

AUGUST 2025

# CONTESTING HEGEMONY: REIMAGINING AND CHALLENGING FINANCIAL INSTITUTIONS

HFW REPORTS

Prepared By:  
**Gayanthi Ranatunga**



## **Table of Contents**

<b>Introduction</b>	<b>3</b>
<b>1. Background: Major Events and Institutions in the Global Financial Order</b>	<b>4</b>
1.1 Early commercial law	5
1.2 Starting Point: The Gold Standard	6
1.3 The Bretton Woods Conference	7
1.4 The International Monetary Fund (IMF) and the World Bank	9
1.4.1 The IMF	9
1.4.2 The World Bank	11
1.5 The Euro	13
1.6 The Asian Monetary Fund	14
1.7 The Arab Monetary Fund (AMF)	15
<b>Observations</b>	<b>16</b>
<b>2. Historical Precedents for Alternatives</b>	<b>17</b>
2.1 Islamic Finance	19
2.2 The Belt and Road Initiative (BRI)	22
2.3 BRICS+	23
<b>Conclusion: Towards a Reformed/New International Financial Architecture</b>	<b>24</b>

*"In fact, monetary arrangements established by international negotiation are the exception, not the rule. More commonly, such arrangements have arisen spontaneously out of the individual choices of countries constrained by the prior decisions of their neighbors and, more generally, by the inheritance of history."*

Barry Eichengreen,

*Globalizing Capital: A History of the International Monetary System* (2008).

## INTRODUCTION

Global financial institutions are not neutral arbiters of economic order but historically contingent structures shaped by geopolitical power which bestow uneven, conditional assistance to different countries and regions.<sup>12</sup> For instance, that difference is demonstrated in the treatment of Ukraine by the IMF as it neared default,<sup>3</sup> compared to the treatment of Sri Lanka during its default crisis of 2022.<sup>4</sup> While they may appear unassailable, the inception, persistence, and reconfiguration of financial institutions like the IMF and the World Bank have depended and depend on moments of crisis, hegemonic decline, and the rise of coalitions that question accepted narratives of power and possibilities.

Utilizing historical institutionalism, by examining organizations at critical historical junctures and alternative institutional experiments over the 20th and 21st centuries, this research aims to identify the political, economic, and ideological conditions under which the financial order becomes open to transformation.<sup>5</sup> The study will explore how as "sticky" as institutions may be,<sup>6</sup> ruptures create entry points to change. Events like the First World War, the Great Depression, the Second World War and other regional cataclysms and events trigger the need for change where even unyielding participants may have to capitulate. Pierson and Skocpol write that "Outcomes at a critical juncture trigger feedback mechanisms that reinforce the recurrence of a particular pattern into the future."<sup>7</sup> As such, institutions created in moments of crisis or critical junctures, such as the IMF and World Bank in 1944, appear to persist over time in a haze of self-reinforcing regulations and structures, even as the fall of Bretton Woods meant that their original mandates and contexts faded. Nonetheless, these institutions are not unassailable during crises when their legitimacy can be contested when limitations to their remit become apparent. Such moments are when alternative trajectories such as the Asian Monetary Fund or BRICS, can emerge.

Gramscian hegemony will also help explain how financial institutions exercise authority not only through coercion and material resources but also by carving out norms, ideas, and consent.<sup>8</sup> The IMF's policy conditionalities and the World Bank's development ethos derive legitimacy not simply from, oftentimes,

<sup>1</sup> Julien P. M. Reynaud and Julien Vauday, "IMF Lending and Geopolitics", ECB Working Paper No. 965, (2008), <https://ssrn.com/abstract=1292331> or <http://dx.doi.org/10.2139/ssrn.1292331>

<sup>2</sup> Axel Dreher, Jan-Egbert Sturm, James Vreeland, "Politics and IMF Conditionality", *Journal of Conflict Resolution*, 59(1) (2013), 120-148. <https://doi.org/10.1177/0022002713499723>

<sup>3</sup> International Monetary Fund (IMF), "IMF Executive Board Approves US\$ 1.4 Billion in Emergency Financing Support to Ukraine," Press Release No. 22/69, March 9, 2022. <https://www.imf.org/en/News/Articles/2022/03/09/pr2269-ukraine-imf-executive-board-approves-usd-billion-in-emergency-financing-support-to-ukraine#:~:text=Washington%2C%20DC%20%3A%20The%20Executive%20Board,economic%20impact%20of%20the%20war>

<sup>4</sup> Peter Hoskins, "Sri Lanka Defaults on Debt for First Time in Its History," BBC News, May 20, 2022. <https://www.bbc.com/news/business-61505842>

<sup>5</sup> Paul Pierson and Theda Skocpol. "Historical institutionalism in contemporary political science." in *Political science: The state of the discipline*, eds. Ira Katznelson and Helen V. Milner, (Norton: 2002), 693-722. [https://www.academia.edu/4711753/HISTORICAL\\_INSTITUTIONALISM\\_IN\\_CONTEMPORARY\\_POLITICAL\\_SCIENCE#references](https://www.academia.edu/4711753/HISTORICAL_INSTITUTIONALISM_IN_CONTEMPORARY_POLITICAL_SCIENCE#references)

<sup>6</sup> Peter J. Boettke, Christopher J. Coyne, and Peter T. Leeson, "Institutional Stickiness and the New Development Economics," in *Culture and Economic Action*, edited by Laura E. Grube and Virgil Henry Storr, 123-46 (Edward Elgar Publishing, 2015). <https://www.peterleeson.com/stickiness.pdf>

<sup>7</sup> Pierson and Theda Skocpol. "Historical institutionalism in contemporary political science," 699.

<sup>8</sup> Gill, Stephen R., and David Law. "Global Hegemony and the Structural Power of Capital." *International Studies Quarterly* 33, no. 4 (1989): 475-99. <https://doi.org/10.2307/2600523>.

dire economic need, but from their presentation as being the universal norm. To be part of these organizations and to be part of an economic “brotherhood” is to partake in modernity.<sup>9</sup> Modernity is Western European and American (the West) and it is a “normative project” characterized by giving primacy to human rights, law and order, separation of powers, and parliamentary democracy.<sup>10</sup> The prestige and confidence of this dominant formation is a reason to accede to it and sustain it. Then resistance, according to Gramsci, appears when “lesser”, often non-Western states and actors reveal that any claims as to the inevitability of an entity’s hegemony is baseless. The contingency of hegemony is exposed by constructing counter-hegemonic institutions and movements grounded in different logics, be it ethical (Islamic finance), regional (Arab and Asian Monetary Funds), or geopolitical (BRICS+).

Finally, Dipesh Chakrabarty’s call to “provincialize Europe” is another tool for understanding the development of and contestations against global financial institutions. He asserts that Europe has long been understood as the “silent referent” of modernity, with its imperatives projected as universal norms (the normative project).<sup>11</sup> In the financial realm, this “silent referent” shifted from Europe, more specifically the UK, to the US. Nevertheless, it has not shifted from the West overall, encompassing Western Europe, the US and other settler colonial countries. The Bretton Woods institutions are exemplars of a Euro-American universality, with embedded assumptions about capitalism, governance, and development. In this sense, arrangements such as the Gold Standard, the Bretton Woods institutions, and the Euro were manifestations of a particular euro-centric modernity which was expected to be embraced by the world.

In Section 1, over the following pages, the above theoretical lens will be applied to the institutions of the current global financial order and the events that triggered them. Traditions such as *lex mercatoria*, the Gold Standard, the Bretton Woods Conference, the IMF, the World Bank, the installation of the Euro, the Asian Monetary Fund and the Arab Monetary Fund are all summarized with regard to what they constitute, what led to them, what they were or envisioned to be and why they succeeded, failed or what progress they have made. Thereafter, Section 2 will consider the cautious but burgeoning alternatives to the existing Western and/or Western-style financial order in the form of Islamic finance, the Belt and Road Initiative, and the BRICS+ formulation currently taking shape.

In line with the theoretical frameworks, across each topic, the following themes will be considered for discussion:

- *Crises as agents of change*: How did economic or political crises create the opportunity to challenge existing institutions?
- *Power and legitimacy*: Who has the authority to set rules, who agrees to abide by those rules, why, and how is that authority justified or requires being challenged?
- *Resistance and reform*: What form does resistance take and who instigates it, states/non-state participants?
- *Democratic Shortfalls*: Who is excluded in making choices, who has veto powers, whose interests are represented, and who benefits the most from institutional outcomes?

<sup>9</sup> For instance, joining the gold standard was seen as “a badge of honor”. See Liaquat Ahamed quoted later.

<sup>10</sup> Riccardo Bavaj, “Review: Heinrich August Winkler’s History of the West”, Sehepunkte, 22 (2022). <https://sehepunkte.de/2022/02/26764.html>

<sup>11</sup> Dipesh Chakrabarty, *Provincializing Europe: Postcolonial Thought and Historical Difference* (Princeton: Princeton University Press, 2000), 28–30. <https://www.filosoficas.unam.mx/docs/880/files/Chakrabarty-Provin.pdf>; <https://english.hku.hk/events/phengcheah/Provincializing%20Europe.pdf>

# 1. BACKGROUND: MAJOR EVENTS AND INSTITUTIONS IN THE GLOBAL FINANCIAL ORDER

In the design of institutions, which today have become part of the global financial architecture, several economic imperatives played a pivotal role. Rules governing market access, trade relationships, cross border economic activities, legitimacy of currency exchange, setting up uniform trade codes and identification of national and regional entities to coordinate global decision making all played a key role in institution-building, as well as geopolitical considerations. Two such institutions, the World Bank and the International Monetary Fund (IMF) have their roots in the period of colonization, and much of the Global South today bears the brunt of the inheritance of that history. This poses questions over their continued legitimacy and fairness. In the next sections, this paper sketches out the history that led to the design and making of the World Bank and the IMF as well as other significant milestones in the world financial order. This discussion is an important preamble to any thoughts on possible alternative institutions.

## 1.1 Early commercial law

*Lex mercatoria*, or the law of merchants, is a trading system that arose out of maritime mercantilism in Medieval Europe as merchants looked for a specific form of justice that could address their requirements, which were “transnational”, which were not sufficiently fulfilled by domestic law.<sup>12</sup> While classic accounts suggest that these customs formed a relatively uniform, translocal body of private commercial law,<sup>13</sup> subsequent scholarship has questioned whether a coherent, uniform “law merchant” ever existed as such, contending instead that practice tended to vary by place and period and was interwoven with local law.<sup>14</sup> However, the fact that it varied by place, does not mean it was varied by place globally as *lex mercatoria* was largely an European construction operational where Europeans conducted trade (North Sea/Mediterranean).<sup>16</sup> African, Asian and indigenous and South American conventions of trading did not constitute *lex mercatoria* even though Europeans came to conduct trade with these geographies later. Many African kingdoms engaged in regional or international trade throughout history.<sup>17</sup> As such it is only conceivable that they “developed regional trade institutions including protection of trade routes, enforcement of trade agreements and common currencies.”<sup>18</sup> The same can be true for commerce that existed between China and trading partners spanning the Silk Route.<sup>19</sup> Nonetheless, the European conventions are the ones that have become global conventions, the “silent referents” as per Chakrabarty, via colonialism and globalization.

In the search for a third legal order, that addresses gaps in state and international law,<sup>20</sup> in the 20th century, the idea of *lex mercatoria* was revived as a “new *lex mercatoria*”. Today, this is visible in international

<sup>12</sup> Michael Douglas, “The Lex Mercatoria and The Culture of Transnational Industry”, 13 *U. Miami Int’l & Comp. L. Rev.* 367, (2006). <https://repository.law.miami.edu/umiclr/vol13/iss2/4>

<sup>13</sup> Ana M. Lopez Rodriguez, *Lex Mercatoria and Harmonization of Contract Law in the EU*. (Copenhagen: Djoeff Books, 2003), 87.

<sup>14</sup> Emily Kadens, “The Myth of the Customary Law Merchant,” *Texas Law Review* 90 (2012): 1153–1206. <https://texaslawreview.org/wp-content/uploads/2015/08/Kadens-90-TLR-1153.pdf>.

<sup>15</sup> J. H. Baker, “The Law Merchant and the Common Law Before 1700,” *Cambridge Law Journal* 38 (1979): 295–322. <https://www.cambridge.org/core/journals/cambridge-law-journal/article/abs/law-merchant-and-the-common-law-before-1700/58BF402108E20ECECCCA7F461024A9A>

<sup>16</sup> Kadens, “The Myth of the Customary Law Merchant.”

