Beyond Dollar Dominance

New money and payment systems for a multipolar world

Published December 2024

ACKNOWLEDGEMENTS

We would like to thank Polden-Puckham Charitable Foundation for generously funding this project. We are grateful to a number of people who have contributed their expertise to provide useful comments and feedback on this report, including: Simon Youel (Positive Money UK), Jordi Schröder Bosch (Positive Money EU), Paul Delaney (Positive Money UK), Fran Boait (Positive Money UK), Dr Devika Dutt (King's College London), Professor Annina Kaltenbrunner (Leeds University Business School), Dr Ndongo Samba Sylla (IDEAs), Dr Sophia Kuehnlenz (Manchester Metropolitan University) and Sangita Gazi (Wharton Business School). We would also like to thank David Barmes (Grantham Research Institute) and Zack Livingstone (Positive Money UK) for their discussions and input into the early development of this report, and Hannah Dewhirst (Positive Money UK) for comments and proofreading.

AUTHORS

Danisha Kazi (Positive Money UK) and Alec Haglund (Positive Money UK)

SUGGESTED CITATION

Kazi, D. and Haglund, A. (2024). Beyond Dollar Dominance. New money and payment systems for a multipolar world. Positive Money. Available at: https://positivemoney.org/beyond-dollar-dominance

Contents

Executive summary

The global economy is facing multiple systemic challenges and geopolitical uncertainties. This includes energy and inflationary shocks, climate and ecological breakdown, growing inequality, the prospect of new tariff and trade wars, and conflicts arising from deeply extractive economic models. Unjustly, we see the most damaging impacts and costs of these crises falling disproportionately on countries that are least responsible for them. These are often the most climate vulnerable economies, including many across the Global South.

Sitting at the heart of this constellation of problems is an inherently unjust and asymmetric International Monetary and Financial System (IMFS), rooted in colonial legacies and neo-colonial structures. This system ensures that Global South economies are kept financially subordinate to Global North economies and the economic policies of their central banks and governments. As a result, we see money flowing in the wrong direction, from the Global South to the Global North and from formerly colonised nations to their former colonisers. Green industrial strategies in the Global North often led to extractivism, poverty and environmental destruction in the Global South, only increasing their climate vulnerability and financial subordination. Most recently this hierarchical IMFS has been referred to as a "reverse Marshall Plan" where the poorest finance the richest.[1] This is underpinned by a currency hierarchy which sees the dollar dominate global trade and finance, followed by only a few other Global North currencies. Most Global South economies that are lower down the hierarchy face a number of macroeconomic vulnerabilities as they are forced to accumulate dollars to pay for essential imports, repay their debts and guard against financial instability, external shocks and currency crises. This dynamic drains resources away from domestic priorities such as sustainable development and tackling the climate crisis.

A more balanced and multipolar world is also possible. Technological innovations and the rise of Global South regional alliances and trading arrangements offer new pathways to build an alternative financial architecture that bypasses the dollar-centric IMFS. This has been spurred on by recent geopolitical tensions and the weaponisation of monetary power by Global North countries leading to renewed efforts to diversify reserve holdings and shift towards local currency trade and investment. These trends present an opportunity for Global South countries to pursue an alternative monetary reform agenda centred on South-South cooperation, new payment systems, and new forms of money such as Central Bank Digital Currencies (CBDCs).

Building alternative financial architecture can support and accelerate existing de-dollarisation strategies. The aim is not necessarily to replace the dollar with a new hegemonic currency, but to create a more multipolar and balanced IMFS, and to reclaim economic and monetary policy space. While the dollar will maintain a strong global presence due to its historical advantages, efforts to expand local currency trade and diversify public banking ecosystems through the development of CBDCs and alternative payment

[1] Brazil's President Lula addressing the UN (UN News, 2024).

systems are needed to challenge the singular power of the dollar. These initiatives can weaken the Global North's structural power to dictate global economic policy on their terms and according to their interests. A new financial architecture that bypasses the dollar-centric IMFS will enable Global South countries to refocus on their most urgent priorities, including pursuing sustainable development and tackling the climate crisis. These developments would also help Global South countries to move away from extractive export sectors which are environmentally harmful and produce inequality and conflict.

Summary of Policy Implications

The policy implications highlighted in this report (Chapter 3) refer in part to Global South-led solutions that could empower economic actors in these countries to accelerate their existing strategies to reduce dependency on the dollar-centric IMFS. Where relevant, the policy proposals highlight the urgent reforms that are needed from Global North governments and Multilateral Financial Institutions (MFIs) to bring about a more balanced and multipolar IMFS.

<table>
<tr><td>New Payment Systems</td><td>New cross-border and regional payment systems should be further developed and strengthened. This forms a critical element of building an alternative financial architecture to promote wider acceptance of local currencies for trade and debt, and to reclaim the economic and monetary policy space in countries constrained by a hierarchical IMFS.

(i) Policymakers should integrate the development of new payment systems into broader state-led economic and sustainable development strategies. This could involve establishing trade agreements in local currencies, expanding credit to SMEs to borrow in local currencies, strengthening macroeconomic policies to stabilise against exchange rate fluctuations, and launching public campaigns to encourage the uptake of new payment systems. Aligning payment systems with domestic economic and sustainable development goals will support the reshoring of economic activities and enhance local economic resilience.

(ii) More research is needed to understand the political, economic, and technical challenges that limit the widespread adoption of new payment systems. This includes analysing how dependence on foreign debt, investment, and integration into dollar-based financial markets constrains the ability of countries to implement local currency payment systems.

(iii) Global South governments and central banks can play a role in expanding regional payment systems by promoting the benefits of local currency trade, expanding bilateral and regional agreements, and widening participation of unsupported currencies into new payment systems. Central banks and institutions in the Global North must actively support the development of new cross-border payment systems that promote a more equitable IMFS. This includes acknowledging the asymmetries that privilege a handful of currencies and ensuring that new systems do not replicate the hierarchical nature of the current structure. Central banks should also work together to guard against the risks of new money and payments systems exacerbating the volatility of capital outflows, which particularly harms Global South countries.</td></tr>
<tr><td>Interoperable CBDCs</td><td>Interoperable CBDCs should be developed in tandem with new payment systems to build wider acceptance of local currencies for both domestic and cross-border payments. Strengthening public banking ecosystems and building viable currency alternatives will help mitigate against the vulnerabilities of a dollar-based IMFS.

(i) A Global South-led CBDC framework aimed at redefining a new financial architecture to reduce dollar dependency should be developed. As many countries independently develop their own CBDCs, the landscape risks becoming fragmented. A collective framework would involve sharing best practice, agreements on harmonising regulatory and technology systems and standards, building interoperable CBDCs, and embedding them into regional trade agreements.

(ii) Global South-led multilateral development banks like the New Development Bank (NDB) and the African Development Bank (AfDB) can provide support through financial and technical assistance to facilitate the development of interoperable CBDCs.</td></tr>
</table>

Global South-led multilateral development banks	The reach and capacities of Global South-led multilateral development banks (MDBs) and wider Global South-led financing initiatives can be strengthened by increasing the level of funding in local currencies; and developing other financial instruments such as liquidity facilities and bridge loans. This can accelerate strategies to reduce dollar dependency and provide stability against external shocks.
Reforming existing IMFS institutions	There are a number of critical reforms that Global North governments, central banks, and MFIs can make to erode the hierarchical structures and unequal power dynamics of today's IMFS. These include: (i) Rechannelling Special Drawing Rights (SDRs) from wealthier Global North countries to Global South countries to provide much needed liquidity and financial support for tackling their most urgent development and climate action related priorities. This would also include increasing the issuance and reallocation of SDRs through Global South-led multilateral development banks, such as the African Development Bank. The allocation of SDRs should be made more transparent and fairer, based on financial need rather than the existing quota system that preferences wealthier Global North countries. SDRs can be reformed into a new asset class to provide long-term financing targeted at development and climate related priorities. (ii) A comprehensive programme of debt cancellation is urgently needed in the Global South, with many countries facing an unprecedented debt crisis. Debt cancellation is a vital element for reforming the hierarchical IMFS, which prioritises the interests of dominant Global North creditor countries while imposing harsh conditionalities on many Global South debtor countries, keeping them locked into debt traps and limiting their economic policy space to pursue sustainable development. (iii) Global North countries should not exploit their position in the currency hierarchy by weaponising monetary policy to impose economic sanctions against those in the Global South.

Introduction

The International Monetary and Financial System (IMFS) is hierarchical along many dimensions. One critical aspect is the hierarchy between currencies, with the US dollar holding a dominant position as the most widely used currency in the global economy across trade, debt, and financial exchanges between countries. Global South countries are increasingly challenging the dominance of the dollar, particularly in response to recent geopolitical tensions and the unprecedented weaponisation of monetary policy. This reflects the burgeoning and widespread imposition of economic sanctions imposed by the US and Global North governments. Global North countries can exploit their powerful position in the IMFS and their dominance of the global payments infrastructure to undermine the economic sovereignty of Global South countries (Progressive International, 2024). As noted by US Treasury Secretary Janet Yellen (Billot, 2023), the weaponisation of the dollar risks weakening its primacy, as many financial institutions and Global South countries seek to bypass the dollar-centric IMFS. At the same time, global energy shocks and interest rate hikes to control inflation by the US and other major Global North countries have triggered widespread financial distress in Global South countries including an unprecedented debt crisis. This marks a re-emergence of debates about the unequal and unjust nature of the IMFS, in which economic and racialised inequalities are reproduced between the Global North and South.

The hierarchical IMFS, with the dollar at its centre, goes beyond moments of crises to shape the day-to-day economic landscape and the monetary and fiscal policy space of Global South countries. Countries with currencies lower down the hierarchy face macroeconomic vulnerabilities as they are forced to accumulate dollars to meet foreign debt obligations, pay for essential imports, and guard against foreign exchange and currency crises. This dependency drains resources away from domestic priorities, such as sustainable development and climate action. New payment systems paired with CBDCs offer alternative financial infrastructure, enabling Global South economies to bypass the dollar-dominated system. If designed well, this can overcome the limitations of outdated, centralised payment structures and support de-dollarization efforts, facilitating local currency trade for cross-border payments. Strengthening Global South-led multilateral development banks and creating a more multipolar financial architecture would help reclaim monetary policy space and enable countries to prioritise long-term development and climate goals. This shift can also support regional economic integration and reduce dependency on low-value, extractive sectors.

Chapter 1 explores the hierarchical nature of the IMFS, including the global currency hierarchy which is dominated by the US dollar and other Global North currencies. It examines how this system perpetuates injustices between the Global North and Global South. This includes limiting economic policy space, contributing to macroeconomic dependencies and vulnerabilities, debt crises, climate inaction, and deepening inequality and conflicts.

Chapter 2 explores the role of new payment systems, including interbank and local regional systems alongside central bank digital currencies (CBDCs) as both top-down and bottom-up approaches to reclaim monetary policy space, reduce dollar dependency, and generate wider acceptance of local currencies.

Chapter 3 outlines key policy implications and potential solutions for creating a more balanced and multipolar IMFS. It focuses on developing new payment systems, fostering CBDC interoperability, strengthening Global South-led multilateral development banks and regional cooperation, and critical reforms to the existing hierarchical IMFS.

1. The International Monetary and Financial System

The International Monetary and Financial System (IMFS) profoundly shapes everyday economic relations between and within countries. The asymmetries and injustices baked into the IMFS sees money flowing in the wrong direction from the Global South to the Global North.[2] This is no accident but a consequence of its neo-colonial roots, both past and present. The historical dominance of Global North economies reflects a hierarchical monetary system, which creates economic dependencies and vulnerabilities that keep Global South economies financially subordinate (Alami et al, 2022). This has far-reaching implications for Global South countries through constraining the economic policy space and diverting resources towards managing external macroeconomic pressures such as currency and debt crises (Kaltenbrunner, 2015). As a result, Global South economies are forced to pursue policies that protect them against external vulnerabilities by accumulating foreign exchange to pay for imports and managing currency and debt crises rather than focusing on domestic sustainable development strategies. Due to their position lower down the global monetary hierarchy they also face higher barriers to accessing finance needed to tackle their most pressing developmental, social, and environmental priorities. This keeps Global South countries locked into extractive export sectors which limits their policy space and access to finance to tackle ecological crises and further fuels economic and social injustices (Svartzman and Althouse, 2020).

The currency hierarchy is one key aspect of a hierarchical IMFS, creating a global ranking where a few dominant reserve currencies, particularly the dollar, reap significant economic and financial advantages, while the currencies lower down the hierarchy face macroeconomic vulnerabilities and dependencies. This system, rooted in colonial legacies and modern-day neo-colonial relations, sustains a highly asymmetric and unequal IMFS. The IMFS encompasses finance, trade, investment and debt dynamics, and has varied impacts in shaping the economic realities between the Global North and the Global South and within them. It is beyond the scope of this report to discuss all these elements but Section 1.2 endeavours to highlight some of the key economic dependencies and injustices faced by Global South economies. This includes recurrent debt crises, green colonialism, and on-going conflicts and insecurity. These interconnected elements demonstrate how the current global financial architecture continues to reinforce economic injustices which disproportionately impacts the Global South.

2 Terminology note: Wherever possible this report names specific countries and regions. However, the report largely uses the terms "Global South" and "Global North" to differentiate between regions with distinct economic, political, and historical contexts. These terms also reflect the unequal power dynamics between the respective regions (Stevano et al, 2023). In economics literature, the terms high-income and industrialised are often used to denote the Global North Economies while Emerging and Developing Economies (EMDEs) or low-income have been used to denote the Global South.

