stimulus, equivalent to over 27% of GDP.⁴⁴ This amount is estimated by economists to be between three to four times the domestic support offered during the stock market crash of

2008-9 and by far the largest stimulus in the world. Japan trailed second in line, followed by other G7 countries such as Canada and Germany. As a result of this large-scale fiscal stimulus, made possible by its currency privilege, the US economy contracted significantly less than any other country in the world, including other rich countries.

At the bottom of the currency pyramid are currencies of developing countries. Since the liquidity of developing country currencies is much lower than that of rich country currencies, they must keep interest rates high to maintain international demand for their financial assets. Without this demand, the value of their currency will diminish; but maintaining high interest rates regardless of the needs of their own populations cuts off pathways to economic mobility and future tax bases for governments. Young people— the majority of the population of many developing countries, especially in Africa— are wage-dependent and rely on lower interest rates and readily available credit to buy homes, start businesses, and build financial stability. Without government intervention through targeted monetary policy, many young people will remain unable to break cycles of generational poverty.

Thus, while G7 countries can pursue counter-cyclical monetary policy and adjust their monetary policy according to domestic needs, the same cannot be said for developing countries. An example of this is that the US Federal Reserve's program of quantitative easing post-2008, which

bailed out Wall Street banks by “flooding the US banking system with liquidity,” drove down the value of the dollar against foreign currencies and resulted in higher borrowing costs for many developing countries.⁴⁵ Another way of putting this is that **developed countries, with the US in the lead, generate monetary and financial cycles, whereas developing countries endure their impacts.**

Global Reserves Asymmetries

Virtually any change to the currency and interest rate preferences of foreign investors can send macroeconomic shockwaves across developing countries. Due to this fear of capital outflows’ domino effects of financial instability, economic recession, and debt crisis, governments have turned to a strategy of self-insurance through the accumulation of foreign exchange reserves. The logic behind this strategy is that foreign exchange reserves will act as a buffer in times of financial crisis and capital outflows, as well as build local debt markets to raise capital. Developing countries have increased their reserve holdings from an average of about 5% of GDP in 1990 to an average of 30% in 2018. Approximately 66% of foreign exchange reserves are held in US dollars, while the euro share of foreign exchange reserves

is about 25%. Reserve accumulation essentially consists of a transfer of surplus value created in the Global South to the coffers of rich countries. This further props up the values of these currencies, and entrenches the currency hierarchy. Global South reserves are thus effectively invested in rich countries’ assets, which creates a perverse reality where developing countries are systematically lending to rich countries at low- or zero-interest rates.

Reserve accumulation is not a sustainable solution to prevent financial vulnerability and instability. As developing countries accumulate reserves, global imbalances between surplus and deficit countries are worsened and a deflationary bias is created, in that dormant reserve holdings have a contractionary effect on the world economy. The large sums of financial resources frozen in reserves are essentially foregone development resources which, if invested in social and economic development needs, could yield higher long-term returns, and allow countries to escape their export-led growth dependence. An additional consequence of developing countries’ accumulation of foreign exchange reserves as a precautionary measure is the generation of global imbalances which increase the risk of financial crises, known as the instability link. Put all together, this results in a dangerous combination of inequity and instability baked into the design of the global reserve system.⁴⁶

Financialization

Free capital flows, high interest rates, and broad deregulation in Global South countries— each the result of IMF conditionalities and, relatedly, dependence on foreign investment— have paved the way for the expansion of financial markets, which has in turn helped preserve the currency hierarchy. The increasing influence and volume of financial markets— driven by the proliferation of financial instruments and assets such as bonds, equity, and bank loans— has been deemed ‘financialization.’⁴⁷ Financialization has played a key role in preserving the standing of the G7 countries, as it places the titans of the finance industry at the core of the global economy. It has benefited the US in particular as it has increased the number of transactions denominated in US dollars. Understanding of the benefits of financialization is clearly reflected in the policy agendas of the G7 countries, and in particular the US.

A Brief Overview of Financialization

Between 1974-79, several rich countries abandoned their fixed exchange rates and capital controls. Canada, Germany, and Switzerland abolished all restrictions on international capital movements on January 1, 1974.⁴⁸ The US soon followed suit, while others either floated their currencies or pegged them to a basket of currencies. Earlier strategies of employing capital controls to protect independent

monetary policy were discarded in support of a resounding belief in the free flow of capital that rippled across the international financial system. A market of free capital flows was created (albeit a small but growing one at the time), which prompted two distinct developments. On the one hand, US-based multinational corporations began to finance overseas operations; and on the other, the dollar-denominated profits of OPEC countries were absorbed into the international banking system by New York and London banks and given out as sovereign loans.