<sup>17</sup> Eghosa Ekhatior, “Lex Mercatoria Africana: A Historical Review of International Trade in Africa” (May 3, 2023). Available at SSRN: <https://ssrn.com/abstract=4439656> or <http://dx.doi.org/10.2139/ssrn.4439656>

<sup>18</sup> E. Bah, K. Jackson and D. Potts, “Regional trade institutions in West Africa: Historical reflections”. *Journal of International Development*, 30(8), (2018) 1255-1272. <https://onlinelibrary.wiley.com/doi/abs/10.1002/jid.3292>

<sup>19</sup> Otgonsaikhan, Nyamdaa. “Silk Road and Trade of the Mongol Empire” *Mongolian Diaspora. Journal of Mongolian History and Culture*, vol. 3, no. 1, 2023, pp. 69-79. <https://doi.org/10.1515/modi-2023-2007>

<sup>20</sup> Abdul F. M. Manriruzzaman. “The Lex Mercatoria and International Contracts: A Challenge for International Commercial Arbitration?” *American University International Law Review* 14, no. 3 (1999): 657-734. <https://ssrn.com/abstract=1338060>

commercial arbitration, soft-law instruments such as the UNIDROIT Principles of International Commercial Contracts (PICC), standardized trade terms like Incoterms and alongside hard-law unification such as the United Nations Convention on Contracts for the International Sale of Goods (CISG).<sup>21,22</sup> Rights organizations such as OMAL and Paz con Dignidad (Peace with Dignity) state that today's *lex mercatoria* as exercised in concert by transnational companies, states of origin and of destination, international economic and financial institutions and arbitration tribunals, "is the rugged armour legally protecting their commercial interests and shielding their contracts" to the detriment of human rights.<sup>23</sup> To chart the timeline of medieval *lex mercatoria* till the present day is not in the remit of this paper; however, the point to be made here is that to the extent any such legal norms exist, contested as they may be, they are European in origin and today have been repurposed, even if just in name, to uphold transnational, neoliberal interests. It points to the salience of European regimes still having currency long past colonialism's heyday.

## 1.2 Starting Point: The Gold Standard

Over the late 19th and early 20th centuries, the gold standard was a monetary system in which the value of a country's currency was tied directly to a specific quantity of gold. More specifically, the gold standard consisted of three rules for countries: a unit of national currency needed to be defined in terms of weight of gold; if notes were in circulation, countries needed to ensure these would be freely exchangeable on demand at face value with gold; countries had to allow the unfettered export and import of gold.<sup>24</sup> Under the classical gold standard, the principal source of liquidity was newly mined gold.<sup>25</sup> By 1914, 59 countries had tied their currency to gold.<sup>26</sup> Today, as inflation runs rampant, many remember this system fondly as having ensured stability in exchange rates and for promoting global trade<sup>27</sup> and as having had a "disciplinary mechanism" binding governments to fiscal prudence.<sup>28</sup> Barry Eichengreen observes that the international gold standard became the monetary system of the times due, not to negotiations and a consensus, but due to an "accidental" adoption of the gold standard in Great Britain in 1717, and by virtue of the industrial revolution and its vast empire making the country the leading financial and commercial power in the world whose monetary system became logical to adopt for trade and borrowing.<sup>29</sup>

The "classical" or the "sterling" era of the gold standard (1880–1914) was upheld by Britain's hegemonic role with its vast empire and industrial might.<sup>30</sup> The First World War disrupted this order. The "gold exchange standard" (1920s–1930s) allowed foreign currencies (sterling, dollar) to serve as reserves, but

<sup>21</sup> UNIDROIT, UNIDROIT Principles of International Commercial Contracts 2016; Johan Coetzee, "The Interplay between Incoterms® and the CISG," *Journal of Law and Commerce* 32 (2013): 1–19. <https://jlc.law.pitt.edu/ojs/jlc/article/view/39/60>;

<sup>22</sup> UNCITRAL, United Nations Convention on Contracts for the International Sale of Goods (1980). [https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/19-09951\\_e\\_ebook.pdf](https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/19-09951_e_ebook.pdf)

<sup>23</sup> Juan Hernández Zubizarreta and Pedro Ramiro, *Against the "Lex Mercatoria": Proposals and alternatives for controlling transnational corporations*. OMAL/Paz con Dignidad. (2016). [https://omal.info/IMG/pdf/against\\_lex\\_mercatoria.pdf](https://omal.info/IMG/pdf/against_lex_mercatoria.pdf)

<sup>24</sup> A. G. Ford. International Financial Policy and the Gold Standard, 1870-1914. In Mathias, P. & Pollard, S. (eds.) *The Cambridge Economic History of Europe from the Decline of the Roman Empire*. (Cambridge: Cambridge University Press, 1989): 197- 249. <https://warwick.ac.uk/fac/soc/economics/research/workingpapers/1968-1977/twerp104.pdf>

<sup>25</sup> Barry Eichengreen, "Hegemonic Stability Theories of the International Monetary System," in *International Political Economy: Perspectives on Global Power and Wealth*, eds. Jeffrey A. Frieden and David A. Lake (London: Routledge, 2000), 233. <https://hostnezt.com/cssfiles/internationalrelations/International%20Political%20Economy%20By%20Jeffrey%20A.Frieden%20and%20David%20A.Lake.pdf>

<sup>26</sup> Liaquat Ahamed, *Lords of Finance: The Bankers Who Broke the World*. (New York: Penguin Press, 2009). 13. <https://www.junkybooks.com/administrator/thebooks/63550ffb8b6c9-lords-of-finance.pdf>

<sup>27</sup> Michael D. Bordo. "Gold Standard." EconLib. <https://www.econlib.org/library/Enc/GoldStandard.html>

<sup>28</sup> Michael D. Bordo and Anna J. Schwartz, eds., *A Retrospective on the Classical Gold Standard, 1821–1931* (Chicago: University of Chicago Press, 1984), 3-13. <https://doi.org/10.7208/chicago/9780226066900.001.0001>.

<sup>29</sup> Barry Eichengreen. *Globalizing Capital: A History of the International Monetary System*. (Princeton: Princeton University Press, 2008), 6. [https://archive.org/details/globalizingcapit0000eich\\_o2q8](https://archive.org/details/globalizingcapit0000eich_o2q8)

<sup>30</sup> R. Ally. *Gold and Empire: The Bank of England and South Africa's Gold Producers, 1886-1926* (Johannesburg: Witwatersrand University Press, 1994). 12. Quoted in: Paula Reisdorf, "Gold, War and South Africa: A Postcolonial History of the Gold Standard," (n.d.). [https://www.academia.edu/40652355/Gold\\_War\\_and\\_South\\_Africa\\_A\\_Postcolonial\\_History\\_of\\_the\\_Gold\\_Standard](https://www.academia.edu/40652355/Gold_War_and_South_Africa_A_Postcolonial_History_of_the_Gold_Standard)

was without the pre-1914 cooperation. In practice, the gold standard required that states subordinate domestic economic concerns in favor of the maintenance of an external balance. Liaquat Ahamed has shown how such constraints on domestic policy became politically inexpedient during the interwar period, when adherence to gold exacerbated the Great Depression.<sup>31</sup> The collapse of the gold standard in the 1930s revealed the fragility of a supposedly automatic system and the extent to which it relied on international cooperation and shared norms.<sup>32</sup>

The gold standard showcased Britain's financial power and its ability to set the rules of the global financial order. In fact, moving towards the gold standard was considered to signal joining "an emerging club of advanced countries" as was the case for Germany when considering moving away from bi-metalism.<sup>33</sup> Joining the gold standard was a "badge of honor."<sup>34</sup> What constituted the globe at the time, was a few sovereign nations and their colonies. These colonies had no say in what standards to espouse and could not deviate from the will of colonial regime elites. They had no choice in adopting the gold standard.<sup>35</sup> As such, when economists reminisce about the stability of the gold standard, they are ignoring a large swathe of the globe that had no choice in what currency to use. Even within the literature pertaining to the gold standard the role of the colonies has been largely neglected.<sup>36</sup> The First World War and the Great Depression fundamentally upset the legitimacy of the gold standard. By 1930, industrial production had plummeted by 30, 25, and 20 percent in the US, Germany and Britain respectively; moreover, over 11.5 million in all three countries were looking for work.<sup>37</sup> The rigid adherence to gold convertibility generated a political backlash in countries. Britain's 1931 decision to suspend gold convertibility represented a watershed moment, after which other countries followed suit – notably the US in 1933 and France in 1936.<sup>38</sup> Often, the crises caused by the gold standard in the prominent imperial nations is recorded and its effects on the colonies is again a gap in the literature.

### 1.3 The Bretton Woods Conference

With the breakdown of the gold standard after the Great Depression and its abandonment in favor of flexible monetary policy in the 1930s, Bretton Woods in New Hampshire, USA, hosted 44 countries, some of whom were yet to be sovereign, independent states, in a summit to establish a new economic order for the world. Africa was represented by only Egypt, Ethiopia, South Africa, and Liberia.<sup>39</sup> Eichengreen highlights in *Globalizing Capital* that "monetary arrangements established by international negotiation are the exception, not the rule," indicating the general arbitrariness of such arrangements.<sup>40</sup> At the negotiations, the challenge for economic officials "was to gain agreement among states about how to finance postwar reconstruction,

---

<sup>31</sup> Ahamed, *Lords of Finance*.

<sup>32</sup> Barry Eichengreen, *Golden Fetters: The Gold Standard and the Great Depression, 1919–1939* (Oxford: Oxford University Press, 1992).  
[https://books.google.lk/books?id=QklflhynCD8C&printsec=frontcover&source=gbs\\_ge\\_summary\\_r&cad=0#v=onepage&q&f=false](https://books.google.lk/books?id=QklflhynCD8C&printsec=frontcover&source=gbs_ge_summary_r&cad=0#v=onepage&q&f=false)

<sup>33</sup> Johannes Wiegand, *Pictures of a Revolution: Analyzing the Transition from Global Bimetallism to the Gold Standard in the 1860s and 1870s*, IMF Working Paper 22/119 (Washington, DC: International Monetary Fund, June 17, 2022).  
<https://www.imf.org/en/Publications/WP/Issues/2022/06/16/Pictures-of-a-Revolution-Analyzing-the-Transition-from-Global-Bimetallism-to-the-Gold-519664>

<sup>34</sup> Ahamed, *Lords of Finance*, 13.

<sup>35</sup> W. Narsey, *British Imperialism and the Making of Colonial Currency Systems*. London: Palgrave Macmillan (2016).  
<https://link.springer.com/book/10.1057/9781137553188>

<sup>36</sup> Paula Reisdorf, "Gold, War and South Africa: A Postcolonial History of the Gold Standard", (n.d.).  
[https://www.academia.edu/40652355/Gold\\_War\\_and\\_South\\_Africa\\_A\\_Postcolonial\\_History\\_of\\_the\\_Gold\\_Standard](https://www.academia.edu/40652355/Gold_War_and_South_Africa_A_Postcolonial_History_of_the_Gold_Standard)

<sup>37</sup> Ahamed, *Lords of Finance*.

<sup>38</sup> Jason Lennard and Meredith Parker, "The End of the Gold Standard and the Beginning of Recovery from the Great Depression," CEPR.org, April 7, 2024, <https://cepr.org/voxeu/columns/end-gold-standard-and-beginning-recovery-great-depression>.

<sup>39</sup> Kurt Schuler and Mark Bernkopf, "Who Was at Bretton Woods?", Paper in Financial History (Center for Financial Stability, July 1, 2014). [https://www.centerforfinancialstability.org/bw/Who\\_Was\\_at\\_Bretton\\_Woods.pdf](https://www.centerforfinancialstability.org/bw/Who_Was_at_Bretton_Woods.pdf)

<sup>40</sup> Eichengreen, *Globalizing Capital*, 6.

stabilize exchange rates, foster trade, and prevent balance of payments crises from unraveling the system.”<sup>41</sup> This was because the destruction of the last stages of the Second World War had left Europe in dire need of reconstruction; monetary cooperation was also essential as countries had attempted to devalue their way out of crises.<sup>42</sup>

While 44 countries nominally participated, there were just two main protagonists at the conference belonging to the two largest economies at the time. John Maynard Keynes, representing the declining British Empire and Harry Dexter White, representing the ascendant US had the same aims, to stabilize the system from shocks. They both wanted stable or fixed exchange rates, institutions of control over the rules determining international trade, and a debt-relief and reconstruction after the Second World War although the nature of how these would be achieved differed in each’s estimation.<sup>43</sup> Keynes and White diverged on the type of currency (bancor<sup>44</sup> vs the dollar), the nature and stewardship of the institutions (international vs US led), and trade balances (controlled vs uncontrolled).<sup>45</sup> Keynes had proposed democratic, international institutions, the bancor as currency, and an International Clearing Union to settle trade imbalances. But it was eventually the US-centric White Plan that won out,<sup>46</sup> which meant that the institutions to come out of Bretton Woods were US run, all world currencies were tied to the dollar, trade balances were not controlled and import barriers were not allowed.