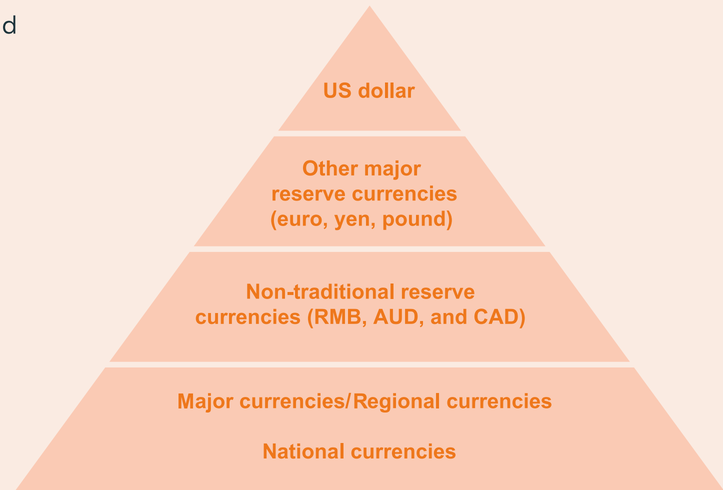
1.1 IMFS and monetary hierarchies

1.1.1 The currency hierarchy and dollar dominance

The global currency hierarchy is a key concept that highlights the relative position of national currencies within the IMFS. It denotes how different currencies are valued based on stability and liquidity, that is the ease with which they can be traded globally without losing value.[3] Currencies at the top of this hierarchy, like the US dollar, euro, and yen, are considered more liquid, stable, and are more widely accepted. Those at the bottom, such as currencies of many Global South economies, are seen as less liquid and are not as widely accepted in global transactions. This hierarchy creates power imbalances and economic asymmetries between countries, which keeps currencies lower down the hierarchy in a financially subordinate position within the IMFS.[4]

The currency hierarchy can be imagined as a pyramid (Chart 1.1), with the US dollar at the top, followed by a group of major reserve currencies: the pound, euro and the yen. The International Monetary Fund (IMF) also recognises a group of non-traditional reserve currencies including the Australian dollar (AUD), Canadian dollar (CAD), Swiss franc (CHF) and Chinese yuan (Renminbi or RMB) (Siripurapu and Berman, 2023). Beyond reserve currencies there are other major currencies or regionally dominant currencies that play a vital role in cross-border trade within their respective regions, for example the South African rand in Southern Africa or Brazilian real across South America. Finally, there are national currencies which vary in importance within the global economy in relation to the size and strength of a given country's economy.

Chart 1.1: Global currency pyramid



The dominant role of the dollar exposes Global South countries to a number of risks and diverts their limited resources away from domestic priorities towards guarding against external shocks, financial instability and inflationary pressures. For example, if the US Federal Reserve (the Fed) raises interest rates, access to credit and repaying existing dollar-denominated debt becomes more expensive. This often leads to capital flight, exchange rate volatility, depletion of foreign exchange reserves, and debt crises. As global trade is largely conducted in dollars this puts a continual pressure on countries lower down the currency hierarchy to accumulate dollars in order to pay for essential imports and repay foreign debts. As a result, they suppress local wages and limit domestic investment, focusing instead on building up foreign exchange reserves (Feygin and Leusder, 2020). These economic dependencies, particularly the need to accumulate dollars, locks countries lower down the hierarchy into extractive export

3 Note that currency hierarchy is a post-Keynesian theoretical concept that builds on the work of John Maynard Keynes relating to the unequal dynamics in the IMFS whereby dominant currencies, particularly of wealthier nations, hold structural advantages in global trade and finance and how this constrains the policy space for EMDEs. See Fritz et al (2018).

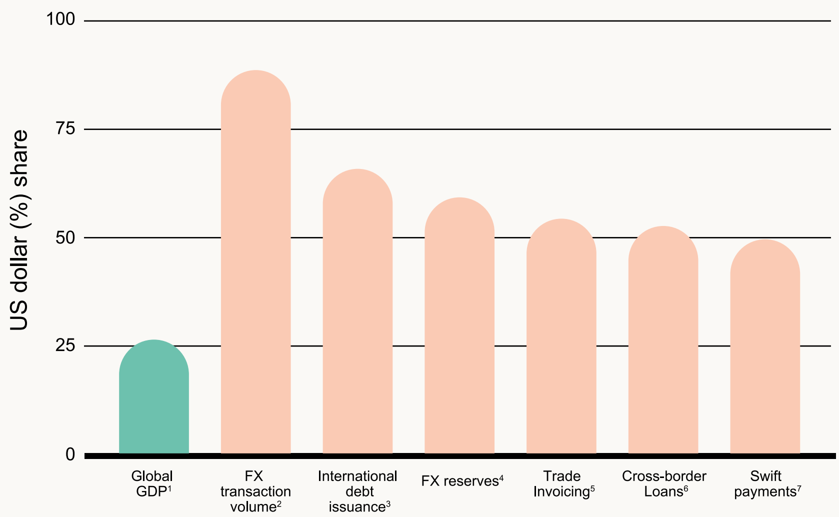
4 International Financial Subordination (IFS) literature goes beyond the currency hierarchy to analyse how EMDEs are kept in a subordinate position by the structural power of global finance. The IFS research agenda calls for a multidisciplinary approach to understand financial subordination through multiple lenses including the historical and geographical forces that perpetuate this inequality. See Alami et al (2022).

sectors, such as the export of raw materials and energy resources, which often lead to further ecological harm. This relationship is reinforced by the unequal flow of resources from peripheral to core countries, perpetuating both monetary and ecological imbalances that benefit the Global North, while contributing to environmental degradation and social instability in the Global South (Svartzman and Althouse, 2020).[5] As a result many Global South countries are seeking out strategies to mitigate against these risks imposed on them by the dollar-centric IMFS. This includes shifting to local currencies for trade and debt, and alternative payment systems to reduce these vulnerabilities and reclaim monetary policy space (Kaltenbrunner, 2015; Fritz et al., 2018; Tyson, 2023). The international financial subordination (IFS) literature also highlights how the broader structural power of global finance extends beyond the currency hierarchy. This sees developing and emerging economies (DEEs) facing systemic inequalities resulting from global capital flows, financial governance norms, and the dominance of external financial actors such as creditor cartels, multilateral institutions, and asset managers, which limit their policy space and entrench their economic dependency (Alami et al, 2022).

The US dollar's dominant role in the global economy emerged in the post-colonial era, when European countries and the US established the Bretton Woods system, positioning the dollar as the central currency in a fixed exchange rate system, with its value tied to gold. Even after the collapse of the Bretton Woods system, the dollar maintained its prominent position within the IMFS. Following the Global Financial Crisis, this dominance was further solidified as the US extended financial assistance through dollar swap lines to help other countries manage liquidity shortages, a policy reminiscent of post-World War 2 support for Western economies (Tooze, 2018). However, dollar liquidity facilities have been selectively applied, often unavailable to Global South countries, who instead rely on IMF loans during times of crises and when facing dollar shortages, which further exacerbates their debt burdens (Dutt, 2020). As the world's primary reserve currency the dollar is used by central banks and governments around the world to store value, facilitate trade, and settle international debts. It is widely accepted as able to perform all the key functions of money at the international level. It acts as (i) a medium of exchange for cross-border trade and financial transactions; (ii) a store of value, which sees central banks across the world hold US dollars as foreign exchange reserves, and investors and governments hold US treasury bonds as safe and reliable assets; and (iii) it helps set prices globally as a unit of account used in trade invoicing and as a settlement currency (Martin et al, 2017). As shown in Figure 1.1 the dollar remains dominant across global trade and finance. Global trade is dominated by the dollar which accounts for over 80% of trade finance (Gopinath, 2024), as the dollar is the main currency for the buying and selling of major commodities that have significant geopolitical and environmental implications including oil, natural gas, wheat, corn, gold, and minerals. An additional function is as a standard of deferred payment where the dollar is the main currency for international loans and debt as many countries borrow in dollars from private financial institutions (Eichengreen, 2011). The dollar's global dominance is maintained and reinforced due to incumbency advantages and network externalities (Gopinath et al, 2020).

5 The terms 'core' and 'periphery' economies are drawn from Latin American dependency and structuralist schools of thought (see for example Furtado (2020) or Prebisch (1949)). 'Core' countries consist of economies with greater economic and political power, such as the US and Western European nations. These countries benefit from currency dominance, giving them the ability to influence global trade and financial systems. In contrast, 'periphery' refers to developing or emerging economies that are economically subordinate to the core. This core-periphery relationship maintains economic inequalities and reinforces the exploitation of natural resources by peripheral countries for the benefit of the core.

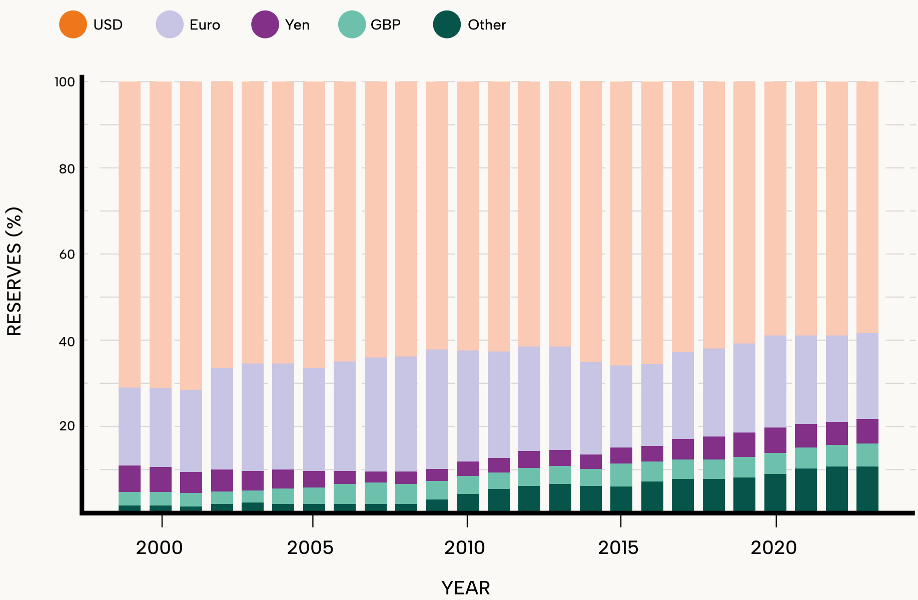
Figure 1.1: Global role of the US dollar



Source: [1] Calculated World Bank database [2] BIS 2022 Triennial Central Bank Survey [3] ECB report on the International role of the Euro 2023 [4] IMF (COFER) 2024 [5] Brookings Institute (2023) [6] ECB report on the International role of the Euro 2023 [7] SWIFT RMB Tracker

The latest data (Figure 1.2) shows that the dollar accounts for 58.4% of foreign exchange reserve holdings as of 2023. Euro holdings account for 19.9% of foreign exchange reserves, followed by the yen and pound (GBP) at 5.7% and 4.9% respectively. However, it is worth noting that there has been a trend towards diversification in reserve holdings over the past two decades with a move away from the dollar into non-traditional reserve currencies such as the Australian dollar, Canadian dollar, Chinese renminbi and other currencies (Arslanalp et al, 2024). This can be seen in the growth of the 'Other' category in Figure 1.2, rising from less than 2% in 2007 to 11.1% in 2023.[6]

Figure 1.2: Currency composition of official foreign exchange reserves, 1999-2023

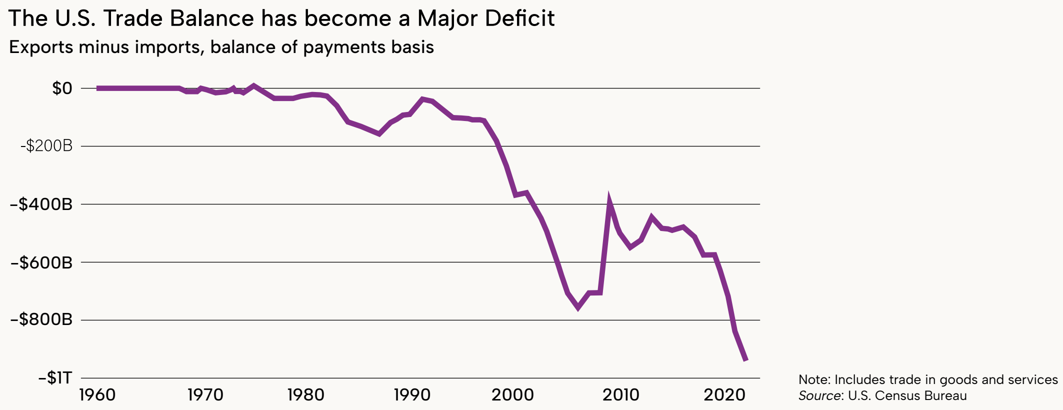


Source: IMF, Currency Composition of Official Foreign Exchange Reserves.

The dollar's role as the primary reserve currency gives the US unique advantages often referred to as the 'exorbitant privilege', and helps to reinforce its hegemonic status. This includes the ability to borrow from the rest of the world, in its own currency, and run large and persistent trade deficits (Figure 1.3). The dollar-centric IMFS enables the US to continuously import more goods and services than it exports, as the strong demand for its currency means that it can create dollars to pay for imports without running the risk of the dollar losing its value.

6 The 'Other' category includes all non-traditional foreign exchange reserves, i.e. all reserves that are not US dollars, euros, yen, or pound sterling. The main non-traditional reserves are the Australian dollar, the Canadian dollar, the Swiss franc and the Chinese renminbi.

Figure 1.3: Growing US trade deficit



Source: [The Dollar: The World's Reserve Currency | Council on Foreign Relations (cfr.org)]

The dollar's dominance also bestows significant political leverage to the US government on the global stage, in particular the monetary power to impose financial sanctions. The US recently flexed their monetary muscle by freezing the central bank assets of Afghanistan and Russia. In the latter case, the Russia-Ukraine war saw US and Western allies freeze $300 billion in Russian central bank assets, and are considering appropriating these assets (Mulder, 2024) (discussed in Section 1.1.2). Finally, the 'exorbitant privilege' is now also a privilege shared among other rich Global North countries and financed disproportionately by many Developing and Emerging Economies (DEEs). Countries with dominant currencies benefit financially by earning more from their investments abroad than they pay on what they borrow, known as 'excess yield'. Nievas and Sodano (2024) show the differentials in excess yield income (the difference in returns on foreign assets versus liabilities) as a percentage of GDP for various countries and economic regions. The Eurozone countries collectively earn around 1.5% of its GDP annually from excess yields, while the US earns about 1% of its GDP. In contrast, countries including Brazil, Russia, India, China, and South Africa experience negative excess yields, meaning they pay more on their debts than they earn from their foreign investments. This creates a net financial transfer of 2-3% of their GDP each year. In order words, poorer countries are subsidising richer ones, reinforcing an unjust IMFS where the financial advantages of the rich come at the expense of the poor.