This created a full-fledged capital market within the next decade, as capital flows increased from \$9 billion in 1964, to \$145 billion in 1971, and to \$1.4 trillion in 1981. Oil profits of rich countries were recycled into the economies of Latin America, Africa, and Southeast Asia through sovereign loans given out by the IMF and World Bank. This resulted in the debt of developing countries doubling from 8% of GDP in the beginning of the 1970s to about 22% of GDP in 1982, while the wealth of private creditors skyrocketed.⁴⁹ This created the perfect storm for the global recession and debt crisis in developing countries in the early 1980s, triggered by the Fed’s steep interest rate hike (often called the Volcker Shock after the US Federal Reserve Chairman at the time).⁵⁰

With soaring national debt burdens and depreciating local currencies, developing countries— and Latin American countries in particular, who had some of the highest debt levels— were hit hard by the massive costs of paying back dollar-denominated loans.

Moreover, global economic contraction lowered the prices they received for their commodity and natural resource exports, their primary sources of revenue.⁵¹ Debt crises across Mexico, Brazil, Zambia, and other Global South countries were the overture for IMF and World Bank structural adjustment programs, which further accelerated financialization. In response to the debt crises, the US proposed a debt restructuring mechanism called the Brady Plan, which involved the conversion of bank loans into various tradable bonds ('Brady bonds'). The sale of these bonds allowed banks to exchange debt for tradable assets on international capital markets, which made developing countries even more dependent on financial markets.

Propelled by financialization, developing countries' dependence on foreign investment and the related proliferation of investment agreements has enabled the creation of new tools to extract capital from the Global South to the Global North.

One of the most important tools in this arsenal is the investor-state-dispute-settlement (ISDS) mechanism, which is a clause contained in thousands of trade and investment agreements that enables corporations to sue governments. The trials occur in secretive supranational tribunals, the most widely used being the World Bank's International Centre for the Settlement of Investment Disputes.⁵² Lawsuits initiated by investors based in the US, Canada, and Europe account for almost 90% of all ISDS cases, with US-based investors alone accounting for 30%.⁵³ Approximately 70% of all ISDS cases are decided in favor of the investors, and US-based investors have never lost a single ISDS case.⁵⁴

ISDS is disproportionately used as a tool to intimidate and manipulate Global South countries. Countries in Latin America and the Caribbean account for more than a quarter of ISDS cases, and nearly a quarter of the lawsuits brought against them are related to mining, oil, and gas.⁵⁵ **These are some of the world's biggest polluters suing states when they don't get their way, even if the state is acting in the best**

interest of their population. For example, US-based Occidental Petroleum sued Ecuador in 2006 for canceling their mining contract following protests from Indigenous peoples and social movements, and were awarded \$1.8 billion plus interest; in 2009, US-based Gold Reserve Corp sued Venezuela for canceling their mining contract despite the fact that they failed to obtain an environmental permit, and were awarded almost \$750 million; and in 2016, US-based Tobie Mining and Energy Inc. joined two Canadian mining companies to sue Colombia for \$16.5 billion due to the creation of a national park where they had proposed a mining operation.⁵⁶

The Need for Capital Controls

Capital controls are a critical tool for economic equality and stability in the context of financialization and volatile cross-border financial transactions that have profound impacts on developing countries' economies but are largely out of their control.

Capital controls reduce macroeconomic and exchange rate volatility, resulting in an increase in domestic revenue that eliminates the need to deplete foreign reserves in order to meet import payments. Capital controls are even more important given that investment in financial markets has overtaken trade in material goods and services as a proportion of global GDP. Namely, capital controls reduce the chance that a country will experience a large outflow of short-term investment capital, which can trigger a crisis.

Over the 11 years between 1987–98, developing countries experienced 44 episodes of large capital inflows compared to 9 episodes in rich countries, with more than a third of these episodes in developing countries ending abruptly in a currency crisis.⁵⁷ Empirical records of countries

that have employed capital controls in the wake of financial crises, such as Brazil in response to the global financial crisis of 2008, show that taxes on speculative, short-term investment capital reduce both the volume of speculative flows and the volatility of interest rates.⁵⁸ Despite the evidence demonstrating the advantages of capital controls (especially to developing countries), **capital controls are expressly prohibited by World Bank and IMF loan conditionalities. They are also prohibited by the asymmetrical trade and investment agreements the loan conditionalities invite, which many developing countries are now dependent on and which exacerbate vulnerability to capital flight.**⁵⁹ In addition, capital account liberalization is one of the core criteria CRAs use to determine investment worthiness.