To prevent a repetition of the interwar economic collapse, Bretton Woods discussions resulted in the International Monetary Fund (IMF) and the World Bank. James writes that in the creation of these institutions there is a desire to blend stability with countries’ internal economic autonomy.<sup>47</sup> Unlike the inflexibility of the gold standard, the US dollar was pegged to gold, and other currencies to the dollar. This system saw the primacy of Britain decline, institutionalizing American leadership and ascendancy while providing mechanisms for adjustment.<sup>48</sup> Bretton Woods, nonetheless, collapsed when Nixon ended the US dollar’s fixed exchange rate to gold in 1971 and floated its currency in 1973. The “Nixon Shock” came with the perception “that growing imbalances between the US (with an exploding balance of payments deficit), Germany, other countries of Western Europe, and Japan (with burgeoning surpluses) was harmful to the competitive position of US manufacturing and the country’s overall prosperity.”<sup>49</sup> Nixon’s decision was wholly unilateral; not even the IMF, under US control, was consulted.<sup>50</sup>

Despite the commonly held belief that American interests prevailed over those of the British, Eichengreen has argued that the outcome at Bretton Woods incorporated many British priorities.<sup>51</sup> Regardless, it must

---

<sup>41</sup> Ngaire Woods, *The Globalizers: The IMF, the World Bank, and Their Borrowers* (Ithaca: Cornell University Press, 2006). 16. <https://archive.org/details/globalizersimfwo00wood>

<sup>42</sup> Ibid.

<sup>43</sup> Ed Conway, *The Summit: Bretton Woods, 1944—J. M. Keynes and the Reshaping of the Global Economy* (London: Little, Brown, 2014). <https://archive.org/details/summitbrettonwoo0000conw>

<sup>44</sup> The “bancor,” was a new international currency that a global central bank called the Clearing Union would issue, according to Keynes.

<sup>45</sup> Benn Steil, *The Battle of Bretton Woods: John Maynard Keynes, Harry Dexter White, and the Making of a New World Order* (Princeton: Princeton University Press, 2013). <https://archive.org/details/battleofbrettonw0000stei>

<sup>46</sup> Paul Davidson, *The Keynes Solution: The Path to Global Economic Prosperity* (New York: Palgrave Macmillan, 2009). <https://www.scribd.com/document/148077093/The-Keynes-Solution-the-Path-to-Global-Economic-Prosperity-via-a-Serious-Monetary-Theory-Paul-Davidson-2009>

<sup>47</sup> Harold James, *International Monetary Cooperation Since Bretton Woods* (Oxford: Oxford University Press, 1996). <https://archive.org/details/internationalmon0000jame/page/n5/mode/2up>

<sup>48</sup> Eichengreen, *Globalizing Capital*, 90-133.

<sup>49</sup> Michael D. Bordo, “The imbalances of the Bretton Woods System between 1965 and 1973: US inflation, the elephant in the room,” CEPR.org, June 7, 2019, <https://cepr.org/voxeu/columns/imbalances-bretton-woods-system-between-1965-and-1973-us-inflation-elephant-room>.

<sup>50</sup> Susan Engel and Matthew Mabefam. “The Bretton Woods twins and reform agendas: from the NIEO to the Bridgetown Agenda.” *Development in Practice*, 1–12. (2025) <https://doi.org/10.1080/09614524.2024.2436498>

<sup>51</sup> Barry Eichengreen, “Hegemonic Stability Theories of the International Monetary System,” in *International Political Economy*, 227. <https://www.nber.org/papers/w2193>



be noted that it was the outgoing power (Britain) that was allowed to contribute to the ascendant power, the US. This shows that substantial economies — when Bretton Woods convened in 1944, US GDP was at nearly twice its 1938 level and by far the largest among Allied Powers and in the world<sup>52</sup> — always get a say and is promising in that transfers of power and compromises are possible such as happened with Britain.

Again, Bretton Woods accounts contain little by way of the role of “lesser” states. Keynes noted of Bretton Woods, that the Americans “plainly intend to force their own conceptions through regardless of the rest of us.”<sup>53</sup> Fear of economic fragmentation is a driver of change and the tumult of the Great Depression and the Second World War drove countries to the table at Bretton Woods. “Beggars thy neighbor” policies of the interwar period were considered to be untenable, and institutions were sought that would ameliorate the post-war condition of the world through cooperation. Despite the intentions, Bretton Woods institutions were skewed toward the interests of industrialized countries; begging developing countries did not appear to be fraught with the same consequences as begging each other. The call for a New International Economic Order as early as 1974 by the UN reflected this dissatisfaction<sup>54</sup>; however, it is only half a century later that possible alternatives are tangibly emerging as the IMF and the World Bank, as can be seen below, have been found repeatedly wanting.

## 1.4 The International Monetary Fund (IMF) and the World Bank

### 1.4.1 The IMF

Seen now predominantly as a driver of austerity policies,<sup>55</sup> the IMF has over the years evolved into a powerful agent of conditional lending, dictating domestic policies in borrower countries, and becoming a prominent driver of structural adjustment during the debt crises of the 1980s and beyond.<sup>56</sup> The IMF, established at Bretton Woods, was authorized to oversee the exchange-rate system and provide short-term liquidity to states with balance-of-payments problems.<sup>57</sup> In short, its foundational imperative was the stability of “the system of exchange rates and international payments that enables countries (and their citizens) to buy goods and services from each other.”<sup>58</sup> The general consensus behind the rationale for it was “that a repetition of the economic and political nationalism of the 1930’s could and should be avoided.”<sup>59</sup> However, at its inception it was not a truly global institution, and it was only with the end of colonialism in the 1960s and the 1970s and the fall of the Soviet bloc that there was an influx of new members.<sup>60</sup> Today, it totals 191 members or territorial entities.<sup>61</sup>

The IMF’s Board of Governors typically consists of the finance minister or the central bank governor of a country or territory as its representative at the IMF.<sup>62</sup> The IMF’s main activities are cited as surveillance of

<sup>52</sup> Mark Harrison, “The Economics of World War II: An Overview”, in *The Economics of World War II: Six Great Powers in International Comparison*, Ed. Mark Harrison. (Cambridge: Cambridge University Press, 1998). 5. <https://warwick.ac.uk/fac/soc/economics/staff/mharrison/public/ww2overview1998.pdf>

<sup>53</sup> Woods, *The Globalizers*, 17.

<sup>54</sup> UN General Assembly, *Declaration on the Establishment of a New International Economic Order*. (1974). <https://digitallibrary.un.org/record/218450?v=pdf>

<sup>55</sup> Juan Hernández Zubizarreta and Pedro Ramiro, *Against the “Lex Mercatoria”*, 22, 26.

<sup>56</sup> Woods, *The Globalizers*.

<sup>57</sup> James, *International Monetary Cooperation Since Bretton Woods*.

<sup>58</sup> IMF, “What does the International Monetary Fund Do?” [Elibrary.imf.org. https://www.elibrary.imf.org/display/book/9781589065338/ch01.xml](https://www.elibrary.imf.org/display/book/9781589065338/ch01.xml)

<sup>59</sup> Michael D. Bordo and Harold James, *The International Monetary Fund: Its Present Role in Historical Perspective*, NBER Working Paper No. 7724 (Cambridge, MA: National Bureau of Economic Research, June 2000), <https://doi.org/10.3386/w7724>

<sup>60</sup> *Ibid*, 17.

<sup>61</sup> IMF, “IMF Country Information”, [imf.org, https://www.imf.org/en/Countries#:~:text=The%20International%20Monetary%20Fund%20\(IMF,Eswatini%2C%20Kingdom%20of](https://www.imf.org/en/Countries#:~:text=The%20International%20Monetary%20Fund%20(IMF,Eswatini%2C%20Kingdom%20of)

<sup>62</sup> Michael D. Bordo and Harold James, *The International Monetary Fund*.

the global financial situation and providing necessary advice, lending to correct balance of payments issues, and providing technical assistance for governance and central banks.<sup>63</sup> The IMF has a specific funding model which includes quotas (primary funding source) determined by the size of a member's economy, multilateral and bilateral borrowing arrangements in times of crises, Special Drawing Rights (SDRs) and income from lending.<sup>64</sup> The subscription quotas by member countries determine both access to resources and voting power.<sup>65</sup> The US, the IMF's largest member quota, has nearly 18 percent of the vote giving it complete veto power over any decisions the US feels are untenable.<sup>66</sup>

Even though the rollout of the Marshall Plan<sup>67</sup> had limited its role, from the 1950s onwards, the IMF became more active, including introducing Special Drawing Rights (SDRs) in 1969.<sup>68</sup> Despite their unconditionality, SDRs are determined by members' quota shares, meaning affluent countries with the largest quotas will get the most SDRs.<sup>69</sup> With the collapse of Bretton Woods in 1971, the IMF shifted to surveillance of floating exchange rates and crisis lending. Having evolved as a provider of solutions to countries facing issues of short-term liquidity,<sup>70</sup> the IMF, during the 1980s Latin American debt crisis, emerged as a central crisis manager, but its conditionality (fiscal austerity, liberalization, privatization) became highly controversial.<sup>71</sup> Critics charged that adjustment programs deepened recessions and reflected lender state priorities.<sup>72</sup> Conditionality was again contentious in the 1997 Asian crisis.<sup>73</sup> Due to emergent discontent with the IMF, it has attempted governance reforms (quota adjustments, voice for emerging economies), but U.S. veto power and conditionality, and the organization's antecedents in the colonial era remain sources of contestation.<sup>74</sup>

#### 1.4.2 The World Bank

Another byproduct of the Bretton Woods Conference was the World Bank, formally called the International Bank for Reconstruction and Development (IBRD). Its initial mandate was to finance postwar reconstruction, primarily in Europe.<sup>75</sup> Its early vision, as Devesh Kapur and colleagues describe, was as the world's first "Multilateral Development Bank", channeling capital into infrastructure and productive

---

<sup>63</sup> Ibid.

<sup>64</sup> Ibid.

<sup>65</sup> International Monetary Fund, *Quotas, IMF Factsheet*, updated February 23, 2024, <https://www.imf.org/en/About/Factsheets/Sheets/2023/Quota>; Ngaire Woods, *The Globalizers*. 22.

<sup>66</sup> Bordo and James, *The International Monetary Fund*, 6.

<sup>67</sup> U.S. Department of State, "The Marshall Plan," Diplomacy Is Our Mission, National Museum of American Diplomacy, accessed September 5, 2025, <https://diplomacy.state.gov/online-exhibits/diplomacy-is-our-mission/development/the-marshall-plan/>; The Marshall Plan was the US funded recovery/reconstruction program for 16 European nations.

<sup>68</sup> Barry Eichengreen, *Globalizing Capital*, 95-97, 115-118; International Monetary Fund, Special Drawing Rights (SDRs), IMF Factsheet, updated May 15, 2023, <https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/14/51/Special-Drawing-Right-SDR>

<sup>69</sup> Kevin P. Gallagher, José Antonio Ocampo, and Ulrich Volz, "Special Drawing Rights: International Monetary Support for Developing Countries in Times of the COVID-19 Crisis," *Review of Keynesian Economics* 9, no. 3 (2021): 439-458, <https://doi.org/10.4337/roke.2021.03.12>

<sup>70</sup> Woods, *The Globalizers*, 48.

<sup>71</sup> James M. Boughton, *Silent Revolution* (Washington, DC: IMF, 2001), 557-569. <https://www.imf.org/external/pubs/Ft/history/2001/ch13.pdf>

<sup>72</sup> Joseph E. Stiglitz, *Globalization and Its Discontents* (New York: W.W. Norton, 2002), 39-50. <http://digamo.free.fr/stig2002.pdf>

<sup>73</sup> Jeffrey D. Sachs and Steven Radelet, "The East Asian Financial Crisis," *Brookings Papers on Economic Activity*, no. 1 (1998): 55-59. [https://www.brookings.edu/wp-content/uploads/1998/01/1998a\\_bpea\\_radelet\\_sachs\\_cooper\\_bosworth.pdf](https://www.brookings.edu/wp-content/uploads/1998/01/1998a_bpea_radelet_sachs_cooper_bosworth.pdf)

<sup>74</sup> Daniel Steinmetz-Jenkins, "The Rotten Roots of the IMF and the World Bank," *The Nation*, June 15, 2022, accessed September 5, 2025, <https://www.thenation.com/article/culture/the-rotten-roots-of-global-economic-governance/>.