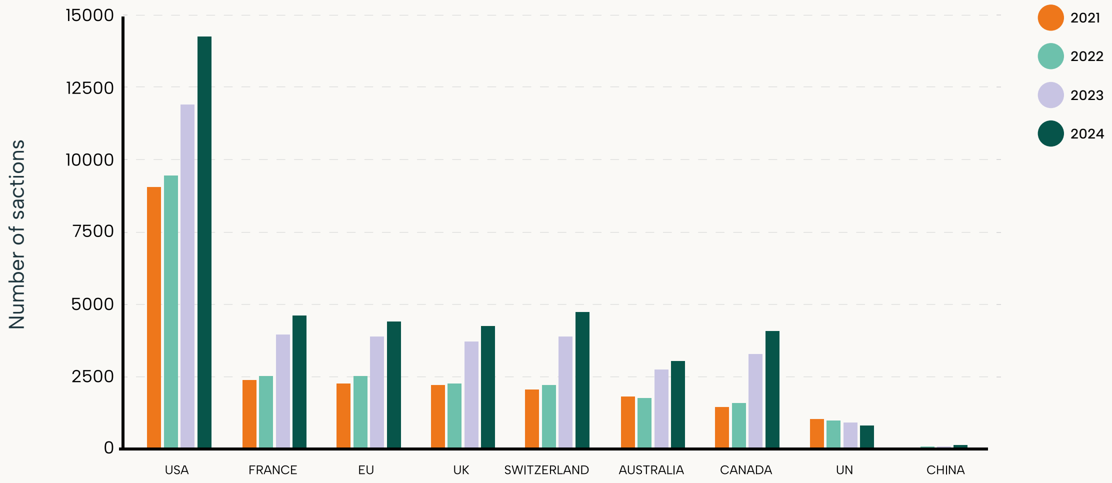
1.1.2 **De-dollarisation: a recurring debate**

The dominance of the dollar has always placed Global South countries in a subordinate position within the IMFS, inevitably giving rise to discussions on how to reduce dollar dependency. The term 'de-dollarisation' is used to describe the process and efforts aimed at reducing dependency on the dollar and the dollar-centric IMFS in international trade and financial operations. In recent years, de-dollarisation efforts have been renewed, due to both the increased use of sanctions reflecting the 'weaponisation' of monetary policy by Global North countries, and the impact of the Federal Reserve's recent cycle of interest rate hikes, which triggered widespread debt crises in the Global South.[7,8] Economic sanctions inevitably have secondary effects as both the sanctioned countries and their trading partners must adjust the monetary and financial arrangements through which they trade (Breger Bush et al, 2023). The drastic increase in the number of sanctions imposed by the Global North in recent years (Figure 1.4) has forced many Global South countries to guard against any political risk of future sanctions (McDowell, 2020). While the de-dollarisation debate is not new there are signs of a more coordinated effort by Global South countries to reduce dollar dependency both as a defensive move and to establish alternative monetary systems (Breger Bush et al, 2023; Gazi, 2023).

7 The Federal Reserve repeatedly increased the Federal Funds Effective Rate from an initial 0.08% in February 2022 to 5.33% in August 2023 (data available from St. Louis Federal Reserve, 2024).

8 The term weaponisation of monetary policy is used in part because beyond freezing the central bank's assets of another country the US and its allies have also aimed to redirect the funds towards their chosen priorities, for example directing the interest earned on seized Russian assets towards the rebuilding of Ukraine (Dubois, 2024). In the case of Russian assets seized there were also significant consequences, namely a sovereign debt default (Aminu and Olivares-Caminal, 2022).

Figure 1.4: Number of sanctions imposed by country or organisation, 2021–2024



Source: Castellum.ai, 2024. 'Year in review: How sanctions changed in 2023 in 17 charts'.
Note: Number of sanctions as of 1 January in each year.

Over the past two decades, there has been a gradual decline in the dollar's share of official foreign reserves held at central banks and governments (Figure 1.2). This decline has not resulted in an increased share of foreign reserve holdings of other major reserve currencies but instead that of non-traditional reserve currencies such as RMB, AUD, CAD, and South Korean won.[9] It is also worth noting that those countries which do not report information on reserve composition to the IMF are primarily countries which attempt to move away from the dollar due to geopolitical reasons (Arslanalp et al, 2024), suggesting that the dollar share of foreign reserves might be somewhat overestimated in statistics even if the data represents approximately 93% of all foreign exchange reserves.

Brazil, Russia, India, China, and South Africa ('BRICS'[10]), have pursued more coordinated efforts to reduce dependency on the dollar, mainly by encouraging trade in local currencies and building alternative financial and payment infrastructures that circumvent existing systems (Liu and Papa, 2022). There are now a wide range of countries across the Global South responding to the risks and disadvantages of dollar dependency through multiple initiatives, and coordinating their efforts through bilateral agreements and their own multilateral development banks. Breger-Bush et al (2023) find more than 80 countries involved in de-dollarisation initiatives including via multilateral efforts. This involves a significant shift towards local currencies for trade. For example, the BRICS de-dollarisation plan termed the 'Five Rs', discussed at the 2023 BRICS summit, promotes the use of their respective local currencies for trade. The 2024 BRICS summit saw a renewed focus on de-dollarisation strategies, with the members committing to expand and improve existing alternative payment systems which facilitate trade in local currencies, and to establish non-dollarised commodity pricing mechanisms, beginning with grain. Other elements of de-dollarisation include central banks actively diversifying foreign exchange holdings, including an uptake in gold reserves and local currencies (Arslanalp et al, 2024). The dollar-based IMFS has for decades placed a heavy burden on the Global South resulting in more active strategies to reduce dollar dependency gaining traction.

9 Arslanalp et al (2024) note the attractiveness of non-traditional reserve currencies has multiple drivers including benefits of reserve diversification, better yields and new financial technologies which automate liquidity management.
10 The BRICS alliance members Brazil, Russia, India, China, and South Africa have been joined by Egypt, Ethiopia, Iran, and the UAE as full members as of 1 January 2024, with the expanded group sometimes referred to as BRICS+. The expanded BRICS+ account for approximately 45% of the world population and 37% of world GDP.

Figure 1.5: Total gold reserves (tonnes) held by central banks, quarterly from Q4 2000 to Q1 2024

Source: World Gold Council

1.1.3 **Currency colonialism**

The hierarchical IMFS is a direct legacy of the colonial era, where Global North countries industrialised through violent, extractive practices, including land theft, resource exploitation, and slave labour. Colonial powers imposed their currencies on colonies, creating economic dependencies that limited monetary autonomy and enforced a system that extracted wealth well beyond formal independence.This continues to shape the global financial system and is reinforced by the Global North's extractive and racialised economic model and institutions (Rodney, 2018).

The dominance of Global North economies and their institutions extends beyond currency colonialism. There are varied historical, political and economic dimensions that define the hierarchical IMFS that are racialised, extractive and environmentally harmful and that shape today's global financial landscape. Escaping dollar dependency or de–dollarising trade and debt is not a panacea for fixing the injustices of today's IMFS. However, these strategies are part of a longer historical record to remake the global economy into one that is more equitable; as reflected in the collective demands of the New International Economic Order (NIEO) since the 1970s onwards (Getachew, 2019; Progressive International, 2024).

Box 1: Currency colonialism past and present

Currency colonialism refers to the way colonial powers established monetary systems that served their interests. For example, in Africa and Asia, colonial governments forced local economies to use currencies like the British pound or French franc, ensuring that wealth flowed back to the colonizing nations while keeping the colonies economically dependent (Sylla, 2020; Patnaik, 2017). Even after formal independence, many former colonies were left with monetary systems tied to, or heavily reliant on these colonial currencies, preserving unequal and extractive economic systems.

A clear example of this is the CFA franc (Communauté Financière Africaine), established by France in 1945. This currency zone includes 14 African countries across West and Central Africa and was originally pegged to the French franc and is now tied to the euro. France continues to exert significant influence over the monetary policies of these nations, limiting their monetary sovereignty and ensuring that French economic interests dominate the region. This currency system allows France to maintain economic leverage over its former colonies, benefiting French corporations and the French government (Pigeaud and Sylla, 2021).

Similarly, British colonialism in India drained vast amounts of wealth from India through various mechanisms, including forced taxation, export manipulation, and currency dominance. Between 1765 and 1938, Britain extracted an estimated $45 trillion from India by imposing the sterling system and other colonial monetary tools, to force the export of goods to generate reserves in sterling. The surplus was then used by the British to expand their economy and ambitions rather than reinvested in India (Patnaik, 2017).

In Latin America, the legacy of currency colonialism is still evident in the region's continued dependency on the US dollar. Many countries in the region, including Argentina and Brazil, rely heavily on the dollar. This has led to repeated economic crises, as these countries face exchange rate volatility, inflation, and high borrowing costs, all exacerbated by shifts in US monetary policy.

Today, the dominance of the US dollar reflects the continuation of currency colonialism in a globalised financial context. For Global South countries, this creates a structural dependence on the US dollar for trade and debt, reinforcing the monetary hierarchies established during the colonial era. This dependence on foreign currencies exposes these economies to external shocks, such as currency crises, inflation and interest rate hikes in the US, which can trigger financial instability and debt crises in Global South countries (Stiglitz, 2002).

1.2 The injustices of the IMFS from debt traps to green colonialism

The dominance of the dollar and the broader global financial architecture discussed in Section 1.1 contribute to the wider systemic injustices baked into the IMFS. These monetary imbalances grant the US significant financial privileges and impose macroeconomic vulnerabilities and dependencies on Global South economies. These include the need to accumulate dollars to guard against currency risk, exchange rate volatility, and to pay for essential imports and meet foreign denominated debt obligations (Kaltenbrunner, 2015). This dynamic results in limiting the macroeconomic policy space and autonomy of these countries by diverting resources away from domestic priorities, such as investing in public infrastructure and services, and tackling climate change. In the following section, the broader impacts of these economic vulnerabilities and dependencies are explored, focusing on how these dynamics contribute to debt traps, constraining action on tackling the climate crisis and ushering in a new era of green colonialism, and finally driving political conflict and insecurity.

1.2.1 **Debt traps and dependencies**

The Global South is grappling with a severe debt crisis, where approximately 60% of low-income countries are at high risk of or already experiencing debt distress (World Bank, 2023). Countries including Zambia, Ghana, Ethiopia, and Sri Lanka have defaulted on their debts, while others like Egypt, the Maldives, and Pakistan are on the brink (Jha, 2023). Defaulting on debts only worsens the already precarious financial situation impacted economies find themselves in, as it will incur higher costs of borrowing in the future, harsh conditionalities as part of restructuring programs, or legal action by creditors. This crisis has been exacerbated by increased borrowing to address the global pandemic, the rising costs associated with climate impacts, and geopolitical vulnerabilities. Countries across Asia, Latin America, and Africa now spend more on debt repayments than on essential services like healthcare and education (UNCTAD, 2024), with an average of 38% of government revenue being diverted to debt servicing, and above 50% for the worst affected countries. The latter includes 18 countries in Sub Saharan Africa, 6 in Latin America, and 5 in Asia (DFI, 2023).

The debt crises faced by developing countries are intimately linked to dollar dominance within the global financial system.[11] Many Global South economies borrow in dollar-denominated debt due to their own currencies' lack of international acceptance and liquidity. This dependence exposes them to currency mismatch risks, where their revenues are in local currency, but their debts are in dollars. When local currencies weaken against the dollar, the burden of debt repayment costs increase, often pushing these countries into debt distress. Additionally, the reliance on dollar-denominated debt leaves these countries vulnerable to US economic policy changes. For example, if the US Federal Reserve raises interest rates or tightens monetary policy, this results in skyrocketing debt repayments for these countries. This is exacerbated by the fact that over 70% of emerging market sovereign debt is issued in dollars, meaning that even modest changes in US monetary policy can have outsized effects on their debt servicing ability (Ali, 2022).

This leads to a cycle where these countries are forced to impose austerity measures either to meet debt obligations or as a result of conditionalities imposed on them following debt default. The result is a financial system where Global South economies are forced to prioritise accumulating dollars and servicing external debt over domestic investment (Eichengreen, 2011). As discussed in Section 1.2.3, this cycle of debt dependency often leads to internal political unrest and instability.

1.2.2 **Climate crisis and green colonialism**

Climate change and ecological destruction are undoubtedly a global crisis. Yet, it is widely recognised that while Global North countries have contributed most to climate change through historical emissions, the most devastating impacts fall disproportionately on the poorest communities and countries in the Global South (Chancel et al, 2023). Countries most affected have limited resources and access to finance to cope with more frequent and intense extreme weather events because of ecological destruction and rising temperatures. This is compounded by other social and economic problems they face in terms of poverty and debt distress (Bandera, 2024). Importantly, the Intergovernmental Panel on Climate Change (IPCC) has highlighted the intimate link between the climate crisis and colonialism (IPCC, 2023).

Monetary and ecological hierarchies reinforce each other, keeping Global South countries in a cycle of dependency, resource exploitation, and conflict, while perpetuating global imbalances of power. The IMFS, characterised by the currency hierarchy and dollar hegemony, perpetuates unequal exchange between the Global North and South (Hickel et al, 2022). Global South economies, trapped at the bottom of these monetary and

11 This cycle of debt and dependency is also deeply rooted in colonial logic and legacies. See Roos (2018).

ecological hierarchies, are forced to rely on export sectors such as resource extraction of key minerals, fossil fuels, and agriculture to earn foreign exchange to service foreign debt and finance essential imports. This structural imbalance links economic dependencies (discussed previously) and ecological degradation, as these countries are forced to prioritise short-term foreign exchange generation through environmentally destructive activities.

The global demand for resources, driven by the Global North particularly to maintain their high levels of consumption and increasingly to support the green transition, exacerbates social and environmental costs in the Global South. Countries in the Global South are often unable to pursue economic policies to climb up the ladder of higher-value industries or sustainable development because of the limitations imposed by the need to earn foreign currency. The reliance on resource extraction leads to ecological harm, including deforestation, pollution, and resource depletion (Svartzman and Althouse, 2020).

This becomes more challenging in the context of growing concerns relating to green colonialism. Not only are Global South countries disproportionately affected by climate change but they are increasingly exploited through unequal global trade and financing structures in the IMFS designed to deliver the green transition in Global North economies. Löscher and Kaltenbrunner (2022) highlight a number of channels through which developing and emerging economies (DEEs) face heightened vulnerability due to their reliance on external finance and primary commodity exports, industries that are most affected by climate policies in the Global North. For instance, the energy transition in the Global North, including the shift towards renewable energy, places pressure on the fossil fuel-exporting countries of the Global South, as these countries experience reduced export revenues and increased financial fragility. Additionally, the rising costs of climate change force DEEs to divert scarce resources away from critical domestic public spending and development priorities, while still needing to meet unsustainable dollar and foreign currency-denominated debt obligations. The climate crisis also limits the macroeconomic policy space for DEEs, as their currencies are placed lower in the currency hierarchy. This makes them more vulnerable to currency fluctuations, speculative attacks, and balance-of-payments crises, all of which are intensified by climate-induced economic shocks such as droughts, floods, and heatwaves that disrupt production. The need to maintain investor confidence through high interest rates and market-friendly policies further subordinates their economic autonomy to global financial actors. This dynamic illustrates the deeper mechanisms of green colonialism, where the costs of transitioning to a low-carbon economy are disproportionately borne by the Global South, while the financial benefits accrue to the Global North, perpetuating both ecological and financial inequalities.