The free flow of capital is fundamental to financial imperialism. Surges of 'hot money'⁶⁰ from Global North to Global South countries, denominated in US dollars, trigger financial crises and subsequent

indebtedness when inflation spurred by inflows turns into sudden panic and capital flight. As a result, the values of developing countries' currencies decline relative to the US dollar, which reduces the value of peoples' wages and makes government debt, interest payments, and purchase of imports even more expensive, increasing financial instability. In turn, sovereign credit ratings are destabilized, increasing risk premiums and deterring investments. To mitigate the damage, interest rates must be hiked to attract investors, even when developing countries' own economies are in crisis. Once again, developing countries have no choice but to take out loans from IFIs, who will use the opportunity to further their self-serving economic agenda. In short, markets have been pried open to enable private investors to pull their money in and out of developing countries at will, and the solution to the crises they cause—the bailout loans from the World Bank and IMF—is conditioned to further reinforce the dominance of financial markets.

Resistance and Contestation

This paper has given an overview of the evolution and function of financial imperialism in an effort to show the deliberate and calculated ways that hegemony has been constructed and is maintained. There is nothing natural about the profound inequalities in the world– they are the result of concerted efforts which have formed systems of exclusion, discrimination, and subordination. To counter financial imperialism given the purposeful erasure of any alternative is a tall order, but activists, intellectuals, and policymakers in the South have come together for the past eight decades– and continue to do so– in order to do just that.

Bandung and the New International Economic Order

As independence movements swept across across the Global South from the beginning of the 20th century, revolutionary political leaders (both elected and unelected) were grappling with common challenges of how best to safeguard their sovereignty. The question was made more urgent by the context that emerged following the defeat of Nazism and Fascism in Europe, revolution in China, and the start of the Cold War. The leaders were wary of being drawn into the East-West military, ideological, and political rivalries that increasingly shaped the post-1945 global order, and were determined to redress the many asymmetries in the international system that threatened their

aspirations for socio-economic transformation. The historic 1955 Bandung Conference brought together 29 leaders from Africa and Asia in Bandung, Indonesia to build South-South solidarity and chart a course of shared prosperity and peace forward, anchored by politics of non-alignment.

Building on the momentum of Bandung, the Non-Aligned Movement (NAM) was officially established in Belgrade in 1961 by Yugoslavian President Josip Broz Tito; India's first Prime Minister, Jawaharlal Nehru; Egypt's second President, Gamal Abdel Nasser; Ghana's first president, Kwame Nkrumah; and Indonesia's first President (also the organizer of the Bandung Conference), Sukarno. The NAM's membership soon came to encompass developing countries from Africa, Asia, Eastern Europe (the former Soviet Union), Latin America, the Caribbean, and the Pacific.⁶¹ In the United Nations, the NAM's interests were represented by the Group of 77 (G77), which was established in 1964 at the end of the first session of the United Nations Conference on Trade and Development (UNCTAD) in Geneva. As the 1979 Havana Declaration⁶² put it, **the essence of non-alignment is “the struggle against imperialism, colonialism, neo-colonialism, apartheid, racism, including Zionism, and all forms of foreign aggression, occupation, domination, interference or hegemony, as well as against great-Power and bloc policies.”**⁶³

Their vision for a New International Economic Order (NIEO) was rooted in “the rejection of all forms of subjugation, dependency, interference or intervention, direct or indirect, and of all pressures,

whether political, economic, military or cultural, in international relations.”⁶⁴ Sustained by the global context of a commodity boom, countries of the Global South were able— through the NAM and various regional cooperation initiatives— for several decades to harness South-South solidarity and cooperation as a means of defending their right to development, and their freedom to choose a path for achieving their goals. They took a central role in advocating for reforming the international economic, political, and financial order and moderated the militaristic excesses of the competing power blocs by supporting treaties designed to control the development and proliferation of weapons of mass destruction.

Another key component of the success of the NAM is the fact that the IMF remained on the sidelines in much of the Global South during the first generation of post-independence leaders, who were wary of the institution’s capacity to enforce imperial directives through the backdoor. Such was the case until cascading debt crises hit developing countries in the 1980s, sparked

by the Volcker Shock and exacerbated by the contractionary effects of the global commodity price collapse in the 1970s. IMF and World Bank structural adjustment programs, and the ‘lost decade’ that followed, signified a definitive change in the international financial order and the end of the height of the NAM.

The Role of the G77

Within the United Nations, members of the G77⁶⁵ have continuously fought against tools of financial imperialism. These fights have responded to and built on the advocacy of progressive forces in the South, including grassroots movements and civil society.