<sup>75</sup> Catherine Gwin, "U.S. Relations with the World Bank, 1945-1992," in *The World Bank: Its First Half Century*, vol. 2, ed. Devesh Kapur, John P. Lewis, and Richard Webb (Washington, DC: Brookings Institution, 1997), 195-232. <https://documents1.worldbank.org/curated/en/405561468331913038/pdf/578750PUB0v20W10Box353775B01PUBLIC1.pdf>

investment.<sup>76</sup> From the outset, US leadership was central in shaping the Bank's mission and governance, ensuring that American interests dominated lending priorities.<sup>77</sup> The bank's governance was, and is, structured around weighted voting that is tied to financial subscriptions, which gives the US as well as other industrialized powers inordinate influence, with the US President traditionally nominating the Bank's head.<sup>78</sup> The Bank raises its funds by borrowing on international capital markets, backed by members' subscriptions, and lending these resources for approved projects, with decision-making centered in the Board of Executive Directors where votes reflect economic power.<sup>79</sup> As such, it consists of a "deliberately unequal" voting structure.<sup>80</sup>

As European recovery accelerated and newly independent states in Asia and Africa joined, the Bank's focus shifted from reconstruction to development in the Global South, focusing on infrastructure, agriculture, and poverty reduction, by the 1950s and 1960s.<sup>81</sup> During the 1980s debt crisis, however, the Bank's orientation shifted again towards structural adjustment lending, tying loans to neoliberal reforms.<sup>82</sup> Susan George and Fabrizio Sabelli who analogize the Bank to a religious institution, state that the Bank marks a "secular empire of development finance," advancing privatization, deregulation, and fiscal austerity at the expense of social concerns.<sup>83</sup> Other critics contend that these policies compounded poverty and inequality, particularly in Latin America and Africa.<sup>84</sup> Over the years, pressures from civil society and borrowing governments forced the Bank to adopt discourses of poverty reduction, participation, and sustainability,<sup>85</sup> yet the underlying logic of governance has remained neoliberal. More recently, the Bank has reoriented around global public goods such as climate change, health, and education, though controversies about governance and accountability persist.<sup>86</sup>

Overall, the World Bank and the IMF signify both continuity and change in that US dominance continues, although with increasing interrogation from various contesting sources, with its role evolving to address various crises requiring reconstruction, structural adjustments, and sustainable development. The positioning of lender versus borrower is one of asymmetry by virtue of money owed; however Stiglitz has noted that the IMF's stance in discussions with borrowers is at times aimed overwhelmingly at stifling them.<sup>87</sup> As mentioned above, the voting disparities exacerbate issues of parity and internal democracy; the countries that need the most say, have the least weight to say it. The IMF was seen from inception as having technocratic expertise, hierarchical structure and discretionary powers, or as Keynes would have it "grandmotherly" control.<sup>88</sup> The Greek debt crisis drew the veil and threw into sharp relief some of the

<sup>76</sup> Devesh Kapur, John P. Lewis, and Richard Webb, *The World Bank: Its First Half Century*, vol. 1 (Washington, DC: Brookings Institution, 1997), 2.

<https://documents1.worldbank.org/curated/en/313081468322727631/pdf/578750PUB0v10W10Box353775B01PUBLIC1.pdf>

<sup>77</sup> Catherine Gwin, "U.S. Relations with the World Bank, 1945–1992."

<sup>78</sup> Woods, *The Globalizers*, 38.

<sup>79</sup> World Bank, "Getting to Know the World Bank," Feature Stories, July 26, 2012, accessed September 5, 2025, [https://www.worldbank.org/en/news/feature/2012/07/26/getting\\_to\\_know\\_theworldbank](https://www.worldbank.org/en/news/feature/2012/07/26/getting_to_know_theworldbank)

<sup>80</sup> Woods, *The Globalizers*, 23.

<sup>81</sup> Devesh Kapur, John P. Lewis, and Richard Webb, *The World Bank: Its First Half Century*, vol. 1 (Washington, DC: Brookings Institution, 1997). <https://documents.worldbank.org/pt/publication/documents-reports/documentdetail/313081468322727631>

<sup>82</sup> Pereira, João Márcio Mendes. "How Did the World Bank Engage in the Neoliberalization of Global Capitalism? Financial, Political, Social, and Intellectual Aspects." *DADOS* 68, no. 2 (2025). <https://doi.org/10.1590/dados.2025.68.2.370x>

<sup>83</sup> Susan George and Fabrizio Sabelli, *Faith and Credit: The World Bank's Secular Empire* (London: Routledge, 1994). <https://digitalcommons.du.edu/cgi/viewcontent.cgi?article=1704&context=djilp>

<sup>84</sup> Woods, *The Globalizers*, 13.

<sup>85</sup> David Williams and Tom Young, "Governance, the World Bank and Liberal Theory," *Political Studies* 42, no. 1 (1994): 84–100. <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1467-9248.1994.tb01675.x>

<sup>86</sup> Andy Storey, *The World Bank, neo-liberalism, and power: discourse analysis and implications for campaigners*. (Oxfam, Routledge, 2000). doi:10.1080/09614520050116514

<sup>87</sup> Stiglitz, *Globalization and Its Discontents*. 43.

<sup>88</sup> Woods, *The Globalizers*, 25.

IMF's practices.<sup>89</sup> They were found to have lent to an insolvent state. Varoufakis, the then Finance Minister of Greece, succinctly charged the EU and IMF as having “effectively condemned Greece to a modern version of the Dickensian debtors’ prison and then threw away the key.”<sup>90</sup>

When in the 1960s, many countries in Africa and Asia became independent, comments such as the one following could be heard in Western quarters: “Even today the bulk of Africa’s more than 200 millions are only beginning to enter world society.”<sup>91</sup> As such, “world society” is conceived as a Western project into which non-Westerners accede. The IMF and the World Bank are arms of this society and to be part of them is to be veritably “entered into history.”<sup>92</sup> The asymmetry is writ large then in no uncertain terms. Today, the IMF has scant credibility in the Global South. In Africa, the IMF and the World Bank are criticized for having had a negative impact.<sup>93</sup> The same is true in Latin America.<sup>94</sup> In South Asia, a number of countries are indefinitely tethered to IMF programmes. **Table 1** below shows the external debt profile of South Asia in which a correlation appears “between the regularity of engagements with the IMF and the degree of debt distress.”<sup>95</sup> Gramscian “coercion by other means” is apparent here as, even when knowing that 24 other IMF programmes did not alleviate issues, Pakistan, for instance, sought a 25th programme.

Country	External Debt Volume (USD)	Debt to GDP (%)	Major Creditors	IMF Programmes	Latest IMF Loan (USD)
Afghanistan	3.3 billion	24.77	Multilateral (International Development Association (IDA), Asian Development Bank (ADB), commercial banks, Russia, Saudia Arabia, Italy	10	Membership in 1955 2020 – about 370 million under the Extended Credit Facility (ECF)
Bangladesh	98.11 billion	21.6	Capital markets (11.9b), multilateral (40.1b), bilateral (27.3b), IMF (3.9b)	14	Membership in 1972 2023 – 4.5 billion in 7 instalments
India	635.3 billion	18.61	Commercial, non-resident Indian (NRI) deposits, short term trade credits, WB, IDA, ADB	7	Membership in 1945 1993 – 1.6 billion
Nepal	7.8 billion	21.8	WB, IDA, ADB, China, India	8	Membership in 1961 2022 – 2.8 billion (till 2025)
Pakistan	99.1 billion	42	Multilateral (WB, ADB), IMF, Eurobonds, Sukuk, commercial, China	25	Membership in 1950 2024 – 7 billion for 37 months
Sri Lanka	34.8 billion	105	Capital markets, Japan, China, India, France, WB, ADB, IMF	17	Membership in 1950 2023 – 2.9 billion
Maldives	3.1 billion	58.5	China, India, capital markets, Organisation of Petroleum Exporting Countries (OPEC)	3	Membership in 1978 2009 – blended financial arrangement amounting to about 92.5 million

Source: Amali Wedagedara.<sup>96</sup>

<sup>89</sup> Yanis Varoufakis, *Adults in the Room: My Battle with Europe’s Deep Establishment*. (Farrar, Strauss and Giroux, 2017). <https://archive.org/details/adultsinroom0000unse>

<sup>90</sup> Varoufakis, *Adults in the Room*.

<sup>91</sup> Black qtd. In Devesh Kapur, John P. Lewis, and Richard Webb, *The World Bank*. 145.

<sup>92</sup> Ibid.

<sup>93</sup> Woods, *The Globalizers*, 13.

<sup>94</sup> Andrew McCutchan, Understanding the Inefficacy of Structural Adjustment Programs in Latin America (master’s thesis, Lund University, 2010), <https://www.lunduniversity.lu.se/lup/publication/1641931>

<sup>95</sup> Amali Wedagedara, “South Asia in the New Global Debt Crisis – A Call for Collective Solutions”. (n.d.). Polity.lk. [https://polity.lk/wp-content/uploads/2025/07/12.2\\_4-8-South-Asia-in-the-New-Global-Debt-Crisis-A-Call-for-Collective-Solutions-Amali-Wedagedara.pdf](https://polity.lk/wp-content/uploads/2025/07/12.2_4-8-South-Asia-in-the-New-Global-Debt-Crisis-A-Call-for-Collective-Solutions-Amali-Wedagedara.pdf)

<sup>96</sup> Ibid.

## 1.5 The Euro

If the IMF and the World Bank were predominantly attempting to restructure the world's less economically able countries, Europe was attempting to consolidate itself economically and politically. The Euro, officially launched in 1999 as the currency of the Eurozone, was an exceedingly ambitious monetary integration project, following the Maastricht Treaty of 1991, where leaders sought to bind European economies together both economically and politically.<sup>97</sup> The rationale behind the Euro was to eliminate exchange rate volatility, enhance economic efficiency, and deepen European integration, and as such, it was attempting to recreate some of the finer points of the gold standard.<sup>98</sup> While the Euro created a monetary union, it did so without establishing a fiscal union, whereby tax or spending were centralized, creating vulnerabilities.<sup>99</sup> The European Central Bank (ECB), modeled on the German Bundesbank, was designed as an independent institution with a strict mandate for price stability. While it controls interest rates and money supply, it has no control over taxation or spending by countries in the Eurozone. As a result, "national fiscal austerity is the default response to counter national fiscal stress."<sup>100</sup>

Consequently, the 2008 financial crisis and the subsequent Eurozone sovereign debt crisis (2010–2012) tested the Euro, revealing its structural weaknesses as member states could not devalue their currency, lacked fiscal transfer mechanisms, and were constrained by austerity.<sup>101</sup> Soon, the crisis turned the Euro into a site of political contestation, raising questions about solidarity and democratic legitimacy.<sup>102</sup> Germany emerged as the key actor, dictating austerity measures in exchange for bailouts with decisions being made by technocrats and creditor states, marginalizing national parliaments and the public.<sup>103</sup> Although new mechanisms like the European Stability Mechanism (ESM) and the Banking Union were introduced, tensions remain between integration and sovereignty. Following the unraveling of Bretton Woods in the 1970s, the currency fluctuations against the dollar created the demand for a unified currency project.<sup>104</sup> Prominent American economists, such as Milton Friedman and Martin Feldstein argued that the euro was "a bad idea since the euro zone did not satisfy the basic conditions required for an optimum currency area."<sup>105</sup> Conditions for an optimum currency area consist of labor mobility, price flexibility, financial integration and similar business cycles.<sup>106</sup> More than twenty-five years on from the installation of the euro, uneven economic growth has put paid to the idea of the initial promise of a unified currency and justified the skepticism.<sup>107</sup> Regardless, the monetary union still remains. The concept of common currencies has gained momentum of late, especially as the Global South attempts to decouple from Western, Northern

---

<sup>97</sup> Kenneth Dyson and Kevin Featherstone, *The Road to Maastricht: Negotiating Economic and Monetary Union* (Oxford: Oxford University Press, 1999). [https://fdslive.oup.com/www.oup.com/academic/pdf/13/9780198296386\\_chapter1.pdf](https://fdslive.oup.com/www.oup.com/academic/pdf/13/9780198296386_chapter1.pdf)

<sup>98</sup> Andreas Hoffmann, "The euro as a proxy for the classical gold standard?"