The challenges presented by green colonialism are compounded as Global North economies outsource emissions through complex global supply chains that relocate energy intensive sectors and environmentally harmful manufacturing to the Global South. This in turn allows some countries to meet targets for reducing emissions without altering their patterns of consumption (University of Birmingham, 2024). Despite recent progress in setting up the Loss and Damage Fund at COP28 in 2023, financing from the Global North to meet their climate debt and various pledges remains woefully inadequate (Lakhani, 2023a; Adow, 2023). The International Energy Agency (IEA, 2023) estimates that the Global South (excluding China) requires up to $1.9 trillion in investment annually by 2030 to transition to clean energy and stay on track to meet net zero targets by 2050.[12] Due to the hierarchical nature of the IMFS, Global South economies face higher cost of capital (CoC) compared to Global North countries (Kaltenbrunner, 2015).[13] This also applies to green investments where the cost of financing renewable projects in high income countries has been low at around 3-5%, compared to 10% or more for emerging and developing economies (Table 1.1)(Goswami and Rao, 2023).

12 This involves $1.14 trillion or three-fifths from the private sector and $760 billion from public sources.

13 Persaud (2023) highlights that there is an inherent bias against Global South countries with a significant 'overpayment' baked into assessments of currency risk for those perceived as weaker currencies and subject to volatile exchange rates.

Country	Weighted average cost of capital utility-scale solar PV projects, 2021 (nominal, after tax)
Europe	3.0%-5.0%
United States	3.5%-5.0%
China	4.0%-5.5%
Brazil	12.5%-13.5%
India	9.0%-10.5%
Indonesia	9.5%-10.5%
Mexico	9.5%-10.0%
South Africa	9.5%-11.0%

Source: IEA World Energy Outlook 2022

Global North solutions to transition to renewables and cleaner energy based on the falling cost of these technologies have neglected the higher cost of capital for green solutions faced by Global South economies. This blind spot underpinning green solutions and initiatives perpetuates historical patterns of exploitation and deepens environmental harm and conflict in countries across the Global South. Global North countries with access to cheaper finance have embarked on relatively ambitious plans to drive the decarbonisation of their economies, for example, the European Union's Green Deal Industrial Plan and the US' Inflation Reduction Act (IRA). These represent large-scale financing efforts from both public and private sources, to fund green solutions to reduce emissions and create jobs. The ability to mobilise public finance at this scale shows the monetary privilege the US and the Eurozone enjoy due to their position at the top of the currency hierarchy. On the other side of this equation, Global South countries remain locked into extractive export industries, providing cheap raw materials and labour to support the transition to green technologies and clean energy in the Global North, unable to undertake similar public investment programs as countries in the Global North due to the lack of monetary sovereignty.

Big business, Global North governments, and the Chinese government are all heading up the scramble for resources, particularly for transition minerals (lithium, copper, cobalt, nickel), to gain competitive advantages in green industries (Lang et al, 2024; Hamouchene and Sandwell, 2023). A prominent example is the large-scale extractive mining of lithium used in electric car batteries. Mining for these minerals requires huge quantities of water and land which is leading to environmental destruction of farming land, food insecurity and hurting local economies (Global Witness, 2023). Global South countries are also pursuing green growth strategies. For example, many African countries are pursuing green hydrogen by creating investment opportunities for private capital from the Global North, which risks entrenching the existing injustices of the IMFS (Gabor and Sylla, 2023).

Box 2: Green Colonialism

The below Table highlights a range of examples of green colonialism across a variety of sectors from different countries in the Global South. These examples illustrate how green solutions and high demand for green products and energy for consumption by the Global North are often harming the environment, depleting resources, and exploiting workers and communities by prioritising the energy and consumption needs of the Global North and reproducing neo-colonial relations.

Example	Description
REDD+ Projects	REDD+ (Reducing Emissions from Deforestation and Forest Degradation) seen across Brazil, Indonesia, and Africa. These initiatives look to reduce carbon emissions by conserving forests. They are growing in demand because of the popularity of carbon offsetting programs. They have led to displacing Indigenous communities from their land and livelihoods and results in profits accruing back to big multinationals (World Rainforest Movement, 2023).
Renewable energy projects (Solar and wind farms)	Large tracts of land are taken over for wind farms or solar panel installations, often without local consent, in regions like North Africa and Oaxaca, Mexico. These projects, while aimed at supporting renewable energy goals, frequently displace Indigenous communities, disrupt ecosystems, and use local resources like water. For example, Morocco's Ouarzazate solar plant has displaced Amazigh communities without delivering local benefits, while wind projects in Oaxaca have led to protests from Indigenous Zapotec communities due to land rights violations and lack of local economic advantages. The energy produced often serves urban centres or export-driven industries, reinforcing global inequalities (Hamouchene, 2022). Around 98% of Norway's electricity production comes from renewable energy sources, but this has adversely impacted the local way of life for Sami People in Norway, Sweden and Finland – who have lost land and their Indigenous livelihoods (Orange, 2022).
Biofuel plantations	Biofuel plantations across Brazil and Indonesia have expanded significantly to meet the renewable energy demands of the Global North. This expansion has led to environmental degradation, including widespread deforestation and biodiversity loss, as forests are cleared for soybean and palm oil cultivation. Much of the biofuel produced is exported to countries like those in the European Union, which rely on these biofuels to meet their renewable energy targets. However, these projects displace local and Indigenous communities and exacerbate food insecurity as agricultural land is converted for energy crops. While marketed as green energy solutions, these biofuel initiatives perpetuate ecological harm and social injustice, with the negative impacts disproportionately affecting vulnerable populations (Evans, 2018)
Mineral extraction for renewables	This relates to the extraction of key minerals such as lithium, cobalt, and nickel to meet the Global North's demand for electric vehicles (EVs), solar panels, and wind turbines which have significant environmental and social impacts. These minerals are critical components for renewable technologies, but their extraction requires large-scale mining operations that often lead to environmental degradation. Mining activities consume vast amounts of water, contributing to water shortages and pollution, while also causing deforestation, soil degradation, and destruction of local ecosystems. South America's 'Lithium Triangle' produces much of the global supply of lithium and cobalt mining in the Democratic Republic of Congo (DRC) produces 70% of the world's cobalt for EV batteries (Lakhani, 2023b: Baumann-Pauly, 2020).
Land grabs for conservation projects	In Kenya and Tanzania, national conservation parks for eco-tourism have displaced Indigenous populations such as the Maasai and Barabaig from their ancestral lands, disrupting their livelihoods. In Tanzania, the creation of the Serengeti National Park and the Ngorongoro Conservation Area has led to the forced relocation of thousands of Maasai, often under the pretext of conservation (Mousseau, 2024).

1.2.3 **Conflict and insecurity**

The unequal and hierarchical IMFS exacerbates conflict and insecurity in the Global South by creating economic dependencies, particularly the need to accumulate dollars to protect against financial instability and currency volatility. These dependencies force countries into extractive export sectors, which fuel resource exploitation and capital flight. As a result, many Global South economies become reliant on the extraction of natural resources—such as oil, minerals, timber, and agricultural products—to generate foreign exchange. The costs of this extraction, however, are borne by local populations, while the benefits flow to multinational corporations and consumers in the Global North. Conflicts frequently arise between multinational companies, governments, and Indigenous communities. As Indigenous Filipino leader Victoria Tauli-Corpuz has highlighted, conflicts in extractive sectors often result in land evictions, displacements, and violence against Indigenous groups (UNHRC, 2018). Attempts to challenge this system can also be met with violence from those multinational companies profiting off the extraction, such as Chiquita's funding of paramilitaries to advance the company's interests using violence (Taylor, 2024). Furthermore, resource dependent countries at the bottom of the IMFS hierarchy are at a higher risk of armed conflict, with the control and exploitation of natural resources and trading networks often both motivating and financing belligerents (Le Billon, 2001). Additionally, the dollar-based IMFS has played a significant role in wars and conflicts in the Middle East and North Africa (MENA) due to the 'petrodollar' system (Bidder and Nitzan, 2008), which ensures that oil profits are recycled through the dollar-based IMFS.

Recent debt crises in countries such as Sri Lanka, Bangladesh, and Kenya highlight how monetary hierarchies and dependency on the dollar contribute to economic instability which bleeds into political and social unrest. Many countries lower down the currency hierarchy are forced to borrow in foreign currencies due to their weaker domestic currencies and reliance on imports, which makes them vulnerable to changing global conditions. More recently, a cycle of monetary tightening in the US with aggressive interest rate hikes has tagged a wave of debt distress and defaults across the Global South. Sri Lanka's debt default in 2022 led to shortages of essential goods and soaring inflation. The IMF intervened with a $2.9 billion bailout package, but it came with austerity conditions like raising taxes and cutting public services which further fueled public unrest and political instability. The debt crisis led to political unrest, widespread protests on the streets and the removal of the then President (Withanage, 2022). Similarly both Bangladesh and Kenya have experienced economic turmoil and debt crises in which the IMF austerity measures that consisted of tax rises and public spending cuts led to protests. In Bangladesh, cuts to public spending and raising fuel prices led to widespread discontent, especially among low-income workers, such as those in the garment sector, where wages are low. Labour unrest and protests erupted across the country as people struggled to afford basic necessities like food and fuel (Alam, 2022).

1.3 **Conclusion**

The current IMFS, rooted in colonial legacies, perpetuates a hierarchical system that disadvantages Global South economies. The dominance of the US dollar and the offshore dollar system creates dependencies and vulnerabilities that limit the economic policy space of developing countries. This contributes to ongoing debt crises, hinders climate action, and fuels conflicts over resources. More coordinated de-dollarisation efforts by Global South countries are emerging in response to the growing use of financial sanctions, and to macroeconomic dependencies and vulnerabilities caused by the monetary and economic policies of Global North governments and central banks.

2. The role of New Payment Systems and CBDCs

The hierarchical and neo-colonial structures baked into the IMFS continue to subordinate Global South countries, limiting their ability to fully pursue domestic development priorities and address critical issues like climate change and inequality. Many previous attempts to reform the IMFS have been top-down and led by Global North institutions. However, emerging trends in new cross-border payment systems and new forms of money, namely CBDCs, may offer a pathway to build alternatives to the dollar-centric IMFS. While political and macroeconomic challenges remain, building a new financial architecture that is led by Global South countries can support existing strategies to reduce dollar dependency and shift to local currencies for trade, debt and investments. New payment systems combined with CBDCs offer a bottom-up approach to reclaim the monetary policy space, reshore economic activity, and refocus on sustainable development priorities and tackling climate change. It can also challenge the unequal power dynamics of the current hierarchical IMFS and promote a more balanced global financial system.

2.1 New Payment Systems

Payment systems are the plumbing of the financial system and ultimately of economic activity. Since the vast majority of money does not appear in physical form but rather as entries on a digital ledger, payment systems can be understood as shared information systems based on financial messaging. When commercial banks across the globe want to send dollars, they rely on the SWIFT financial messaging system to share information as to how many dollars should be added to one account and removed from another, i.e. how the ledger should be updated. Since the IMFS is dollar-based, this means that the participants in the dollar-based financial messaging system must adhere to US legal and technological frameworks. This grants enormous power to the US and the Federal Reserve, as they are ultimately the only actors who can make changes to the ledger or decide who can participate in the financial messaging system. It also means that if the rest of the world wants to trade in dollars, they must accept the legal and technological design of its payment systems despite any flaws or risks associated with the system. The other option is to develop new, alternative payment systems.

The global payments landscape is undergoing notable changes due to both technological developments and geopolitical uncertainty. Breger-Bush et al (2023) highlight that many Global South economies are engaged in more coordinated efforts to reduce dependency on the dollar by increasing the use of local currencies in bilateral trade agreements, currency swaps, and regional organisations and blocs. The Association of Southeast Asian Nations (ASEAN) bloc have introduced regional payment systems like contactless QR codes, enabling direct currency exchanges between ASEAN members without relying on the dollar. China, the largest trading partner in the world, has since 2023 settled a majority of its own trade using the yuan (Gopinath, 2024).

BRICS countries are pursuing an active strategy towards trading in their respective currencies, and the reach of the BRICS has increased with the expansion of BRICS membership in January 2024 as Egypt, Ethiopia, Iran, and the United Arab Emirates (UAE) joined the alliance as full members, with an additional 13 countries having joined as partners in October 2024. BRICS are actively working towards the establishment of commodity exchanges that use local currency pricing (Ministry of Finance of the Russian Federation et al, 2024) and the development of a payment system called BRICS Pay to increase local currency use among members (Ramos, 2024), along with other bilateral actions taken by BRICS member countries. India has signed Local Currency Trade agreements (LCTs) with 19 countries to facilitate rupee-based trade, and China has significantly expanded the use of its currency RMB in cross-border payments, including its agreements with 41 countries to create bilateral currency swap lines (Tran, 2023). China also created yuan-denominated oil futures in 2018 to hedge against oil price risks (Ji and Zhang, 2019), setting the stage for potential further use of the 'petroyuan', with Gulf nations such as Saudi Arabia signalling their willingness to price oil in yuan (Wong, 2024) and the UAE already having sold liquified natural gas in yuan (Global Times, 2023).

These developments represent shifts in global financial relations and more coordinated efforts to develop alternatives to the dollar-centric IMFS. New payments infrastructure opens opportunities to accelerate de-dollarisation strategies. The development and uptake of new payments infrastructure is likely to be most effective if it offers clear economic benefits by providing improved reliability, speed, transparency and reduced settlement risks, while situated within broader state-led strategies which combine economic development with efforts to reduce dollar dependency. This requires the state to lead on multiple policy areas and to tailor their policies towards the specific macroeconomic and political constraints and vulnerabilities facing a given country. There are two main types: (i) new interbank payment systems for cross-border payments settled between central banks; and (ii) local currency payment systems that allow businesses and consumers in different countries to trade directly.