To combat tax evasion, members of the G77 have repeatedly put forward proposals for the establishment of an intergovernmental tax body within the UN that would include all member states. While the G7 countries blocked this effort at the last



Merdeka Building, Bandung Conference, 1955. Source: UNESCO Asian-African Conference Archives.

Conference on Financing for Development (FfD3), G77 countries did not give up the fight, and neither did civil society. In the UN General Assembly, the Africa Group led the G77 in invoking the urgency of a UN Tax Convention, highlighting repeatedly how the continent loses billions of dollars of public revenue to tax evasion, avoidance, and havens when this money could and should be financing progress on fulfilling economic and social rights of the continent's population.⁶⁶ As a result of a full decade of South-led advocacy, the General Assembly adopted Resolution 78/230 in November 2023, beginning the process towards a UN Tax Convention. Terms of Reference for the Convention were adopted in August 2024, and negotiations have now begun on the text. This historic victory is a testament to the possibilities opened up by cross-regional solidarity in multilateral spaces and a continuation of the ambitions of the New Economic International Order of the previous century.

Members of the G77 have also proposed myriad solutions towards achieving debt justice, which would have a transformative effect in developing countries. They have taken a strong position on the inadequacies of CRAs and underlined the need for a more transparent international credit rating system that fully takes into account the needs, concerns, and priorities of developing countries. They have also repeatedly tabled resolutions to establish an open-ended intergovernmental working group to create a binding and multilateral framework for debt crisis prevention and resolution, building on proposals from civil society. In April's intergovernmental negotiations on the Outcome Document of the upcoming 4th Conference on Financing for Development (FfD4), the Alliance of Small Island States (AOSIS) proposed language on initiating a process towards a UN Framework Convention on Sovereign Debt. Building on this momentum, the African Union has recently come out in support of a legally binding UN Debt Convention, reflected in the Lomé Declaration on

Debt.⁶⁷ **Growing support for such a Convention represents a significant development in the fight for debt justice, and shows the continuing work of G77 member states to push the boundaries of multilateralism in pursuit of NIEO principles.**

Moving Forward

While state-led victories must be celebrated, so too must the role of civil society. **Civil society plays a key role in pushing state representatives to be more ambitious, more progressive, and more imaginative.** They strengthen the connections between states and their communities, and identify policy solutions to pressing issues they have first-hand experience with. This has proven true in the process towards the UN Tax and Debt Conventions, which have been driven forward by consistent and rigorous campaigns, research, and advocacy by civil society, especially from the Global South. While progress at the UN is state-led, and the Convention(s) will be under the aegis of the UN, they will always remain launched and shaped by civil society.

Regarding debt justice, in addition to the UN Debt Convention, the establishment of regional, Global South-based CRAs has been a long-standing call of civil society to redress the structural inadequacies of the current oligopoly. These alternative CRAs could assess creditworthiness within the context of the long-term goals of shared prosperity and sustainable development, mitigate the speculative and procyclical tendencies of private CRAs, align credit assessment timelines with development timelines, counter structural biases against developing nations and state-led sovereign development paths, and incorporate climate and social needs within the calculation of credit risk. While regional, Southern CRAs alone are insufficient to unseat the major existing CRAs, their adoption of alternative assessments would

serve to blunt the oligopoly's weaponization of creditworthiness and open the door to financing for sovereign development on Southern terms. This solution has been picked up by the African Union, who resolved to expedite the establishment of an African Credit Rating Agency in the recent Lomé Declaration on Debt.⁶⁸

Regarding currency hegemony, while measures can be taken individually to insulate against certain effects of dollar dominance, ending the hegemony of Global North currencies in the long term will require Global South countries to cooperate in the development of alternatives. Agreements to denominate regional trade in existing local currencies or new common units of account; the expansion of the use of Special Drawing Rights (SDRs) or other multilateral currency alternatives; and the more ambitious aspirations to develop common, circulatable, and commercially used currencies each mark a step toward de-dollarization. Some of these are already being discussed by policymakers in the South, as a direct result of South-led civil society's work. The adoption of some combination (or all) of these policies could decrease the risks associated with financialization, lead to the reorganization of the currency hierarchy, and lay the foundation for

sovereign, development-oriented monetary policy. **There is no Southern sovereignty without monetary sovereignty, and there is no monetary sovereignty without the development of credible alternative currencies.**

The concurrent crises we face— social, economic, and ecological— demand that the centrality of public financing, regulation, and coordination be placed front and center. We are at risk of losing three decades of progress in reducing poverty and expanding economic sectors and employment across the developing world. Civil society, anchored and led by the South, must continue to play their historically important role in pushing forward progressive solutions towards dismantling financial imperialism. **Cross-movement solidarity and exchange is a powerful tool in the fight against financial imperialism and discriminatory logics which impact those both at the center and periphery of the empire.** This paper has aimed to enable these kinds of connections between struggles and foster hope by emphasizing the power of the continuing legacy of resistance. In doing so, this paper has also highlighted key policy priorities for global financial governance and architecture reform which should continue to be advanced.