Government debt financing and political commitment in historical perspective", Working Paper, No.

119, Universität Leipzig, Wirtschaftswissenschaftliche Fakultät, Leipzig (2013). <https://www.econstor.eu/bitstream/10419/74607/1/747342059.pdf>

<sup>99</sup> Francesca Spigarelli and Nikolai Wenzel, "Monetary Union without Fiscal Union? The Euro Crisis and the Move Towards European Fiscal Union." *New Perspectives on Political Economy*. 11. 5-20. (2015). doi:10.62374/38vs1m37.

<sup>100</sup> Ashoka Mody, "Living (dangerously) without a fiscal union," Bruegel Working Paper 2015, No. 3 (2015), <https://www.bruegel.org/working-paper/living-dangerously-without-fiscal-union>.

<sup>101</sup> Andrew Glencross, "The EU Response to the Eurozone Crisis" Discussion Paper No. 3/13 (2013). <https://europa-kolleg-hamburg.de/wp-content/uploads/2019/02/The-EU-Response-to-the-Eurozone-Crisis-Democratic-Contestation-and-the-New-Fault-Lines-in-European-Integration.pdf>

<sup>102</sup> Vivien Schmidt, "The Eurozone's Crisis of Democratic Legitimacy: Can the EU Rebuild Public Trust and Support for European Economic Integration?" Discussion Paper, No 15, European Union, (2015). [https://economy-finance.ec.europa.eu/system/files/2020-06/dp015\\_en.pdf](https://economy-finance.ec.europa.eu/system/files/2020-06/dp015_en.pdf)

<sup>103</sup> Ibid.

<sup>104</sup> Daniel Liberto, "What Was the European Monetary System (EMS)?" Investopedia, (2024).

<sup>105</sup> Desmond Lachman, "The Euro's Fate Is Still an Open Question, 25 Years In", Barrons, (2024). <https://www.barrons.com/articles/euro-fate-is-still-an-open-question-25-years-9d80390a>

<sup>106</sup> Robert Mundell, "A Theory of Optimum Currency Areas", *American Economic Review*, 28 November, 509-517, (1961). <https://www.jstor.org/stable/1812792>

<sup>107</sup> Lachman, "The Euro's Fate."

hegemonic forces. For trade blocs and alliances elsewhere, the Euro is a case study and its lessons can be applied preemptively with implementation. It is not inconceivable that certain geographies, especially in Africa and Asia, exhibit optimum currency area conditions. As of 2023, Africa was spending nearly USD 5 billion using third-party currencies, such as the dollar as a common currency, and a common African currency is expected to remedy that.<sup>108</sup> However, with four regional unions in Africa all proposing a common regional currency, it remains to be seen whether a unified African currency can be achieved. Regional unified currencies can be a tenable idea as there may be regional specificities that can be addressed that could be ignored by a blanket currency. In any case, any formulation of a common currency will have to address the concerns of the public and elected parliaments.

### ***1.6 The Asian Monetary Fund***

The Asian financial crisis of 1997, the response to which from the IMF and the US drew widespread criticism, led to the idea of a regional financial institution with the region as its explicit sphere of concern.<sup>109</sup> The crisis precipitated upon Thailand unpegging its currency, the Thai baht, from the dollar which led to its and other Asian currencies' rapid devaluation.<sup>110</sup> In response, the idea of an Asian Monetary Fund (AMF) was first proposed by Japan, the standard-bearer for the AMF project, with their policymakers envisioning a \$100 billion regional fund to furnish Asian states with emergency liquidity, thereby reducing dependence on the IMF.<sup>111</sup> The AMF proposal directly challenged US and IMF dominance, and was envisioned to ensure "domestic, regional, and Asian strength, not necessarily to compete but to have a buffer zone."<sup>112</sup>

Although the AMF never materialized due to opposition from the US and the IMF, and a lack of commitment from China,<sup>113</sup> the proposal did lead to alternative forms of cooperation. The 2000 Chiang Mai Initiative (CMI), a network of bilateral swap arrangements that later evolved into a multilateral pool in 2010<sup>114</sup> came as a result of contemplating an arrangement such as the AMF.<sup>115</sup> The AMF debate represented a turning point in Asian financial regionalism, highlighting aspirations for autonomy from US-led institutions.<sup>116</sup> US opposition and a lack of gradualism in how it was approached are credited with having caused its failure.<sup>117</sup> Despite this failure, the AMF debate remains a useful reference point in discussions about Asia's regional financial sovereignty. It epitomizes the region's discontentment with IMF conditionality, particularly the austerity measures imposed on crisis-hit economies like Thailand, Indonesia, and South Korea. It also illustrates that even though hegemonic institutions may reject certain alternative solutions, compromises are still possible. The AMF reveals how the fear of ceding power by dominant states is a key reason regional financial arrangements fail. The US, for instance, feared their influence would

<sup>108</sup> Gerald Katsenga, "A "euro" for Africa is closer than you think", Absa Corporate and Investment Banking, (n.d.). <https://cib.absa.africa/home/insights-and-events/a-euro-for-africa-is-closer-than-you-think/>

<sup>109</sup> Miles Kahler, "Asia and the Reform of Global Financial Governance," *Asian Economic Policy Review* 1, no. 1 (2006): 23–46, <https://doi.org/10.1111/j.1748-3131.2006.00003.x>. 25

<sup>110</sup> Shihoko Goto, "The rekindled appetite for an Asian Monetary Fund: A Japan perspective," Friedrich Ebert Stiftung, (2023). <https://asia.fes.de/news/asian-monetary-fund.html#:~:text=At%20the%20same%20time%2C%20the,IMF%2C%20at%20least%20in%20Asia.>

<sup>111</sup> Phillip Lipsey. "Japan's Asian Monetary Fund Proposal." *Stanford Journal of East Asian Affairs*. 3, no.1 (2003):[https://www.lipsey.org/lipsey\\_amf.pdf](https://www.lipsey.org/lipsey_amf.pdf)

<sup>112</sup> Toru Takahashi. "Asian Monetary Fund Idea Revived amid U.S.-China Row." *Nikkei Asia* (20 April, 2023). <https://asia.nikkei.com/Economy/Asian-Monetary-Fund-idea-revived-amid-U.S.-China-row>

<sup>113</sup> Wedagedara, "South Asia in the New Global Debt Crisis – A Call for Collective Solutions".

<sup>114</sup> Olivia Negus. "The Chiang Mai Initiative Multilateralization (CMIM): If Not Now, then When?" Centre for Strategic and International Studies. (2020). <https://www.csis.org/blogs/new-perspectives-asia/chiang-mai-initiative-multilateralization-cmim-if-not-now-then-when>

<sup>115</sup> ASEAN. "Chiang Mai Initiative as the Foundation of Financial Stability in East Asia". (2012). <https://www.asean.org/wp-content/uploads/2012/10/17902.pdf>

<sup>116</sup> Shintaro Hamanaka, *Asian Regionalism and Japan: The Politics of Membership in Regional Diplomatic, Financial and Trade Groups*. London: Routledge, 2009.

<sup>117</sup> Ibid.

wane with Japan gaining ascendancy.<sup>118</sup> Today, as Asia houses more of the world's GDP than in 1997, and with the attendant geopolitical shifts, US assent for its ventures can have less weight as will later be seen in the BRICS+ manoeuvres. However, any regional financial institutions, to have legitimacy, will need to find ways to give equal weight to all members and will need public and civil society backing, so as not to be regional imitations of the US-backed and led institutions.

### ***1.7 The Arab Monetary Fund (AMF)***

The Arab world was another region with a particular geopolitics and economic conditions that necessitated regional financial arrangements. In the 1970s oil prices boomed and oil-rich countries saw they could redistribute the excess liquidity to countries with balance of payments shortfalls.<sup>119</sup> This provided the economic and political conditions for the founding of the Arab Monetary Fund (AMF). Established in 1976 and operating since 1977, the AMF is a regional financial arrangement headquartered in Abu Dhabi with 22 member states from the Middle East and Africa. It aims to create balance of payments equilibrium, foster monetary cooperation, and advance trade and capital integration among member states, and strive towards a common currency.<sup>120</sup> To achieve these objectives, its core functions include short and medium-term credit facilities, surveillance, research and technical assistance.<sup>121</sup>

Fritz and Mühlich classify the AMF as part of the “regional financial safety net,” noting its comparatively small size but important role within the Arab region.<sup>122</sup> For instance, following the Arab Spring, there was a marked parallel use of the IMF and the AMF, as the AMF complements, rather than replaces, the IMF. AMF programs have faster timelines and less conditionality while the IMF has higher volume lending.<sup>123</sup> Not unlike in the global institutions in which the US and Western countries wield inordinate power, in their regional counterparts, clout translates to votes. In the AMF, Saudi Arabia, Algeria, and Iraq hold about one third of the voting power.<sup>124</sup> As the Middle East has been rendered politically volatile, member alliances can shift and it is not known how equitable the AMF's dealings with certain states are given who has a powerful vote. The AMF is not an Islamic banking institution although all its members are predominantly or majority Islamic countries, but its remit extends to working with the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) to strengthen Islamic finance and institutions in its member states.<sup>125</sup>

### **Observations**

The early developments in the founding of financial institutions is Western-led and West-facing. *Lex mercatoria* and the gold standard illustrate Chakrabarty's point about Europe as the “silent referent”, universalizing a specifically European mercantile and monetary practices as the natural, default, form of global order.<sup>126</sup> Historical institutionalism foregrounds the gold standard's resilience through path

---

<sup>118</sup> Ibid.

<sup>119</sup> G. Corm, “The Arab Experience”, in Ocampo, José. A. ed. *Regional Financial Cooperation*, 291-328. (Washington, DC: Brookings Institution and ECLAC, 2006). [https://www.researchgate.net/publication/297572850\\_The\\_arab\\_experience](https://www.researchgate.net/publication/297572850_The_arab_experience)

<sup>120</sup> AMF, “About Us”. <https://www.amf.org.ae/en/about-us>

<sup>121</sup> Ibid.

<sup>122</sup> Barbara Fritz and Laurissa Mühlich, “Regional Financial Arrangements in the Global Financial Safety Net: The Arab Monetary Fund and the Eurasian Fund for Stabilization and Development,” *Development and Change*, 50, no. 1 (2019): 96–121, <https://doi.org/10.1111/dech.12466>.

<sup>123</sup> Ibid.

<sup>124</sup> Julie McKay, Ulrich Volz, and Regine Wölflinger, “Regional Financing Arrangements and the Stability of the International Monetary System,” *Journal of Globalization and Development* 2, no. 1 (2011): Article 5, <https://doi.org/10.2202/1948-1837.1139>.

<sup>125</sup> AMF, The Arab Monetary Fund and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) join forces to strengthen the development of the Islamic financial services industry for the benefit of Arab countries, (2021). <https://www.amf.org.ae/en/news/06-01-2021/arab-monetary-fund-and-accounting-and-auditing-organization-islamic-financial>

<sup>126</sup> Chakrabarty, *Provincializing Europe*, 28-30.

dependence, as conventions related to convertibility and balance of payments adjustment created self-perpetuating constraints, at which point the interwar Great Depression opened a critical juncture.<sup>127</sup> Both *lex mercatoria*, in how it is being formulated as a new third legal regime, and the gold standard, which still has narrative power as a golden age of stability, show the hegemonic nature of the Euro-American rendering of history.