2.1.1 **New interbank payment systems:**

The main global system for handling interbank payments designed by Global North countries is SWIFT which is a messaging system that connects banks globally and the US's Clearing House Interbank Payments System (CHIPS), which settles domestic and cross-border US dollar transactions. Interbank payment systems manage high value and large volume transfers between banks and financial institutions at the national and international level. Various alternatives have emerged with different objectives. Some are intended simply to improve cross-border payments efficiency and costs, while others have also emerged as potential alternatives to the mainstream dollar-centric payments system and as part of de-dollarisation strategies.[14]

Greater visibility and control over cross-border payments helps countries to manage capital flows and address illicit financial activities. It can also facilitate more effective monetary policy and improve financial stability as it allows access to more precise and up-to-date indicators to respond to changes in the money supply or wider macroeconomic shocks. Faster, cheaper, and more efficient payments support economic trade and integration between countries by reducing transaction costs and settlement risks, which improves liquidity management by banks, businesses and central banks (Johnson et al, 1998). Payments infrastructure that is directly owned and controlled by countries themselves could work to reshore economic activity and, over time, help countries to diversify away from extractive export sectors. Key examples of alternative payment systems include China's Cross-Border Interbank Payment System (CIPS); Russia's System for Transfer of Financial Messages (SPFS) and India's Unified Payments Interface (UPI) which focuses on domestic payments.

CIPS stated aim is to internationalise the use of the Chinese yuan for settlement of trade. It was launched in 2015 to enable financial messaging and to act as a clearing house for cross-border payments but only in yuan. While CIPS still uses SWIFT it forms part of a broader strategy to increase China's global financial presence and reduce dependency on the dollar (Eichengreen, 2022). CIPS has grown in scale, reflecting the billions in Chinese investment in infrastructure loans and projects related to China's Belt and Road Initiative and the inclusion of yuan in the IMF's Special Drawing Rights (SDRs) basket in 2015 (Tang, 2022). It is overseen by the People's Bank of China and majority owned by Chinese stakeholders but also has large international banks as minor shareholders

[14] Other settlement payment systems include: Eurozone's TARGET Instant Payment Settlement (TIPS) launched in 2018; SPFS (System for Transfer of Financial Messages), a Russian alternative to SWIFT mainly used for domestic payments but expanding to international payments following US sanctions; BUNA (Arab Region) launched in 2020 and owned by the Arab Monetary Fund; India's UPI (Unified Payments Interface) which primarily covers domestic payments but has potential to expand internationally (e.g. for managing cross-border remittances).

and/or as participating banks, including Standard Charter, HSBC, and Citibank.[15] SWIFT data shows gradual progress on the share of international trade settled in yuan growing to 4.7% in March 2024 from less than 0.1% in 2010 and it is now the fourth most active currency for global settlements. However, it remains dwarfed by the US dollar which accounts for close to 50% of global payments and the euro at close to 22% (Global Times, 2024). Another example is India's UPI, which is a real time digital payments platform that dominates the domestic market and is expanding towards international payments with selected countries.[16]

2.1.2 Regional local currency payment systems

Another critical development in the payment landscape that challenges the dollar-centric IMFS is the creation of local currency regional payment systems. These new payment systems could offer a bottom-up approach to reshore economic activity, reduce dollar dependency, and reclaim monetary policy space (Kaltenbrunner and Orsi', 2024; Jacobs, 2024). Key examples include the pan-African Payment and Settlement System (PAPSS) (Amato and Gobbi, 2024) and the Sistema de Pagos en Moneda Local (SML) between Mercosur trade bloc countries in South America.[17] For example, PAPSS enables direct, near-instant cross-border payments between participating African countries. By eliminating the reliance on the dollar-dominated correspondent banking system, it reduces currency exchange costs and risks, supporting the African Continental Free Trade Agreement (AfCFTA) and boosting intra-African trade. Initially covering six member countries: Ghana, The Gambia, Guinea, Liberia, Nigeria and Sierra Leone; it has expanded across West, Southern, and Eastern Africa. In October 2023, 15 Caribbean Community (CARICOM) countries adopted PAPSS for intra-regional trade transactions, marking the system's expansion beyond Africa (Blay, 2024). PAPSS would overcome a highly fragmented payments landscape with over 40 currencies across 54 countries. Currently, over 80% of African cross-border transactions are settled offshore, which involves converting local currencies into major currencies sometimes multiple times if there are no direct correspondent banking relations, which increases costs and foreign exchange risks. In some cases, there are long delays in clearing payments as central banks ration dollar reserves in order to maintain the value of their local currencies (Wellisz, 2022). PAPSS is estimated to save over $5 billion per year in transaction costs alone for the African continent once fully operational (Mwaya, 2022). Its stated aim is to boost intra-African trade, which has been historically low compared to other regions. By reducing reliance on the dollar-centric IMFS, PAPSS enables African countries to trade more with each other, reshore economic activity, and shift away from extractive and environmentally harmful sectors that have traditionally benefited Global North economies and been necessary to earn foreign exchange..[18] However, PAPSS is still in its early stages, and while it supports expanding local currency transactions, it may still require foreign exchange operations due to unsupported currencies or incomplete bilateral agreements.

Similarly, the South American SML looks to increase regional trade using local currencies but differs in several ways, including in its regional economic and political context, how it operates and the settlement mechanisms used.[19] (Kaltenbrunner and Orsi, 2024; Jacobs, 2024) discuss how SML represents a new financial infrastructure that could offer a bottom-up approach to build broad-based acceptance for local currencies and reclaim monetary policy space within the context of today's hierarchical IMFS.[20] While a key benefit has been to reduce the foreign exchange costs and risks faced by private actors, macroeconomic liquidity requirements and foreign exchange risks remain, as the final settlement between central banks is still conducted in dollars. There are a range of

[15] According to CIPS data it has 1544 participants from across 184 countries (CIPS, 2024).

[16] Countries include Bhutan, France (ecommerce), Mauritius, Nepal, Singapore, Sri Lanka, and the United Arab Emirates (European Payments Council, 2024).

[17] Participating countries include Argentina, Brazil, Paraguay and Uruguay.

[18] Amato and Gobbi (2024) highlight the role of the European Payments Union in the reconstruction of European economies in the post-World War Era. Also see Fantacci et al (2019).

[19] For example, PAPSS employs real time settlement of individual transactions through a digitalised platform, while SML uses netting of multiple transactions through Central Banks.

[20] Forthcoming paper.

constraints to overcome for SML to have a significant impact, including technical and macroeconomic vulnerabilities, which have limited the take-up rate and engagement by the local private banking sector. For local currencies to gain broad-based acceptance it would require state-led strategic support and investment to ensure other functions of money beyond settling trade payments are forged. In particular, the state plays a crucial role in macroeconomic management and stability, and in expanding the availability of low-cost credit to support private actors to shift away from debt denominated in external currencies. This would widen the possibility of local currencies to be used as a store of wealth and a funding currency, allowing countries to overcome the deeper political economy constraints of dollar dependency (Kaltenbrunner and Orsi, 2024).

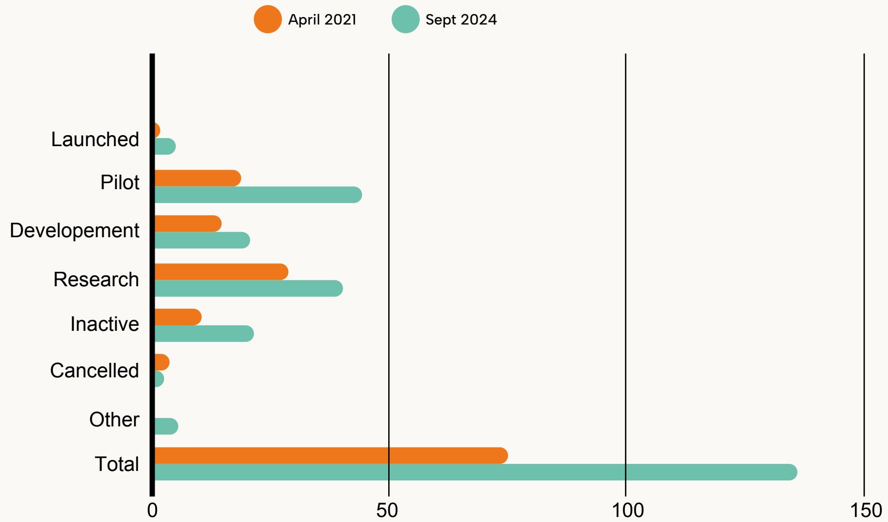
These developments in new payment and financial messaging systems show that significant milestones have already been achieved by the Global South. This shows that the political case for expanding alternative payment systems relies on diplomatic efforts and increased South-South cooperation. While alternative payment systems are not sufficient to bring an end to dollar hegemony, they represent wider strategic efforts to develop alternative financial infrastructure. This can serve multiple purposes such as reshoring economic activity, widening the use of local currencies and promoting greater macroeconomic policy space for participating countries.

2.2 **New forms of money**

Money has been undergoing seismic shifts with the ongoing displacement of cash and the evolution of new forms of digital assets including cryptocurrencies (such as Bitcoin), stablecoins, and Central Bank Digital Currencies (CBDCs) (Bikas and Livingstone, 2020). Privately developed crypto assets have been gaining popularity as speculative investments since the arrival of Bitcoin, but their extreme volatility combined with other design issues makes the vast majority of such assets unsuitable to be used as a means of exchange, store of value or unit of account. The potential exception lies in stablecoins, which are privately issued crypto assets pegged to a national currency, often the dollar. These crypto assets technically allow for transfers of stable forms of money without relying on the institutions of the global banking system. Notably, however, the vast majority of stablecoins are pegged to the dollar and thus cannot contribute to overcoming the role of the dollar itself, while one also would need access to traditional banking services to convert stablecoins into national currencies. However, crypto assets such as Bitcoin have turned distributed ledger technology (DLT), also known as Blockchain, into a proven technology with a multitude of potential use cases for international trade and finance.

In response, central banks have stepped up engagement with research, development, and piloting of CBDCs with 93% exploring or piloting the introduction of CBDCs into their domestic monetary systems (Figure 2.1) (Kosse and Mattei, 2023). Three countries have fully launched a CBDC: the eNaira in Nigeria, the Bahamian sand dollar, and the Jamaican Jam-Dex. Currently, 35 countries are conducting national pilot schemes at varying stages including France, Canada, China, and India. The ECB's 'digital euro' is currently in the preparation phase and includes all EU member states' national central banks (ECB, 2023). China's digital yuan (e-CNY) is the largest pilot to date, with over 260 million users, billions in transactions, and covering twenty-five cities. China is increasingly developing research into cross-border use of the e-CNY, including the mCBDC Bridge Project with the Bank for International Settlements (BIS), Thailand, UAE, Hong Kong, and most recently Saudi Arabia (Kumar, 2023). There are a growing number of cross-border or multi-CBDCs (mCBDCs) projects in addition to Project mBridge, such as Project Dunbar, Project Jura, Project Agora and Project Icebreaker. Notably the BRICS original members Brazil, Russia, China, South Africa, and India are all in the pilot phase of developing their own CBDCs, and work on wholesale CBDCs has stepped up with 13 different projects globally (Atlantic Council, 2024).

Figure 2.1: Growth of CBDC projects globally between 2021 and 2024



Source: Atlantic Council, 2024.Central Bank Digital Currency Tracker - Atlantic Council. Note 'other' refers to no formal CBDC research but developments in digital wallets and new payments infrastructure.

Given the important role of public money in the economy, particularly against a backdrop of declining usage of cash as well as the digitalisation of payment systems, there is a growing interest in the potential for CBDCs to provide a new form of risk-free money available to the public. CBDCs are a digital form of central bank money, denominated in the national unit of account, and like cash, they are a direct liability of the central bank (Carstens, 2021). By contrast, commercial bank money is not risk-free as banks can default or go bankrupt. Therefore, central bank money is a type of public good and plays a crucial role in ensuring monetary and financial stability. It establishes trust in the money we use and in the central bank's ability to safeguard the core functions of money, including confidence in where final liability lies for the settlement of payments (Morgan, 2023; Kuehnlenz et al, 2023). CBDCs are different to other forms of digital assets which are privately issued such as cryptocurrencies (for example Bitcoin), or stablecoins which are linked to national currencies or other assets to maintain their value stability. They are also different to the everyday electronic payments people use through their private sector bank accounts, as these are the liability of private commercial banks.

There is wide variation in the types, design and implementation choices related to CBDCs across countries (Box 3). There are two main types - retail and wholesale. Retail CBDC is a digital version of cash made available to households and businesses for general payments and as a store of value (Bank of England and HM Treasury, 2024).[21] Wholesale CBDCs would be limited to use by financial institutions and commercial banks to settle large value interbank payments between banks and financial institutions. Wholesale CBDCs could lead to faster payments and efficiency gains, but within the domestic economy they are unlikely to have significant impact as interbank payments are already settled with central bank reserves digitally (Prasad, 2021). Cross-border wholesale CBDCs could have more far-reaching implications by enabling countries to bypass the current dollar-based corresponding banking system. Reducing the need to rely on intermediaries and external currencies would reduce costs, foreign exchange and liquidity requirements, and settlement risks associated with cross-border flows. Wholesale payments usually take one to two days to settle, but CBDCs offer instant settlement, eliminating risks and delays, offering a significant advantage for adoption (Bai, 2024). The value of cross-border payments is forecast to reach over $250 trillion by 2027 (Bank of England, 2023), of which wholesale payments are a significant element, representing 80% percent of the value and 20% of the volume of cross-border payments (Buckley and Trzecinski, 2023). Recently, interest in wholesale CBDCs has been gaining traction, partly due to the problems with the current corresponding banking system that is outdated, cumbersome and shrinking (Boar, 2020). China's CBDC, the e-CNY, has been developed

[21] Retail CBDCs can be either token-based or account-based and can have very different monetary policy and wider economic implications. See Prasad (2021), 'The Case for Central Bank Digital Currencies'.

with cross-border payments in mind, in order for the RMB to be used as a trade settlement currency in bilateral agreements rather than dollar invoicing. This could accelerate currency diversification and movement away from the dollar, and the e-CNY has already been used to buy liquified natural gas from the UAE in yuan (Kennedy, 2023).