Notes

- ¹ Composed of Canada, France, Germany, Italy, Japan, the United Kingdom (UK), and the United States (US), with the European Union (EU) as a non-enumerated member.
- ² See for example Bundesbank 2012; Mishkin and Posen 1997; von Hagen 1999.
- ³ Composed of the US, UK, France, and Russia.
- ⁴ Kugler 2016.
- ⁵ Purchasing local currency in the world market would lower the supply of the currency, thus raising its price.
- ⁶ Block 1977.
- ⁷ Each member's annual and cumulative access is determined as a percentage of their quota. These percentages are reviewed periodically. In 2024, they were raised to 200% and 600%, respectively, up from 145% and 435% respectively in 2016. See IMF 2024 for more information.
- ⁸ Bordo 2017.
- ⁹ Triffin 1978.
- ¹⁰ Keynes 1936.
- ¹¹ SAPRIN 2004.
- ¹² Farnsworth and Irving 2018, 2.
- ¹³ OHCHR 2013.
- ¹⁴ Ortiz and Cummins 2019.
- ¹⁵ UNCTAD 2020a.
- ¹⁶ See for example Amin 2018.
- ¹⁷ Roos 2019.
- ¹⁸ Dorninger et al. 2021; Hickel, Sullivan, and Zoomkawala 2021.
- ¹⁹ Christian Aid et al. 2020; UN Global Crisis Response Group et al. 2023.
- ²⁰ Breuer and Cohen 2020.
- ²¹ Lucas 1990.
- ²² Composed of Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the UK, and the US, with the EU (and AU, since 2023) as non-enumerated members.
- ²³ Suffee 2020.
- ²⁴ Oxfam et al. 2020.
- ²⁵ Martin 2023.
- ²⁶ The 'issuer-pays' model.
- ²⁷ Sinha 2020.
- ²⁸ Debnath and Fernandes 2021.
- ²⁹ Ibid.
- ³⁰ Griffith-Jones and Kraemer 2021.
- ³¹ Third World Network 2021.
- ³² UNDP 2025.
- ³³ Fernandez de Cordoba and Lambert 2020; UNCTAD 2013.
- ³⁴ IMF 2023.
- ³⁵ UNCTAD 2020b.
- ³⁶ Ibid.
- ³⁷ Tax Justice Network 2024.
- ³⁸ Ibid.
- ³⁹ Ibid.
- ⁴⁰ Strategic misreporting of profits to lower tax burdens.
- ⁴¹ Lapavitsas 2013; Villavicencio 2020.
- ⁴² Palludeto and Abouchedid 2016.
- ⁴³ See for example Franck 2021.
- ⁴⁴ Taylor 2021; Winck 2021.
- ⁴⁵ Miranda-Agrippino and Rey 2021, 8.
- ⁴⁶ Ocampo 2017, 2019.
- ⁴⁷ See for example Vasudevan 2008.
- ⁴⁸ Singh 2018.
- ⁴⁹ World Bank 2022.
- ⁵⁰ Levy 2022.
- ⁵¹ Ibid.
- ⁵² Pérez-Rocha 2021.
- ⁵³ Ibid.
- ⁵⁴ Müller and Ghiotto 2022.
- ⁵⁵ Müller and Ghiotto 2024.
- ⁵⁶ Moore and Pérez-Rocha 2019.
- ⁵⁷ IMF 2007.
- ⁵⁸ The IMF's official stance is that capital controls can be used only as temporary last resort measures to prevent outflows (and never to regulate inflows), but their seal of approval often comes too late to prevent serious damage. See Alfaro, Chari, and Kanczuk 2014; IMF 2012.
- ⁵⁹ Anderson and Gallagher 2011; Barbosa et al. 2020.
- ⁶⁰ Foreign investment taking advantage of higher interest rates.
- ⁶¹ Kouri 1979.
- ⁶² The outcome of the Sixth NAM Conference (held in Havana, Cuba) and the first held in Latin America.
- ⁶³ Kouri 1979.
- ⁶⁴ Ibid.
- ⁶⁵ The G77 is now composed of a group of 134 countries, and is officially known as 'the G77 and China'.
- ⁶⁶ Sall 2022.
- ⁶⁷ African Union 2025.
- ⁶⁸ Ibid.

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