Bretton Woods is then convened at a crisis juncture in 1944, institutionalizing US leadership into global finance through a new architecture.<sup>128</sup> The IMF and World Bank became path dependent, self-reinforcing structures whose governance determined by weighted voting and US veto power perpetuated Western dominance.<sup>129</sup> While these organizations are nominally now global, their governance is still imprinted colonial norms and neo-colonial, neo-liberal pursuits. In how, countries that default, such as Sri Lanka mentioned above, have little recourse than to appeal to the IMF again, Gramsci's framework is apparent, showing how development regimes and policy conditionalities have become a norm propped up by consent, making neoliberal reforms appear inevitable. But consent is increasingly of the reluctant kind, as certain critical junctures such as the debt crises of the 1980s, the 2008 financial crash and the Greek debt crisis have whittled away at the credibility of global finance. The Euro, which represents another innovation of European modernity, can be seen as an effort to harken back to the gold standard, an instance of Europe attempting to emulate Europe. Within the Euro project, historical institutionalism shows how once created, its rigid rules locked member states into uneven growth and austerity, even during the Eurozone crisis which laid bare a European hegemonic hierarchy with Germany at the helm indicating that Europe is not above throwing its weight around its weaker members when confronted with resistance as it did from Greece.<sup>130</sup>

By contrast, the Asian Monetary Fund and Arab Monetary Fund can be said to embody provincializing gestures. They are regional attempts to assert autonomy from Bretton Woods institutions emerging from the 1997 Asian financial crisis and the 1970s oil boom. The Asian Monetary Fund was never instituted as it was constrained by existing IMF dominance and US resistance. The Arab Monetary Fund, although regional, is still a traditional financial institution in which certain members wield US-like power. While these are provincializing efforts, in Gramscian terms these are not counter-hegemonic projects as they are modeled after the "silent referent" of Euro-American institutions. The aim of regional institutions should not be to emulate US veto power but to grant to countries in these parts of the world an equal say in how they decide to deal with modernity and crises, which they were denied through the Bretton Woods institutions.

## 2. HISTORICAL PRECEDENTS FOR ALTERNATIVES

In the 1950s when the Global South first emerged as a bloc, it consisted of a grouping of predominantly post-colonial states whose economic might was not a force, but who were keen to find a third position in the Cold War US/USSR dichotomy to ensure their newly acquired sovereignty.<sup>131</sup> This third, non-aligned position became the official Non-Aligned Movement at the 1955 Bandung Conference.<sup>132</sup> Eighty-one years since Bretton Woods and 70 years since Bandung, the world has undergone significant change. The current

---

<sup>127</sup> Pierson and Skocpol, 693-722.

<sup>128</sup> Pierson and Skocpol, 693-722.

<sup>129</sup> Ibid, 700.

<sup>130</sup> Varoufakis, *Adults in the Room*.

<sup>131</sup> Mallika Sachdeva and Peter Sidorov, *The Global South: A Strategic Approach to the World's Fourth Bloc* (Deutsche Bank Research, May 6, 2025). <https://www.dbresearch.com/PROD/RI-PROD/PDFVIEWER.calias?pdfViewerPdfUrl=PROD0000000000586721>

<sup>132</sup> Vijay Prashad, *The Darker Nations: A People's History of the Third World* (New York: New Press, 2007), 31-51. <https://shorturl.at/beotw>



international financial architecture no longer services this world. That is not to say that it did serve the “world” back in the day, but today its inadequacies are being highlighted and brought to task. This is due to economic and demographic shifts that are tipping the balance of global power. Today, a summary of the Global South, or 85 percent of the world’s population reads as follows: “Almost two-thirds of the world’s working age population lives in the Global South; more than 40% of the world’s energy and transition metals are produced here; it accounts for a third of global PPP-adjusted<sup>133</sup> GDP, a quarter of trade and inward FDI,<sup>134</sup> and a fifth of global military spending.”<sup>135</sup> Western primacy came from economic, military, and technological dominance and as other countries have acquired this same currency as well as a demographic dominance, they are able to vocalize and operationalize their need for alternatives that serve their interests.

Many of these countries have regionally interwoven histories that have survived and pre-date colonialism. In the ancient world, public finance practices were evident across India, Greece, Egypt, and Rome, even though the most detailed records survive from India where texts such as the *Mahabharata* and *Arthashastra* emphasized a ruler’s right to collect taxes while also highlighting that taxation should be progressive, fair, and aligned with the prosperity of the people.<sup>136</sup> Many of these countries also have historical precedents for institutions and conglomerates that can be drawn from. For instance, Islam provides a blueprint for larger centralized financial institutions in its formulation of the *bayt al-mal* or the House of Wealth.<sup>137</sup> While the institution now predominantly denotes a charitable organization, its operations during Islamic Caliphates encompassed the totality of Islamic economic life. In early Islam, public finance was anchored in two long-standing institutions. First, the *bayt al-mal* functioned as the central repository of public revenues such as *zakat* (Islamic tax on surplus wealth), *kharaj* (land tax), *jizyah* (poll tax), spoils of war, and other levies administered by the ruler as the custodian of the community’s collective wealth and wellbeing.<sup>138</sup> Secondly, *waqf* or endowment developed as a supporting institution of social welfare over the long-term, enabled Muslims to pledge property or money to public goods such as education, healthcare, and infrastructure.<sup>139</sup> Various Caliphs over the ages contributed to the institutionalization and strengthening of these institutions.<sup>140</sup>

**Table 2: Early Islamic Public Finance: Revenues and Expenditures**

Sources of State Revenues	Explanation	Sources of State Expenditures	Explanation
<b><i>Zakat</i></b>	Tax on excess wealth; one of the Five Pillars of Islam, directed to welfare uses	<b>National defense</b>	Financing armies, fortifications, and protection of the state
<b><i>Waqf</i></b>	Charitable endowments for education, health, and public goods	<b>Remuneration of officials and volunteers</b>	Salaries or stipends for administrators and military volunteers

<sup>133</sup> Purchasing power parity.

<sup>134</sup> Foreign direct investment.

<sup>135</sup> Sachdeva and Sidorov, *The Global South*.

<sup>136</sup> Solikin Juhro, Ferry Syarifuddin, and Ali Sakti, “Islamic Social-Public Finance Practices During Early Islam.” In *Inclusive Welfare*. (Springer, Singapore: 2025). [https://doi.org/10.1007/978-981-96-0051-9\\_6](https://doi.org/10.1007/978-981-96-0051-9_6)

<sup>137</sup> Md. Habibur Rahman. “Bayt Al-Mal and Its Role in Economic Development: A Contemporary Study”. *Turkish Journal of Islamic Economics*. 2 (2): 21, (2015) doi:10.15238/tujise.2015.2.2.21-44. ISSN 2148-3809.

<sup>138</sup> Solikin Juhro, Ferry Syarifuddin, and Ali Sakti, “Islamic Social-Public Finance.”

<sup>139</sup> Ibid.

<sup>140</sup> Ibid.

<b><i>Kharaj</i> (land tax)</b>	Tax levied on agricultural land, especially in conquered territories	<b>Zakat distribution</b>	Redistribution of zakat funds to eligible beneficiaries
<b><i>Fay'</i> (taxation of conquered peoples)</b>	Revenues from confiscated lands or tribute paid by conquered populations	<b>Assistance for travellers</b>	Aid for wayfarers and those stranded while travelling
<b><i>Amwal Fadhilah</i> (inheritance)</b>	Unclaimed or surplus inheritance transferred to the treasury	<b>Servicing state debt</b>	Payments on debts owed by the state
<b><i>Sadaqah</i></b>	Voluntary charitable donations beyond zakat	<b>Debt repayments for the poor</b>	Using state funds to relieve indebted citizens
<b><i>Jizyah</i> (tax on non-Muslims)</b>	Poll tax on adult non-Muslim men in return for protection and exemption from military service	<b>Entertaining religious delegations</b>	Hosting and honoring emissaries or religious representatives
<b><i>Ghanimah</i> (spoils of war)</b>	War booty distributed among the state and fighters	<b>Emergency provisions</b>	Allocations for famine, disaster relief, or unexpected crises

Source: Solikin Juhro, Ferry Syarifuddin, and Ali Sakti.<sup>141</sup>

In contemporary practice, both *bayt al-mal* and *waqf* institutions endure but in different forms as charitable funds in countries like Malaysia, Indonesia, Sudan, Kuwait, Qatar, Saudi Arabia, and Pakistan. The following sections explore how alternatives may be imagined, constituted and institutionalized. It requires looking at non-Western history and geopolitical shifts which have the power to create institutions that are not mimicking the West. These alternatives need not be regional versions of the global institutions recreating and perpetuating power asymmetries. For instance, Islamic institutional history has an established, discrete history of its own as a matter of fact, but one that has been omitted from discussions of global finance in a clear case of Chakrabarty's silent and *silencing* referent at work.<sup>142</sup> As Ottoman power waned and European colonial expansion accelerated through the 19th century, Islamic financial institutions were systematically dismantled or marginalised.<sup>143</sup> Moreover, *zakat* and *waqf* in British India became legally regulated entities under colonial rule.<sup>144</sup> So, in the discussion of alternatives, what is being broached is essentially not new, as what is required is an excavation of pre-existing historical norms that are situated in non-Western locales.

## 2.1 Islamic Finance

Historically, Islam provides a blueprint for larger centralized financial institutions in its formulation of the *bayt al-mal* or the House of Wealth.<sup>145</sup> While the institution now predominantly denotes a charitable organization, its operations during Islamic Caliphates encompassed the totality of Islamic economic life,

<sup>141</sup> Ibid.

<sup>142</sup> Dipesh Chakrabarty, "Provincializing Europe: Postcoloniality and the Critique of History," In the *New Imperial Histories Reader*, ed. Stephen Howe. (London: Routledge 2009). <https://www.taylorfrancis.com/chapters/edit/10.4324/9781003060871-5/provincializing-europe-postcoloniality-critique-history-1-dipesh-chakrabarty>

<sup>143</sup> Edhem Eldem. "Ottoman Financial Integration with Europe: Foreign Loans, the Ottoman Bank and the Ottoman Public Debt." *European Review* 13, no. 3 (2005): 431–45. <https://doi.org/10.1017/S1062798705000554>.

<sup>144</sup> Akhil Bharatiya Vidyarthi Parishad. "Waqf – History and Evolution | अखिल भारतीय विद्यार्थी परिषद." Abvp.org. (2022). <https://abvp.org/article/waqf-history-and-evolution>.

<sup>145</sup> Rahman, "Bayt Al-Mal and Its Role in Economic Development."

offering not merely a historical precedent but a fundamentally different conceptualisation of public finance, one that integrated fiscal, monetary, and social welfare functions within an ethical framework that preceded the compartmentalised institutions of European modernity. The *bayt al-mal* as a centralized fiscal institution dates from at least the 7th century CE, achieving comprehensive financial functions by the Abbasid period during the 8th–13th centuries primarily under the Umayyad (661-750 CE) and Abbasid (750-1258 CE) caliphates.<sup>146</sup> For comparison, European public or central banks only began appearing around the 15th century, with true central banking functions emerging by the 17th century.<sup>147</sup> The Swedish Riksbank and the Bank of England are two of the oldest central banks in the Western world.<sup>148</sup> As such, Islamic civilization had institutionalized finance, welfare redistribution, half a millennium before equivalent European institutions arose. Unlike the European separation between religious and temporal authority that would later characterize Western financial institutions, the *bayt al-mal* operated as an integrated institution managing *zakat*, *kharāj* (land tax), *jizya* (poll tax on non-Muslims), *ushr* (tithe), and *ghanimah* (war spoils). This was not merely a treasury but an encapsulation of the entirety of Islamic life.

The institutional design of the *bayt al-mal* reflected a different political economy than that which would later characterize European financial systems. Whilst the gold standard and Bretton Woods institutions emerged from and reinforced creditor-debtor relationships based on interest-bearing loans, the *bayt al-mal* operated through principles of risk-sharing, wealth circulation, and social solidarity. The prohibition of *riba* or interest meant that public finance could not be based on government bonds or interest-bearing instruments; instead, it relied on equity-like arrangements, profit-sharing contracts (*mudaraba* and *musharaka*), and direct taxation based on wealth rather than income. Accordingly, an alternative to conventional finance models is provided by Islamic financing. Islamic finance refers to financial practices that are in compliance with *shari'a* principles which recognize money as having no intrinsic value and is simply a means of exchange.<sup>149</sup> The prohibition of *riba* (usury/interest), avoidance of *gharar* (excessive uncertainty), and restrictions on financing unlawful activities are its cornerstones as were reflected in the design of the *bayt al-mal*.<sup>150</sup> Compliance in Islamic finance is implemented through contracts emphasizing asset-backing and risk-sharing rather than fixed interest streams.<sup>151</sup> Modern Islamic finance can be considered a legal and economic synthesis whereby instruments are formulated to achieve “the economic substance of conventional finance” while respecting form and purpose in Islamic jurisprudence.<sup>152</sup>

Financing techniques include *murabaha* (cost-plus sale), *ijara* (leasing), *musharaka* (equity financing) and *mudaraba* (equity-like partnerships), and *sukuk* (asset-based certificates).<sup>153</sup> Some critics argue that many Islamic finance products “mimic” conventional loans via transactional layering,<sup>154</sup> and others counter that

<sup>146</sup> A. Rusydee, A. Gunawan, and Z. Mohamed. “Baitulmal issues and challenges in Islamic Countries.” *Journal of Islamic, Social, Economics and Development* (JISED), 9 (62), (2024). 50 – 61.