CBDCs as digital public money, paired with new payments infrastructure, offer a viable alternative to the traditional financial infrastructure dominated by the Global North (Kuehnlenz et al, 2023). It is also an important alternative to the private sector led fintech industry's growing presence in Global South economies. There is an important caveat to the role of new digital forms of money and payment platforms in the context of the increasingly financialised global banking sector. Through the guise of development and financial inclusion, governments, international financial institutions (IFIs), and the fintech sector have entered into the space of domestic digital payments and credit services in ways that reinforce neo-colonial financial practices and uneven economic development (Bernards, 2022; Koddenbrock, 2019). This has also served to financialise the everyday lives of poorer and excluded populations through exploitative new credit scoring systems (Gabor and Brooks, 2017) and deepens the monopoly power of fintech players (Clarke, 2019). In contrast, CBDCs could reduce the monopoly power and bank profits of the private banking sector by offering a non-financialised and safe store of value, as holdings would be as secure as cash, unlike commercial bank money, which carries credit, liquidity, and bank failure risks (Das et al, 2023). However, for these benefits to materialise, it is important that the design of the CBDC does not encourage capital flight or outflows which would reduce domestic levels of saving and investment (Bank of England, 2024).

Box 3: Types of CBDCs and associated advantages and disadvantages.

Different types of CBDCs have specific advantages and disadvantages depending on the design and purpose of the CBDC.

<table>
<tr><th>CBDC type</th><th>Pros</th><th>Cons</th></tr>
<tr><td>Domestic Retail</td><td>**Financial inclusion:** Universal access could bring unbanked populations into the financial system via mobile and digital payment platforms.

Reduced transaction costs and cheaper real time payments: Facilitates low-cost domestic payments.

Revenue: Generates revenue for governments via seigniorage.

Enhance monetary policy and liquidity management: Improving central banks' ability to implement monetary policy, facilitate real-time settlement, and streamline cross-border payments, supporting financial stability.</td><td rowspan="2">**Complex implementation:** Requires updates to banking infrastructure and regulatory frameworks.

Resistance from banks: Commercial banks may resist due to fear of losing their intermediating role.</td></tr>
<tr><td>Domestic Wholesale</td><td>**Efficient settlement:** Speeds up settlement for payments, and reduces transaction costs.

Monetary policy control: Enhances central bank oversight on money flows.</td></tr>
<tr><td>Cross-border Retail</td><td>**Reduces dollar dependency:** Promotes local currency use in international trade, reducing reliance on the US dollar.

Financial independence: Provides an alternative to the dollar-denominated banking system.

Faster and low cost remittances: Allows cheaper and faster remittances, critical for Global South economies.</td><td>**Regulatory challenges:** Cross-border CBDCs require harmonisation and interoperability.

Coordination hurdles: Requires substantial international coordination and agreements between central banks.

Currency substitution: If a foreign CBDC (i.e. US dollar) becomes more accessible and widely used in countries where the local currency is less stable. People and businesses might substitute for the foreign CBDC further weakening the use of their own national currency. This would reinforce the existing reliance on foreign currencies like the US dollar, particularly in economies that are already partially dollarised. Increased access to foreign CBDCs could reduce transaction frictions and make foreign currencies more attractive, thereby exacerbating currency substitution in developing economies.</td></tr>
</table>

Cross-border Wholesale	**Reduced dollar dominance:** Facilitates direct settlement in local currency, decreasing reliance on the US dollar in trade and investment. **Supports South-South trade:** Encourages direct South-South trade, reshoring economic activity and bypassing the dollar-based payment system. **Cost-efficient transactions:** Reduces costs for cross-border transactions.	**Volatility and liquidity risks:** Smaller and less liquid currencies may face risks in large-scale cross-border transfers. **Interoperability:** Different national CBDCs must work together effectively. **Capital flight risk:** If cross-border CBDCs are not well-regulated, they could exacerbate capital outflows where funds quickly leave the country, destabilising the local economy. Smaller economies face challenges in managing liquidity and currency stability during large cross-border flows.

Source: Drawn from various reports: IMF (2020); Zhang, (2020); World Bank (2021); Auer et al (2021); BIS (2021); Bank of England, (2021); Mu and Mu (2022); Youel (2024).

2.3 CBDCs and interoperability

Governments and central banks have diverse motivations for adopting CBDCs including modernising payment systems, promoting financial inclusion, simplifying remittance payments, and enhancing the efficiency and effectiveness of monetary policy (Di Iorio et al, 2024). In countries like the Bahamas, the primary goal is improving financial inclusion by providing digital payment access to the unbanked, as seen with the Sand dollar. While others such as BRICS+ look towards the potential for CBDCs to support their de-dollarisation strategies to broaden local currency trade and diversify their investment and reserve holdings. Many Global North economies like the US or EU tend to focus less on inclusion and more on maintaining control over monetary systems, countering private cryptocurrencies, and preserving the global dominance of their currencies. These differing priorities risk creating a fragmented landscape, with incompatible CBDC systems, and entrenching the inequities of the existing dollar-based system. This could negatively impact Global South economies if dollar-based CBDCs become the new international standard for cross-border payments and trade settlement, as this would merely be a substitution to digital versions of foreign currencies such as the dollar (Das et al, 2023).

Achieving interoperability will be a critical step to ensure CBDCs support a more balanced and multipolar IMFS. Interoperability means that a CBDC issued by one central bank can be directly exchanged with another across different jurisdictions and regulatory frameworks, meaning that interoperable CBDC platforms essentially function as payment systems. Interoperability is important because it would reduce the need for multiple currency conversions and intermediaries, typically through the dollar (Box 4). However, establishing interoperability remains a high bar to overcome as it requires significant cooperation between countries and central banks, and the development of new shared infrastructure between countries to achieve seamless transactions of different CBDCs. It is a big political hurdle as each central bank would have to decide: whether to allow non-residents to hold deposits of its own CBDC; the establishment of a joint payment corridor; and the specific conditions of a host of bilateral agreements (Eichengreen, 2023).

Box 4: Interoperable CBDCs

As many countries develop domestic CBDCs, there is a risk of fragmentation in the global financial landscape. Different countries may design their CBDCs with varying objectives, such as enhancing financial inclusion, improving payment system efficiency, or reducing reliance on foreign currencies. This could result in a situation where CBDCs operate on different technological platforms, regulatory and legal standards, and with distinct payment systems.

An **interoperable CBDC** system means that different CBDCs could directly exchange with other countries' digital currencies or financial systems. This means that different countries can trade directly in their own digital currencies without needing to convert to a third currency like the dollar. For example, if India and Brazil have interoperable CBDCs, someone in India can directly transact with someone in Brazil, sending and receiving payments in their respective digital currencies. The Bank for International Settlements (BIS) has highlighted the importance of interoperability for CBDCs in order to reduce dependency on the dollar in global transactions and make international payments faster and cheaper (Skingsley, 2022).

There are various ways in which interoperable CBDC payment systems can be designed, but the different models can be broadly defined as existing of three categories (Auer et al, 2021):

Compatible CBDC systems – By developing standards to increase compatibility, such as common messaging standards and data formats, privately offered corresponding and payment service providers (PSPs) could offer settlement services for individual CBDCs with different rulebooks and governance models.

Interlinked CBDC systems – Linking different CBDC systems together through contractual agreements which facilitate communication and exchange of data would mean that direct settlement between different CBDCs is possible, even with different rulebooks and governance criteria for each individual CBDC. This could be achieved either by establishing a common technical interface or by creating a common clearing union which may be either centralised or decentralised.

Single system CBDC model – This model does not connect different CBDC systems, but is a single system encompassing multiple CBDCs, all sharing the same technical infrastructure, ledger, and governance criteria for the network. The most integrated of the three models, thus providing the highest level of functionality and efficiency but instead relies on multiple parties agreeing to a common set of rules governing the network as a whole. There is scope to have differences in the governance and rulebook of each individual CBDC, for example for transaction limits, as long as such differences are compatible with the rulebook for the network as a whole.

2.4 CBDCs and reducing dollar dependency

The potential for CBDCs to challenge the dollar-dominated IMFS has sparked significant debate. Interoperable CBDCs sit alongside new interbank and regional payments systems as part of an alternative menu of options for countries to challenge dependency on the dollar, limit its use as an intermediary currency and to create a new financial infrastructure that is less dominated by Global North institutions (Desai and Hudson, 2021). New regional and bilateral payment systems that bypass the dollar already exist, albeit with limited uptake, as discussed in previous sections. However, while these systems can facilitate cross-border trade in local currencies, they often fail to overcome the other limitations of traditional payment systems, such as slow processing, settlement risk, liquidity requirements and centralisation. In addition to the benefits of increased local currency use, interoperable CBDC platforms could also provide significant economic benefits by reducing the risks related to centralisation, facilitating near-instant settlement, and substantially reducing transaction costs. Since these benefits could incentivise other participants to join the platform, CBDCs could accelerate the shift to using local currencies for trade settlement, investment, and to diversify reserve holdings. In the long term this could see central banks replacing the current dollar-based corresponding banking system leading to a 'central banking correspondence' system (Pozsar, 2023).

CBDCs paired with regional payment systems could widen acceptance of local currency use in trade, debt, and investment, and build macroeconomic stability over the long term which would help Global South economies to reclaim their economic policy space (Kaltenbrunner and Orsi, 2024). This would simplify both domestic and cross-border payments by enabling direct exchanges between central banks and reducing reliance on the traditional correspondent banking system. As public digital money, CBDCs widen trust in local currencies as unlike commercial bank money, they are not subject to the risks of bank failure or liquidity shortages because they are directly issued and backed by the central bank. Das et al (2023) highlight that introduction of CBDCs could help countries to de-dollarise or counter 'cryptoization' by providing a more attractive and secure means of payment. This would counter the rise of foreign denominated digital money (i.e. stablecoins) to prevent substitution away from the local currency. Private financial institutions often resist the shift to local currency because of their reliance on lucrative foreign exchange operations. CBDCs can help to bypass these barriers as an alternative public infrastructure to encourage the use of local currency by different economic actors. With CBDCs, central banks can offer loans directly into the economy to give businesses alternatives to borrowing in foreign currencies at cheaper rates and minimising currency mismatch risks. This would spur domestic investment by making borrowing and issuing debt in the local currency more attractive for businesses, and debts easier to repay (Kaltenbrunner and Orsi, 2024). CBDCs have potential to provide greater control over the economy, supporting long-term macroeconomic stability and reducing reliance on foreign currencies, which often exposes economies to exchange rate risks and financial instability. Central banks would have more direct influence on the money supply and interest rates strengthening monetary policy transmission channels and macroeconomic stabilisation (Das et al, 2023).

CBDCs as part of a menu of alternative options to reduce dollar dependency has been gaining traction. For example, several BRICS+ alliance members are taking part in project mBridge to create an interoperable multi-CBDC platform for real-time cross-border payments (section 2.2). Project mBridge has reached its minimum viable product stage, and will look to increase its coverage (BIS, 2024). This initiative could eventually evolve into a comprehensive payment system for settling trade and transactions among BRICS+ nations, using their own CBDCs. At the 2024 BRICS summit member countries reiterated their commitment to building an alternative financial infrastructure that would allow its members to trade in local currencies. Given that China is the top trading partner of a majority of countries in the world, and the four largest commercial banks globally are Chinese state-owned banks (Jimenea et al, 2024), it is in a unique position to advance interoperable CBDC payment systems with trading partners for whom it would be mutually beneficial.

China is unlikely to be willing to transform the yuan into a global reserve currency with further opening of its financial markets due to its domestic economic priorities, but this does not reduce the potential of BRICS de-dollarisation strategies. In fact, the construction of a more just financial infrastructure would benefit from the creation of a settlement currency or payment infrastructure that is more representative of the Global South as a whole, rather than a single country. One of the key issues of the dollar-based IMFS is that a single country, the US, decides on the monetary policy, the technical frameworks, and who is allowed to participate in the network. The benefits of building interoperable CBDC networks would be that decision-making on aspects which concern the whole network would be less centralised. CBDCs built using distributed ledger technology provide an optimal foundation for a more decentralised money and payment system that cannot be dominated or exploited by a single country. Depending on its design, it could reduce or remove the threat of weaponisation of a currency or financial messaging system, which has become an increasing concern with the dollar-based IMFS and SWIFT.

The dollar will likely remain deeply entrenched in global financialised markets. Global trade in goods ($46 trillion annually) is dwarfed by the several hundred trillions flowing daily through capital markets through trading in bonds, derivatives, and foreign exchanges operations (Tyson, 2023). The dollar's dominance is reinforced by the vast size, depth, and liquidity of US financial markets, which create powerful network effects that perpetuate its global position (Gopinath and Itskhoki, 2021). Building new financial architecture based on new payments and interoperable CBDCs would support current strategies to shift to local currency in trade, credit and investments. Rather than replace the global hegemonic power of the dollar the aim is to erode dollar dependency where it matters, to support reshoring economic activity and protecting against the financial and macroeconomic vulnerabilities imposed on countries via the dollar-centric system (see Chapter 1).

2.5 **Global South-led multilateral development banks and financing initiatives**

New Global South-led multilateral development banks are playing a significant role in strategic efforts to reduce dependency on the dollar and deliver financing that increases economic independence and resilience. These institutions provide an alternative to the traditional Global North dollar-centric financial system by offering funding in local currencies and building regional cooperation. Some examples include: The New Development Bank (NDB), established by the BRICS countries in 2014; The Asian Infrastructure Investment Bank (AIIB) led by China and founded in 2016; Banco del Sur (Bank of the South) established by South American countries; Islamic Development Bank (IsDB) covering countries across the Middle East, Africa, and Asia; and the African Export-Import Bank (Afreximbank) serving African Union member countries. The NDB has committed to issuing a minimum of 30% of bonds in local currencies like the Chinese yuan and the South African rand to mitigate currency risk and strengthen local financial markets of member countries (New Development Bank, 2022).

South-South lending and financing initiatives have emerged as an important alternative source of finance for Global South economies potentially at more favourable terms and with fewer strings attached. These new initiatives include South-based national public and development banks, regional and multilateral institutions, infrastructure funds, foreign exchange reserve funds, and sovereign wealth funds. So far the financing initiatives have been ad hoc and dominated by larger economies such as China. South-based banks and institutions have also extended mechanisms to meet official liquidity and debt requirements such as swap lines and bridge loans. The Argentine government avoided defaulting on large-scale IMF loans of over $5 billion in 2023 by repaying the IMF in yuan through so-called 'bridge loans' (Lulu, 2024). This novel approach has helped Argentina avoid default and the associated negative market perceptions, allowing it to maintain its ability to access financial markets without the imposition of harsh austerity or other conditions imposed through an IMF bailout programme. China also issued dollar-denominated bonds in Saudi Arabia in 2024, representing another development in financing initiatives

(McCartney, 2024). Given the scale of the Chinese economy and its sizable dollar reserves, an expansion of this strategy could see China becoming an alternative provider of dollar liquidity to Global South countries without the conditionalities associated with loans from Global North-led MFIs. South-South Foreign Direct Investment (FDI) has also grown dramatically in the past two decades. These new Global South-led development banks and initiatives have the potential to provide both short-term liquidity and the long-term, patient capital needed to achieve domestic sustainable development priorities and tackle climate change. At the same time, it is crucial that South-led financing initiatives are rooted in economic justice principles and are development-oriented, rather than replicating the unfair conditionality and high structural barriers to finance that characterise Global North mechanisms and institutions (Barrowclough and Gottschalk, 2018; Barrowclough et al, 2020).

2.6 **Multilateral cooperation and reforming the IMFS**

Technical innovations such as CBDCs and South-led multilateral development banks and financing initiatives are strategies Global South countries can implement to reduce dependency on the dollar without relying on the support of MFIs or other Global North institutions. However, multilateral cooperation and reforms to the existing hierarchical IMFS and the MFIs should not be overlooked. Many reforms to the existing IMFS and key Bretton Woods institutions have been repeatedly called for by Global South governments, activists and leaders following independence and decolonisation movements (Section 1.1.3).

The context of ecological breakdown means that reforming the IMFS must also be understood as a matter of urgency for many Global South climate vulnerable countries already on the frontline, fighting the impacts of extreme weather. The current IMFS is not only unjust and hierarchical, but it also inhibits the allocation of resources necessary for a global and just green transition. It is possible to guarantee a decent standard of living for everyone on the planet even with significantly lower resource and energy use than current levels if distributed more equitably (Hickel and Sullivan, 2024). However, this requires overcoming structural growth imperatives (Barmes and Boait, 2020) and reorganising the IMFS on the basis of climate justice principles. The hierarchical context in which financing is granted in the current IMFS has so far meant that climate financing designed by MFIs and other Global North-dominated institutions have become high-yielding investment opportunities with financiers in the Global North profiting off the nexus of debt and climate disaster in the Global South (Perry, 2021).

The on-going debt crises across many Global South countries has deep roots in colonialism and continues through neo-colonial structures inherent in today's IMFS. As highlighted by Thomas Sankara: "The origins of the debt arise from the origins of colonialism. Those who lend us money are the same who colonised us before. They are those who used to manage our states and economies."[22] A comprehensive programme of debt cancellation is urgently needed in the Global South with many countries facing an unprecedented debt crisis, as discussed in Section 1.2.1. The cycle of unsustainable debts is driven by the currency power of Global North countries and the dollar-centric IMFS. High levels of sovereign debt distress across Global South nations drastically restrict their ability to undertake sustainable economic development in line with domestic priorities. Without debt cancellation, these countries are trapped in a cycle of poverty, unable to invest in healthcare, education, or sustainable development (Latindadd and Afrodad, 2023; Progressive International, 2024). Furthermore, Global North's powerful creditors and MFIs often impose harsh restructuring and austerity on countries that have defaulted or requested debt relief. This only reinforces economic dependencies and deepens the debt trap. Global South nations could benefit from harnessing

[22] Thomas Sankara was the former President of Burkina Faso. Sankara made this statement during his famous speech at the Organization of African Unity (OAU) summit in 1987, where he passionately argued for the cancellation of Africa's debts, framing them as a continuation of colonial exploitation. He viewed the debts owed to former colonial powers as illegitimate, since they were accrued by the colonial regimes that left African countries economically dependent on the very nations that had exploited them. See also Roos (2018) and Debt Justice on the colonial roots of the global debt crisis (Woolfenden, 2023).

their collective bargaining power by organising 'debtors' clubs' to renegotiate the terms of servicing debts and push through cancellation of unsustainable debt burdens (Progressive International, 2024).

Meaningful reform must go beyond debt cancellation and include a more equitable allocation of financial resources from the Global North to the Global South. For example, reallocating SDRs from wealthier countries to Global South countries to act as a new investment instrument directed at specific development and climate financing initiatives. SDRs are reserve assets issued by the IMF, and these can be exchanged for currencies like the dollar or the euro. The majority of SDRs are allocated to high-income countries who do not use them yet control 60% of total SDR allocation. This creates a disparity where the countries most in need of SDRs are not receiving enough, while wealthier nations accumulate them as reserves without using them (Cashman et al, 2022).

A number of key proposals exist to reform current SDRs to better serve the Global South for both liquidity needs in face of crisis and to support longer term development and climate related priorities. For example, the African Development Bank Group (2023) argues for rechanneling SDRs through multilateral development banks and regional development banks, allowing these institutions to leverage SDRs by up to four times, unlocking substantial funds for climate resilience and economic development in Africa. The Bridgetown Initiative (2024) of Global South nations called upon the IMF to issue $500 billion worth of new SDRs to lower borrowing costs and be used as liquidity support. A critical proposal is to transform SDRs into long-term financing for Global South countries, reworking them into new asset classes dedicated to climate resilience and sustainable development. This would allow developing countries to access SDRs for specific, long-term projects, not just emergency liquidity needs (Kozul-Wright, 2023; Miranda, 2023). Additionally, issuing SDRs to Global South nations would be a flexible way in which to pay reparations to the Global South (Hewitt, 2004) to begin rebalancing the hierarchical structure of the IMFS. This is likely to be most effective if combined with setting up a Bank of International Reparations to administrate the claims (Sissoko, 2024), in which Global South countries would have a majority of voting power. Global North countries, particularly those with dominant roles in the IMFS, are resisting reforms to SDRs due to concerns about diminishing their control over the IMFS. One key reason is that SDR allocations are based on IMF quotas, which heavily favour wealthy nations. Reforming SDRs to benefit the Global South would require reallocating these resources to Global South countries, potentially reducing the influence of richer nations over international liquidity. Additionally, legal and political hurdles, especially in the US Congress, complicate decisions around SDR reform, as many Global North countries fear that such changes might weaken their economic leverage over Global South economies by reducing the power of the US dollar and other major currencies (Muchala, 2021; Cashman et al, 2022). Going beyond SDRs, the economist John Maynard Keynes' proposal of setting up an international unit of account that is disconnected from national currencies and administered through an International Clearing Union (Hirai et al, 2013) would also challenge dollar dominance in the IMFS. This would require significant levels of multilateral cooperation and would likely face substantial opposition from the US at the international level as it did when proposed by Keynes at the Bretton Woods Conference.

The weaponisation of the dollar and monetary policy through economic sanctions tightens the grip of the Global North over the economies of the Global South, further entrenching neo-colonial power dynamics and limiting economic sovereignty. Many Global South countries argue that an end to sanctions is necessary to break free from this cycle of dependency and to pursue a more multipolar and equitable global economic system (Progressive International, 2024). Nyamunda argues that these sanctions act as a form of economic warfare, deepening the financial dependency of Global South nations and restricting their access to critical financial markets and resources (Sial et al, 2022). Economic sanctions imposed by Global North countries have devastating effects in reducing access to foreign exchange and international trade for sanctioned countries with significant implications for domestic economic policy.[23] The US imposes almost 15,000 different economic sanctions, with 60% of low-income countries currently sanctioned by the US (Stein and Cocco, 2024). By restricting the ability to access foreign exchange and trade, sanctions have negative effects on mortality, poverty, inequality and human rights (Rodríguez, 2023) at a similar level to that of major conflicts (Allen and Lektzian, 2023). Multilateral cooperation is required to stop Global North countries from exploiting their position in the currency hierarchy by weaponising monetary policy to impose economic sanctions against those in the Global South.

2.7 **Conclusion**

The global financial landscape has been evolving with the development of new payment systems and CBDCs. These developments could help facilitate a Global South-led approach to promote greater use of local currencies and reclaim economic policy space for countries adversely impacted by the hierarchical IMFS. While these new innovations cannot end the primacy of the dollar solely by themselves, they can help build a new financial architecture to bypass the dollar-centric system and open up space for a more multipolar global financial system.

New multilateral development banks and South-South financing initiatives have, to this point, played the key role in challenging the structural injustices embedded in the current hierarchical IMFS and are likely to grow in importance. The development of CBDCs and interoperable payment systems would not only facilitate instant settlements between participating countries and overcome the technical limitations of the traditional international payment system, but may also serve as platforms for building stronger South-South financial integration and a fairer IMFS. Higher levels of Global South integration and new technological developments in the form of interoperable CBDC payment systems offer a path towards a less dollar-centric financial system, but it is important that MFIs and other Global North institutions do not hinder this progress and actively recognise the hierarchical nature of the current IMFS. It is vital that these new forms of money and payment systems are combined with actions that address the hierarchical nature of the existing IMFS, and that Global North governments and MFIs commit to debt cancellation, climate finance commitments and the calls for climate reparations, ending the weaponisation of the dollar, and reforming the system of SDRs to build a fairer and more just IMFS.

[23] Sanctions are meant to cause sufficient economic pain and hardship among the population to build pressure for regime change (LeoGrande, 2022), therefore often referred to as a form of 'economic warfare' that Global North governments use to advance their interests in the Global South.

3. **Policy Implications**

This chapter draws out some of the key policy implications discussed in the preceding chapters of this report. The report has explored the potential for creating a more balanced and multipolar IMFS, focusing on new payment systems paired with building interoperable CBDCs, South-led multilateral development banks and financing initiatives, and reforms to the existing IMFS. These policies aim to reduce dependency on the dollar-centric IMFS by building an alternative financial architecture. This would enable the broader use of local currencies for trade and debt, reshore economic activity, and restore economic policy space for Global South countries. By doing so, it would shield these economies from the macroeconomic vulnerabilities imposed by the dollar-based IMFS. Such changes would allow countries to refocus resources on domestic sustainable development priorities and addressing the climate crisis. Additionally, these developments could help shift away from extractive, environmentally harmful sectors that contribute to inequality and conflict, which the current hierarchical IMFS forces many Global South nations to rely on.

3.1 **Develop and strengthen new payment systems**

The foundations for new cross-border and local currency payment systems are already in place. Section 2.1 highlighted CIPS and local regional payment networks such as PAPSS in Africa (Amato and Gobbi, 2024) and SML in the Mercosur region (Kaltenbrunner and Orsi, 2024), aimed at reducing dependency on the dollar-centric IMFS and promoting wider use of local currencies for trade and debt. These represent both top-down and bottom-up approaches to reclaim the economic and monetary policy space. However, many of these systems are in their infancy and more research is needed to understand the political economy, macroeconomic and technical constraints to widening participation and take-up amongst financial institutions, local banking systems, SMEs and individuals. For example, how dependence on foreign debt, foreign investment, and high levels of integration in dollar-centric financial markets constrain macroeconomic policy space (Hickel, 2021), and further country and region specific analysis of how capital controls, industrial policy or other measures can support a transition to local currency-based payment systems is necessary.

The development and uptake of new payments infrastructure is likely to be most effective if integrated into state-led strategies that link economic and sustainable development policies with specific measures to reduce dollar dependency, such as bilateral and multilateral trade agreements in local currencies, financial support for SMEs to expand public credit in local currencies, strengthen macroeconomic stabilisation against volatile exchange rates, and public information campaigns to encourage the use of local currencies (Fritz et al, 2018; Kaltenbrunner and Orsi, 2024). Smaller countries could explore how to expand the use of local currencies through greater regional integration and cooperation. Leveraging collective power through participation in larger trading blocs can overcome reliance on the Global North-dominated payment systems.

Governments and central banks play a crucial role in expanding local currency regional payment systems. They can do so by harmonising legal, financial, and regulatory frameworks, promoting the benefits of local currency trade, and expanding bilateral and regional trade agreements that incorporate these systems. Central banks should collaborate to gradually include unsupported currencies in these systems, further reducing the need for external currencies in cross-border trade and debt. At the same time, central banks and institutions in the Global North must support the development of these cross-border systems, not only modernising existing infrastructure but also fostering a more equitable IMFS by challenging the entrenched dominance of their own currencies. Building alternative payment systems based on local currency use requires a high level of cooperation and commitment, and takes time to construct and roll out. However, if successfully expanded, these systems could form the foundation for a new financial architecture to bypass the dollar-centric payment system (Progressive International, 2024).

3.2 **Building interoperable CBDCs**

State provision of new forms of digital money, namely CBDCs, have the potential to play a pivotal role in challenging the injustices of the current hierarchical IMFS. Paired with developments in new payment systems, CBDCs could accelerate efforts by Global South economies to reduce dollar dependency, build trust in the use of local currencies, reclaim the macroeconomic policy space, strengthen the public banking system and reshore economic activity.

CBDCs are in various stages of development and research globally. Countries are pursuing CBDCs in line with their domestic mandates and priorities, and it is important to consider different use cases and compatibility issues for domestic macroeconomic policy and cross-border payments. Especially given the spread of private fintech across Global South economies, it is crucial to have a publicly-issued digital version of money and related infrastructure to ensure it supports a broader strategy to reclaim monetary space for countries facing the costs of a highly unequal and hierarchical IMFS. However, more research is needed into the opportunities and constraints of CBDCs for cross-border payments and to develop interoperability between countries. Considering how CBDCs can combine with new payment systems as an alternative financial infrastructure that can serve the needs of both retail and wholesale uses in line with domestic economic development strategies is likely to prove a constructive agenda, creating economic policy space beyond the constraints of the dollar-centric IMFS. It is vital that institutions such as the BIS and IMF act as platforms that fund and support the research and development of interoperable CBDCs, such as Project mBridge, which was developed in partnership with BIS Innovation Hub. The IMF should also update its handbook on CBDCs (IMF, 2023) to emphasise the benefits of building interoperable CBDCs, such as higher levels of monetary autonomy and the opportunity to settle trade in local currencies. These Global North-based institutions should also provide the resources to help Global South countries build CBDC platforms that support more diverse public banking systems to reduce dollar dependency and reshore economic activity. In the absence of support from Global North-led institutions, countries in the Global South should consider researching and developing interoperable CBDC networks as part of regional blocs or other alliances, given the significant potential benefits interoperable CBDCs can provide.