<https://academicinspired.com/jised/article/download/1977/1977/7908>

<sup>147</sup> Ulrich Bindseil. “Lessons from early central banking for today,” IBF Paper Series, No. 01-21, IBF - Institut für Bank- und Finanzgeschichte, Frankfurt a.M. (2021). <https://www.econstor.eu/bitstream/10419/234108/1/1753226074.pdf>

<sup>148</sup> Annika Hotze. “The World’s First Central Bank and the Invention of Banknotes.” 2024. Bankofengland.co.uk. <https://www.bankofengland.co.uk/museum/online-collections/blog/world-first-central-bank-invention-of-banknotes>.

<sup>149</sup> Clifford Chance, “Introduction to Islamic finance”. Briefing Note. (2013). <https://www.cliffordchance.com/content/dam/cliffordchance/briefings/2013/04/introduction-to-islamic-finance.pdf>

<sup>150</sup> Nurul Azizah Surury, Nurwahidin, and Isra Afra Nafisah. “Comparison of Islamic and Conventional Financial Systems: Advantages, Disadvantages and Integration Prospects”, *International Journal of Integrative Research (IJIR)*. vol.3, No.2, (2025) 91-102. <https://jurnalinternasional.com/index.php/ijir/article/view/319>

<sup>151</sup> Zamir Iqbal and Abbas Mirakhor, *An Introduction to Islamic Finance: Theory and Practice* (Chichester: John Wiley & Sons, 2007). <https://nurulichsanaan.wordpress.com/wp-content/uploads/2015/10/an-introduction-to-islamic-finance-theory-and-practice-second-edition-zamir-iqbal-abbas-mirakhor2011.pdf>

<sup>152</sup> Mahmoud A. El-Gamal, *Islamic Finance: Law, Economics, and Practice* (Cambridge: Cambridge University Press, 2006). <https://www.iefpedia.com/english/wp-content/uploads/2009/12/Islamin-Finance-Low-Economics-practice.pdf>

<sup>153</sup> Clifford Chance, “Introduction to Islamic finance”.

<sup>154</sup> Timur Kuran, *Islam and Mammon: The Economic Predicaments of Islamism* (Princeton: Princeton University Press, 2004). [https://books.google.lk/books?id=VkIJGPNzVIIC&printsec=copyright&redir\\_esc=y#v=onepage&q&f=false](https://books.google.lk/books?id=VkIJGPNzVIIC&printsec=copyright&redir_esc=y#v=onepage&q&f=false)

properly structured risk-sharing can advance financial stability and social justice by aligning finance with real economic activity.<sup>155</sup> As such, in a world where conventional financing appears to have backfired in the various debt crises and asymmetrical North-South relations, the draw of Islamic finance as an alternative is palpable.<sup>156</sup> Today, as a sizable portion of the Global South and over 25 percent of the world's population is Muslim,<sup>157</sup> the potential for Islamic financial institutions and instruments to become a global alternative to existing structures is high. Moreover, according to the Organization for Islamic Cooperation, as of 2016, its 57 member states contributed to 15.3 percent of the world's production on the basis of PPP with their world global GDP at 8.4 percent.<sup>158</sup> Islamic banking can only help with these numbers by providing financial scaffolding where traditional banking has been found lacking. Empirical evidence, however, on the resilience of Islamic finance during crises is mixed.<sup>159160</sup> In a global environment where conventional financial systems have often failed, mixed results can be a sign to find avenues to improve. Integration of Islamic finance to conventional financing has great potential for innovation and an increased pool of financing instruments.<sup>161</sup>

Kuran, however, presents a more sobering outlook on Islamic finance stating that its aims, rather than being based in an improvement ethos, are the propagation of a distinct Islamic identity to counter globalization.<sup>162</sup> A reification of identity, religious or cultural, as a bulwark against certain encroachments or ills is a form of resistance and has historical roots in different cultures and faiths. Michael Hudson writes that historically, "Religious leaders have warned that maintaining a viable economy requires keeping creditors in check."<sup>163</sup> As a result early Christianity took and Islam, continuing to this day, takes the radical step of banning the charging of interest altogether, and Judaism placed Jubilee Year debt cancellation at the heart of Mosaic Law.<sup>164</sup> The concept of the Clean Slate whereby "annulling the accumulation of debts when they grew beyond the ability to be paid – kept pre-Roman civilization financially stable."<sup>165</sup> Today spurred on by that spirit, Jubilee USA Network is a coalition of religious and faith-based organizations that work towards debt cancellation.<sup>166</sup> Even earlier, Jubilee 2000 was a debt forgiveness movement that was driven by a religious sentiment that had a moral, historical core.<sup>167</sup> All of this is to say that religious identity can drive movements and alternatives. In the Islamic context, this can be fraught in the post-9/11 world we have inherited; so while Kuran's concerns are not unfounded, more awareness about Islamic finance and its antecedents can add to its legitimacy. Today Islamic financing wings exist in major banks and Islamic banks operate across the world.

<sup>155</sup> Muhammad Ayub, *Understanding Islamic Finance* (Chichester: John Wiley & Sons, 2007). <https://archive.org/details/understandingisl0000ayub>

Ibrahim Warde, *Islamic Finance in the Global Economy*, 2nd ed. (Edinburgh: Edinburgh University Press, 2010).

<sup>156</sup> Al Gamal, *Islamic Finance*.

<sup>157</sup> Conrad Hackett et al. "How the Global Religious Landscape Changed From 2010 to 2020." (2025) Pew Research Center. doi: 10.58094/fj71-ny11.

<sup>158</sup> COMCEC. *Annual Report on Trade Among OIC States*. (Ankara: 2018). <https://www.comcec.org/wp-content/uploads/2021/07/34-FC-ICDT-SUM.pdf>

<sup>159</sup> IMF News, "IMF Survey: Islamic Banks: More Resilient to Crisis?" (2010). <https://www.imf.org/en/News/Articles/2015/09/28/04/53/sores100410a>

<sup>160</sup> Hans Visser, "Islamic Finance in Non-Muslim-Majority Jurisdictions: Regulatory Issues." in W. Decock, & V. Sagaert (Eds.), *Islamic Finance: Between Religious Norms and Legal Practice*. 75-90, (2019) Intersentia. [https://research.vu.nl/ws/portalfiles/portal/269633397/Islamic\\_Finance\\_in\\_Non\\_Muslim\\_Majority\\_Jurisdictions.pdf](https://research.vu.nl/ws/portalfiles/portal/269633397/Islamic_Finance_in_Non_Muslim_Majority_Jurisdictions.pdf)

<sup>161</sup> Surury, Nurwahidin, and Nafisah, 97.

<sup>162</sup> Kuran, *Islam and Mammon*.

<sup>163</sup> Michael Hudson, *Killing the host: How financial parasites and debt bondage*. (California: Counterpunch Books, 2015), 62. [https://archive.org/details/isbn\\_9780989763752](https://archive.org/details/isbn_9780989763752)

<sup>164</sup> Ibid, 62.

<sup>165</sup> Ibid, 386.

<sup>166</sup> Jubilee USA Network. Summary of the Jubilee Act. (H.R.4405)[https://assets.nationbuilder.com/jubileeusa/legacy\\_url/1582/Jubilee\\_Act\\_Summary.pdf?1501806432](https://assets.nationbuilder.com/jubileeusa/legacy_url/1582/Jubilee_Act_Summary.pdf?1501806432)

<sup>167</sup> Matthew Wills, "Debt Forgiveness and Jubilee 2000", JStore Daily, (2020) <https://daily.jstor.org/debt-forgiveness-and-jubilee-2000/>

## 2.2 The Belt and Road Initiative (BRI)

Much like, Islamic culture, Chinese culture predates European modernity.<sup>168</sup> Consequently, their approach to development has been guided differently. In 2022, the World Bank reported on how China has lifted nearly 800 million people out of poverty.<sup>169</sup> Announced by Xi Jinping in 2013, China's Belt and Road Initiative (BRI) is a similarly ambitious, multi-continent infrastructure program to enhance connectivity, trade facilitation, and financial cooperation across various regions. The BRI is envisioned as a "grand strategy for Eurasia," linking overland corridors (Silk Road Economic Belt) with maritime routes (Twenty-first Century Maritime Silk Road) through transport, energy, and digital projects.<sup>170</sup> Its drivers are, purportedly, the acquisition and diversification of energy, security and markets.<sup>171</sup> It has been interpreted as a narrative of China's "Asia Dream," extending influence through not only finance, but also through logistical connectivity.<sup>172</sup> As the Asia Development Bank anticipated a US\$8 trillion gap in funding for infrastructure in Asia between 2010-20, China, through BRI infrastructure projects, hopes to bridge that gap and "increase win-win investment and trade opportunities with its neighbors".<sup>173</sup>

The BRI, in line with the Chinese development ethos, as "a development mission to benefit two-thirds of the world's population", has its proponents and detractors.<sup>174</sup> Among the former, many see China's mission as one to alleviate global poverty and enhance cooperation, while among the latter, debates center on development benefits weighed against debt sustainability and the resultant geopolitical effects. Sri Lanka and Pakistan, with infrastructure projects that ostensibly indebted the nations, are seen as use cases of the BRI that illustrate what critics call its "debt trap diplomacy".<sup>175</sup> Cynical optimists can claim here that "debt-trap diplomacy" may be preferable to the US's "gunboat diplomacy". As low-income participants operate with high risk, greater transparency and project selection rigor is advocated.<sup>176</sup> While these issues persist, China has exhibited diversification toward green and social projects in recent years, illustrating that they are cognizant of global needs and are responding to them.<sup>177</sup>

Through the BRI, Beijing has showcased a differing approach to development and influence than the one employed by Washington. Environmental policies, women's rights, child-labor regulations, democracy promotion, and anticorruption measures have all been causes that the US has espoused, but in financing

---

<sup>168</sup> Tsin, Michael. "Timelines: CHINA | Asia for Educators | Columbia University." Afe.easia.columbia.edu. 1995. [https://afe.easia.columbia.edu/timelines/china\\_timeline.htm](https://afe.easia.columbia.edu/timelines/china_timeline.htm).

<sup>169</sup> World Bank. 2022. "Lifting 800 Million People out of Poverty – New Report Looks at Lessons from China's Experience." World Bank. April 1, 2022. <https://www.worldbank.org/en/news/press-release/2022/04/01/lifting-800-million-people-out-of-poverty-new-report-looks-at-lessons-from-china-s-experience>.

<sup>170</sup> Theresa Fallon, "The New Silk Road: Xi Jinping's Grand Strategy for Eurasia," *American Foreign Policy Interests* 37, no. 3 (2015): 140–147, <http://dx.doi.org/10.1080/10803920.2015.1056682>

<sup>171</sup> Ibid.

<sup>172</sup> William A. Callahan, "China's 'Asia Dream': The Belt Road Initiative and the New Eurasian Order," *Asian Journal of Comparative Politics* 1, no. 3 (2016): 226–243. [https://www.researchgate.net/publication/303321638\\_Chinas\\_Asia\\_Dream\\_The\\_Belt\\_Road\\_Initiative\\_and\\_the\\_new\\_regional\\_order](https://www.researchgate.net/publication/303321638_Chinas_Asia_Dream_The_Belt_Road_Initiative_and_the_new_regional_order)

<sup>173</sup> William A. Callahan, "China's Belt and Road Initiative and the New Eurasian Order", Policy Brief, Norwegian Institute of International Affairs, (2016). [https://css.ethz.ch/content/dam/ethz/special-interest/gess/cis/center-for-securities-studies/resources/docs/NUPI\\_China%E2%80%99s%20Belt%20and%20Road%20Initiative%20and%20the%20new%20eurasian%20order.pdf](https://css.ethz.ch/content/dam/ethz/special-interest/gess/cis/center-for-securities-studies/resources/docs/NUPI_China%E2%80%99s%20Belt%20and%20Road%20Initiative%20and%20the%20new%20eurasian%20order.pdf)

<sup>174</sup> Cheng Guoqiang, "The Belt and Road - A Mission to Benefit Two-Thirds of the World", CIRSD, (n.d.). <https://www.cirsd.org/en/horizons/horizons-summer-2015--issue-no4/the-belt-and-road---a-mission-to-benefit-two-thirds-of-the-world->

<sup>175</sup> Gerard M. Acosta, "China's One Road, One Belt Grand Strategy: Founded on the Weaponization of the Global Supply Chain," *Defense Transportation Journal* 76, no. 6 (2020): 3. <https://www.ndtahq.com/>

<sup>176</sup> John Hurley, Scott Morris, and Gailyn Portelance, *Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective* (Washington, DC: Center for Global Development, 2019), <https://www.cgdev.org/sites/default/files/examining-debt-implications-belt-and-road-initiative-policy-perspective.pdf>

<sup>177</sup> Kevin P. Gallagher, "China Global Energy Finance: A New Interactive Database", GEGI Policy Brief. Boston University (2017). <https://www.bu.edu/cgef/#/intro>

infrastructure, China is contributing to visible, tangible change.<sup>178</sup> Many in the Global South see China still as a trading partner, while the US in broad strokes may be seen as a hectoring hegemon sometimes promulgating values that do not align with indigenous concerns. Others will argue that while US hegemonic rule prompts them to direct conflict and proxy wars, China's ascendancy is a collective act of upliftment. In the case of Sri Lanka, where "debt-trap diplomacy" was touted against the Chinese during the country's economic collapse, the claims have been debunked roundly.<sup>179</sup> Yet, the enduring use of Sri Lanka as a poster-child of BRI victimization continues and speaks to an effort to detract from facts and hold up certain countries as forever powerless and without agency. Why Sri Lanka is thus maligned may also be explained by the fact the Sri Lankan government of the day chose China over the IMF.<sup>180</sup> Moreover, Sri Lanka is a point of strategic convergence for China and India, with India concerned over Chinese lending and influence on its neighbor.

### 2.3 BRICS+

Initially coined by O'Neill as an acronym in a landmark 2001 paper<sup>181</sup> stating the importance of significant emerging markets, BRICS+ today, consisting of Brazil, Russia, India, China and South Africa and newer members, has coalesced into an intergovernmental organization which represents 45 percent of the world's population and 35 percent of its GDP.<sup>182</sup> As a group of nations from what is characterized as the Global South and Russia, the BRICS+ formation can be seen as an anti-hegemonic movement.<sup>183</sup> BRICS+ can be seen as both a forum for coordination and a vehicle for institution-building although some see the organization defies categorization<sup>184</sup>. The New Development Bank (NDB), developed as an alternative and counterbalance to the IMF, became fully operational in 2016 and the Contingent Reserve Arrangement (CRA), to address emergencies associated with currency crises, launched in 2014.<sup>185</sup>

Many see the genesis of institutions like the NDB as a failure of Bretton Woods institutions.<sup>186</sup> Marxist economists like Radhika Desai state that "BRICS countries have come to the forefront to the extent that they have not adopted neoliberalism,"<sup>187</sup> which Bretton Woods institutions did. Within that refutation of neoliberalism, de-dollarization is an avowed aim of BRICS+. As punitive US and European sanctions are geopolitical risks for many members who are deemed authoritarian, the dollar and euro are viewed in light of the risks they bring.<sup>188</sup> The US froze Iraqi, Venezuelan, Russian and Afghan assets when discord with

<sup>178</sup> Daniel Lindley, "Assessing China's Motives: How the Belt and Road Initiative Threatens US Interests", *Journal of Indo-Pacific Affairs*, (2022). <https://www.airuniversity.af.edu/JIPA/Display/Article/3111114/assessing-chinas-motives-how-the-belt-and-road-initiative-threatens-us-interests/#sdendnote77anc>

<sup>179</sup> Lee Jones and Shahar Hameiri, "Debunking the Myth of 'Debt-trap Diplomacy'", Chatham House Research Paper (2020). <https://www.chathamhouse.org/2020/08/debunking-myth-debt-trap-diplomacy>; Deborah Brautigam and Meg Rithmire, "The Chinese 'Debt Trap' Is a Myth", *The Atlantic*, (2021). <https://www.theatlantic.com/international/archive/2021/02/china-debt-trap-diplomacy/617953/>; Umesh Moramudali, "Is Sri Lanka Really a Victim of China's 'Debt Trap'?" *The Diplomat*, (2019). <https://thediplomat.com/2019/05/is-sri-lanka-really-a-victim-of-chinas-debt-trap/>

<sup>180</sup> Layna Mosley and B. Peter Rosendorff, "The Unfolding Sovereign Debt Crisis". *Current History* 1 January 2023; 122 (840): 9–14. doi: <https://doi.org/10.1525/curh.2023.122.840.9>

<sup>181</sup> Jim O'Neill, Building Better Global Economic BRICs, Goldman Sachs Global Economics Paper No. 66 (2001). <https://www.almendron.com/tribuna/wp-content/uploads/2013/04/build-better-brics.pdf>

<sup>182</sup> John Curtis, "The BRICS group: Overview and recent expansion" Research Briefing, House of Commons Library, (2024). <https://researchbriefings.files.parliament.uk/documents/CBP-10136/CBP-10136.pdf>

<sup>183</sup> Oliver Stuenkel, *The BRICS and the Future of Global Order* (Lanham, MD: Lexington Books, 2015). [https://anteportas.pl/wp-content/uploads/2018/08/AP.IX.\\_.Gama.pdf](https://anteportas.pl/wp-content/uploads/2018/08/AP.IX._.Gama.pdf)

<sup>184</sup> Curtis, "The BRICS Group", 9.

<sup>185</sup> Ibid, 15.

<sup>186</sup> Gregory T. Chin, "The BRICS-led Development Bank: Purpose and Politics beyond the G20," *Global Policy* 5, no. 3 (2014): 366–373, <https://doi.org/10.1111/1758-5899.12164>.

<sup>187</sup> Radhika Desai, Neoliberalism, Economic War, BRICS & a New Russia, interview by Glenn Diesen.(11 Aug 2025). <https://www.youtube.com/watch?v=SQ33UHXB9ck>

<sup>188</sup> Carnegie Endowment, "The Difficult Realities of the BRICS' Dedollarization Efforts—and the Renminbi's Role", 5 December 2023.

each country arose. An alternative to SWIFT and other alternative financial instruments and clearing systems are thus being explored as reliance on SWIFT and existing instruments gives the US the ability to freeze funds.<sup>189</sup>

With echoes of the Bandung and the Non-Aligned Movement, BRICS+ appears to have progressed further and appears to be endeavoring to accomplish more in a post-Cold War world. However, asymmetries and discord are not absent. The most recent BRICS+ conference in Rio de Janeiro was made conspicuous by the absence of the leaders of its biggest member states, China and Russia.<sup>190</sup> India and China have historically had cold ties even though the US tariffs of late have eventuated a thawing of those ties.<sup>191</sup> Within organizations like NATO, or the Eurozone too, parties exist that do not align on all issues. Any perceived cleavages within BRICS+ must be seen in that light. In any case, the symbolic resonance of BRICS+ is enormous in a Global South that is austerity-strapped who have had little recourse but to appeal to the IMF or the World Bank. If BRICS+ manages to institutionalize fully, its mandate is likely to appeal to more countries. As gradualism should be the more preferred approach to institution-building, as the non-starting Asian Monetary Fund illustrates, the slow and cautious but steady progress BRICS+ is making bodes well for institutionalization.

## **CONCLUSION: TOWARDS A REFORMED/NEW INTERNATIONAL FINANCIAL ARCHITECTURE**

Building from the historical survey and the emergent alternatives presented in this report, the question of reforming the international financial architecture demands a synthesis of the lessons learnt whilst acknowledging the entrenched power dynamics that resist transformation. The trajectory from the Gold Standard through Bretton Woods to contemporary arrangements reveals a persistent pattern: financial institutions created at moments of crisis become path-dependent structures that outlive their original contexts, sustained by the very asymmetries they perpetuate. Yet the proliferation of alternatives from the moribund Asian Monetary Fund to the nascent BRICS+ arrangements suggests that the hegemonic order, whilst resilient, is neither inevitable nor immutable. The central lesson emerging from this analysis concerns the relationship between crisis, legitimacy, and institutional change. Each major transformation in the global financial order has required not merely economic disruption but a fundamental crisis of legitimacy in existing arrangements. The gold standard's collapse required both the Great Depression and the erosion of British imperial power; Bretton Woods crumbled when American unilateralism (the Nixon Shock) shattered the fiction of multilateral governance; the IMF's authority has been progressively undermined through successive debt crises that have exposed its role as an enforcer of Northern creditor interests rather than as a neutral arbiter. This pattern suggests that reform cannot proceed through technocratic adjustments alone but requires addressing the underlying political economy of financial governance specifically, the concentration of decision-making power in former colonial metropolises, and their continued extraction of resources from the Global South through debt mechanisms.

The contemporary moment presents a unique conjuncture for reform, characterised by simultaneous crises of Western financial hegemony: the 2008 financial crisis exposed the fragility of Northern banking systems; the COVID-19 pandemic revealed the inadequacy of existing multilateral financing mechanisms; the mounting climate catastrophe demands resource mobilisation that existing institutions cannot provide; and the weaponisation of financial infrastructure through sanctions has accelerated the search for alternatives. These overlapping crises have created what Gramsci would term an 'interregnum': a period where the old

---

<sup>189</sup> Ibid, 16.

<sup>190</sup> Valentina Sader and Ignacio Albe, "What really came out of this year's BRICS summit?" *The New Atlanticist*, (2025).

<sup>191</sup> Raj Verma and Michaela Papa, "BRICS amidst India-China Rivalry." *Global Policy*, 12: 509-513 (2021). <https://doi.org/10.1111/1758-5899.12977>

order is dying but the new cannot yet be born. The question is whether this interregnum will produce genuine transformation or merely a reconfiguration of existing power relations. Reform must therefore proceed along multiple axes simultaneously. Institutionally, the most immediate necessity is democratising governance structures within existing multilateral institutions. The persistence of weighted voting, American veto power in the IMF, and European prerogative in selecting leadership positions represents not merely an anachronism but an active impediment to these institutions' effectiveness and legitimacy. Yet quota reform alone, whilst necessary, remains insufficient. The conditionality regime whereby debtor nations must implement neoliberal structural adjustments to access emergency financing must be fundamentally reconsidered. The repeated failure of these programmes, evidenced starkly in the table showing South Asian nations trapped in perpetual IMF programmes, demonstrates that austerity-based adjustment serves creditor interests whilst deepening developmental crises.

Beyond reforming existing institutions, the emergence of parallel structures offers pathways for more fundamental transformation. The BRICS+ initiatives, particularly the New Development Bank and proposed alternative payment systems, represent not merely competition to Bretton Woods institutions but experiments in different organisational logics that, at least rhetorically, emphasise sovereignty and development over conditionality and adjustment. Similarly, the expansion of Islamic finance presents an alternative epistemology of money and value, challenging the naturalisation of interest-bearing debt as the foundation of international finance. The Belt and Road Initiative, whatever its limitations and contradictions, has demonstrated that infrastructure financing can proceed through bilateral state-led mechanisms rather than multilateral market-based ones. However, these alternatives cannot be romanticised. The Arab Monetary Fund reproduces weighted voting structures that privilege oil-rich states; Chinese development finance, whilst offering alternatives to IMF conditionality, creates new forms of dependency; BRICS+ contains its own internal hierarchies and contradictions, particularly between Chinese and Indian interests. The risk is that regional alternatives merely replicate the pathologies of global institutions at smaller scales, creating what might be termed 'sub-hegemonic' orders that reproduce domination within their spheres whilst challenging it globally.

True reform must therefore transcend the dichotomy between reforming existing institutions and building alternatives. It requires articulating principles for a new financial architecture that addresses the structural inequalities embedded in the current system. These principles must include: recognition of historical responsibility for underdevelopment through colonialism and its continuing effects; mechanisms for genuine debt relief rather than perpetual refinancing; governance structures that provide meaningful voice to debtor nations and civil society; financing modalities that support ecological transition without imposing new forms of conditionality; and protection of policy space for developmental states to pursue heterodox economic strategies. The political economy of achieving such reform remains daunting. The current architecture is sustained not merely by institutional inertia but by the active interests of financial capital, Northern states, and comprador elites in the Global South who benefit from existing arrangements. Reform therefore cannot be purely technocratic but must be understood as fundamentally political, requiring the construction of coalitions that can challenge these entrenched interests. The gradual coalescence of Global South states around alternatives, the growing legitimacy crisis of neoliberal governance, and the imperatives of ecological transformation create conditions of possibility for such coalitions. Whether these possibilities materialise into genuine transformation or dissipate into cosmetic reforms will determine whether the international financial architecture can address the profound ecological, developmental, and democratic crises that have come to define our contemporary moment.