3.3 **Global South-led multilateral development banks**

The role of Global South-led multilateral development banks and their financing capacities is growing in importance within the IMFS. While still limited in terms of financial resources, strengthening these institutions to expand South-led financing initiatives can act as an alternative to the IMF and World Bank, which have historically imposed harsh conditionalities and austerity. These institutions can support stronger regional integration, initiatives for pooling resources, and funding initiatives to reduce dependency on the dollar by focusing on issuing bonds and providing loans in local currencies. Most Global South nations face a highly limited macroeconomic space due to foreign currency-denominated debts and currency risks, but the participation in financing initiatives for pooling resources can help reduce domestic financing constraints (Alami et al, 2022). These South-led development banks, if expanded, can act as a means to provide development finance that is not denominated in dollars, which would be highly beneficial compared to development finance sourced from Global North institutions which only further increases foreign currency-denominated debt burdens. Furthermore, South-led multilateral development banks can provide financing that is in line with domestic industrial strategies to sustainably increase the productive capacity of the economy, unlike financing from Global North MFIs, which is generally only granted for debt-servicing or extractive projects along neoliberal terms and conditionalities (Human Rights Watch, 2023).

South-led multilateral development banks and other financing initiatives can further improve and strengthen South-South cooperation through joint strategic planning and coordination to increase the broad-based use of local currencies. Such institutions could expand the use of new financial mechanisms such as swap lines and bridge loans tailored to the needs of Global South countries, allowing them to avoid the harsh conditionalities imposed by North-centric institutions like the IMF and to overcome the limitations of purely domestic initiatives. These regional or alliance-based initiatives are also well-placed to prioritise sustainable development projects that contribute to a just green transition and support the domestic priorities of participating countries. Given that the financing mechanisms for South-led development banks are based on South-South cooperation, in contrast to the neo-colonial relations present in the IMF or the World Bank, the financing can be founded upon economic justice principles and avoid replicating the inequities of the Global North-centric IMFS. Furthermore, if such financing initiatives are able to successfully contribute to implementing an industrial policy that leads to sustainable economic development it will only improve the alliance's or region's ability to expand such financing initiatives further, creating a positive feedback effect and enabling greater scope for independent economic policymaking. The continued expansion of productive and patient capital financing through South-led multilateral development banks, and other financing initiatives, is crucial for building an effective alternative financing system that reduces dollar dependency and focuses on sustainable industrial and economic development over extractive activities.

3.4 Multilateral cooperation and reforming the IMFS

At this current juncture of multiple crises that disproportionately impact Global South, low-income, and climate-vulnerable economies there is greater need for reforming the existing unequal and hierarchical IMFS. Building alternative financial infrastructures that circumvent the dollar's dominance of the IMFS helps to build a stronger case for arguments to reform the North-dominated MFIs, and there are various actions that could be implemented at the international level with immediate effect to address some of the most pressing inequities in the IMFS. Section 2.5 highlighted the most urgent reforms that have been widely demanded by Global South organisations. This includes: comprehensive debt cancellation, which is paramount as an unprecedented debt crisis is engulfing many countries in the Global South (Progressive International, 2024); reallocating SDRs from wealthier countries to Global South countries to ensure a fairer allocation of global financial resources that is based on need and reflects the historical responsibility of Global North countries to the Global South; and transforming SDRs into a new investment instrument directed at specific development and climate financing initiatives to provide long-term financing that goes beyond crisis management (Kozul-Wright, 2023; Miranda, 2023). In addition, multilateral cooperation is required to stop countries in the Global North from exploiting their position in the currency hierarchy by weaponising monetary policy to impose economic sanctions against those in the Global South.

4. Conclusion

The contemporary IMFS is highly unequal and hierarchical, reflecting its colonial roots, and reproducing many of the same exploitative practices that have historically characterised relations between the Global North and Global South. This report has explored the multiple ways in which the hierarchical and dollar-centric structure perpetuates economic subordination of Global South countries. This underscores the need to create a more balanced and multipolar IMFS through building alternative financial infrastructures that bypass the traditional Global North-dominated system. This may include a mix of new payment systems that promote the use of local currencies, Central Bank Digital Currencies (CBDCs), and the strategic development of Global South-led financial institutions and initiatives.

The dollar's dominance is likely to continue for at least the near future, but its shine is fading and the shackles it imposes are loosening. A new financial architecture can help to reshape the global financial landscape and reform economic relations between and within countries. Greater South-South collective efforts and financing initiatives to reduce dollar dependency are necessary to reclaim macroeconomic policy space and enable Global South countries to tackle the urgent challenges of climate change, inequality, and conflict on their own terms.

Bibliography

Adow, M. (2023). *Adaptation playbook is the true test of Cop28 for world's vulnerable.* Climate Home News. https://www.climatechangenews.com/2023/12/10/adaptation-playbook-is-the-true-test-of-cop28-for-worlds-vulnerable/

African Development Bank Group (AfDB) (2023). *Leveraging Special Drawing Rights for Climate and Development.* African Development Bank Group. https://www.afdb.org/en/news-and-events/events/leveraging-sdrs-climate-and-development-65954.

Alam, J. (2022). *Inflation, Unrest Challenge Bangladesh's 'Miracle Economy'.* The Diplomat. https://thediplomat.com/2022/09/inflation-unrest-challenge-bangladeshs-miracle-economy/.

Alami, I., Alves, C., Bonizzi, B., Kaltenbrunner, A., Koddenbrock, K., Kvangraven, I. and Powell, J. (2022). International financial subordination: a critical research agenda. *Review of International Political Economy*, 30(4), pp.1–27. https://doi.org/10.1080/09692290.2022.2098359.

Ali, M. (2022). *Acute Dollar Dominance.* Phenomenal World. https://www.phenomenalworld.org/analysis/acute-dollar-dominance/.

Allen, S.H. and Lektzian, D.J. (2013). Economic sanctions: A blunt instrument? *Journal of Peace Research*, 50(1), pp.121–135. https://doi.org/10.1177/0022343312456224.

Amato, M. and Gobbi, L. (2024). *The dollar's star is fading — an alternative is already under construction*. Business Day. https://www.businesslive.co.za/bd/opinion/2024-04-26-massimo-amato-and-lucio-gobbi-botline-the-dollars-star-is-fading-an-alternative-is-already-under-construction/

Aminu, N. and Olivares-Caminal, R. (2022). *Russian debt default: What does it mean for Russia and global financial markets?* World Economic Forum. https://www.weforum.org/agenda/2022/07/russian-debt-default-russia-global-financial-markets/

Arslanalp, S., Eichengreen, B. and Simpson-Bell, C. (2024). *Dollar Dominance in the International Reserve System: An Update.* IMF. https://www.imf.org/en/Blogs/Articles/2024/06/11/dollar-dominance-in-the-international-reserve-system-an-update

Atlantic Council (2024). *CBDC Tracker.* Atlantic Council. https://www.atlanticcouncil.org/cbdctracker/.

Auer, R., Cornelli, G. and Frost, J. (2020). *Rise of the central bank digital currencies: drivers, approaches and technologies*. Bank for International Settlements. https://www.bis.org/publ/work880.htm.

Auer, R., Haene, P. and Holden, H. (2021). *Multi-CBDC arrangements and the future of cross- border payments.* Bank for International Settlements. https://www.bis.org/publ/bppdf/bispap115.pdf.

Bai, G. (2024). From De-Risking to De-Dollarisation: The BRICS Currency and the Future of the International Financial Order. *Wenhua Zongheng,* 2(1). https://thetricontinental.org/wenhua-zongheng-2024-1-derisking-dedollarisation-brics-currency/.

Bandera, G. (2024). *How climate colonialism affects the Global South*. Fair Planet. https://www.fairplanet.org/story/how-climate-colonialism-affects-the-global-south/

Bank for International Settlements (BIS) (2024). *Project mBridge reached minimum viable product stage*. Bank for International Settlements. https://www.bis.org/about/bisih/topics/cbdc/mcbdc_bridge.htm?utm_source=chatgpt.com.

Bank of England (2023). *Cross-border payments.* Bank of England. https://www.bankofengland.co.uk/payment-and-settlement/cross-border-payments.

Bank of England (2024). *The Bank of England's approach to innovation in money and payments.* Bank of England. https://www.bankofengland.co.uk/-/media/boe/files/paper/2024/the-boes-approach-to-innovation-in-money-and-payments.pdf.

Bank of England and HM Treasury (2024). *Response to the Bank of England and HM Treasury Consultation Paper: The digital pound: a new form of money for households and businesses?* https://www.bankofengland.co.uk/-/media/boe/files/paper/2024/responses-to-the-digital-pound-consultation-paper.pdfhttps://www.bankofengland.co.uk/-/media/boe/files/paper/2024/responses-to-the-digital-pound-consultation-paper.pdf.

Barmes, D. and Boait, F. (2020). *The Tragedy of Growth*. Positive Money. https://www.datocms-assets.com/132494/1717792333-positive-money-the-tragedy-of-growth.pdf.

Barrowclough, D., Gallagher, K. and Kozul-Wright, R. (2020). *Southern-led development finance: solutions from the global South.* Routledge.

Barrowclough, D. and Gottschalk, R. (2018). *Solidarity and the South: Supporting the new landscape of long-term development finance.* United Nations Conference on Trade and Development. https://unctad.org/system/files/official-document/ser-rp-2018d6_en.pdf.

Baumann-Pauly, D. (2020). *Why Cobalt Mining in the DRC Needs Urgent Attention.* Council on Foreign Relations. https://www.cfr.org/blog/why-cobalt-mining-drc-needs-urgent-attention.

Bernards, N. (2022). Colonial Financial Infrastructures and Kenya's Uneven Fintech Boom. *Antipode,* 54(3). https://doi.org/10.1111/anti.12810.

Bidder, S. and Nitzan, J. (1996). Putting the state in its place: US foreign policy and differential capital accumulation in Middle East 'energy conflicts'. *Review of International Political Economy*, 3(4), pp.608–661. https://doi.org/10.1080/09692299608434375.

Bikas, K. and Livingstone, Z. (2020). *Money We Trust: Designing Cash's Digital Counterpart*. Positive Money. https://www.datocms-assets.com/132494/1718119759-positive-money-money-we-trust.pdf

Blay, L. E. (2024) *Enhancing financial integration in Ghana through interoperable payment systems: a closer look at PAPSS and EPSS.* International Bar Association. https://www.ibanet.org/Enhancing-financial-integration-in-Ghana-through-interoperable-payment-systems.

Billot, J. (2023). *Janet Yellen: expect a slow decline in US dollar dominance*. UnHerd. https://unherd.com/newsroom/janet-yellen-expect-a-slow-decline-in-us-dollar/.

Boar, C. (2020). *New correspondent banking data - the decline continues at a slower pace.* Bank for International Settlements. https://www.bis.org/cpmi/paysysinfo/corr_bank_data/corr_bank_data_commentary_2008.htm

Breger Bush, S., Bukhari, N., Cordova, J., Ingram, N., Kabela, K., Kai, J. and Tapia, V. (2023). *Will the World Ditch the Dollar?*. Dollars & Sense. https://dollarsandsense.org/archives/2023/0923breger-bush-et-al.html.

Bridgetown Initiative (2024). *Bridgetown Initiative*. https://www.bridgetown-initiative.org/.

Buckley, R.P. and Trzecinski, M. (2023). Central Bank Digital Currencies and the global financial system: the dollar dethroned? *Capital Markets Law Journal*, 18(2), pp.137-171. https://doi.org/10.1093/cmlj/kmad007.

Carstens, A. (2021). *Central bank digital currencies: putting a big idea into practice*. Bank for International Settlements. [Speech]. https://www.bis.org/speeches/sp210331.pdf.

Cashman, K., Arauz, A. and Merling, L. (2022). *Special Drawing Rights: The Right Tool to Use to Respond to the Pandemic and Other Challenges*. Center for Economic and Policy Research. https://cepr.net/report/special-drawing-rights-the-right-tool-to-use/.

Chancel, L., Bothe, P. and Voituriez, T. (2023). *Climate Inequality Report 2023*. World Inequality Lab. https://wid.world/www-site/uploads/2023/01/CBV2023-ClimateInequalityReport-1.pdf.

CIPS (2024). *CIPS Participants Announcement No. 98.* Cross-Border Interbank Payment System. https://www.cips.com.cn/en/2024-07/03/article_2024070314443375241.html.

Clarke, C. (2019). Platform lending and the politics of financial infrastructures. *Review of International Political Economy*, 26(5), pp.863–885. https://doi.org/10.1080/09692290.2019.1616598.

Das, M., Griffoli, T.M., Nakamura, F., Otten, J., Soderberg, G., Sole, J. and Tan, B. (2023). *Implications of Central Bank Digital Currencies for Monetary Policy Transmission*. IMF. https://www.imf.org/en/Publications/fintech-notes/Issues/2023/09/15/Implications-of-Central-Bank-Digital-Currencies-for-Monetary-Policy-Transmission-538517.

De Paula, L.F., Fritz, B. and Prates, D.M. (2017). Keynes at the periphery: Currency hierarchy and challenges for economic policy in emerging economies. *Journal of Post Keynesian Economics*, 40(2), pp.183–202. http://hdl.handle.net/10.1080/01603477.2016.1252267.

Desai, R. and Hudson, M. (2021). Beyond dollar creditocracy: A geopolitical economy. *Real-world economics review*, (97). https://www.paecon.net/PAEReview/issue97/DesaiHudson97.pdf.

DFI (2023). *The Worst Debt Crisis Ever: Shocking New Debt Service Numbers*. Development Finance International. https://development-finance.org/en/news/831-11-october-the-worst-debt-crisis-ever-shocking-new-debt-service-numbers.

Di Iorio, A., Kosse, A. and Mattei, I. (2024). *Embracing diversity, advancing together - results of the 2023 BIS survey on central bank digital currencies and crypto*. Bank for International Settlements. https://www.bis.org/publ/bppdf/bispap147.htm.

Dubois, L. (2024). *Frozen Russian assets yielded €4.4bn in 2023, says Euroclear*. Financial Times. https://www.ft.com/content/f4c21b08-5f89-4abb-b72c-6f4b110c790b.

Dutt, D. (2020). *Exorbitant Privilege or Ultimate Responsibility?: Access to the International Lender of Last Resort*. Working Paper.

Eichengreen, B. (2011). *Exorbitant Privilege: The Rise and Fall of the Dollar.* Oxford University Press.

Eichengreen, B. (2022). *Sanctions, SWIFT, and China's Cross-Border Interbank Payments System.* Center for Strategic & International Studies. https://www.csis.org/analysis/sanctions-swift-and-chinas-cross-border-interbank-payments-system.

Eichengreen, B. (2023). *CBDCs still have not found their raison d'être*. Financial Times. https://www.ft.com/content/6b66dc28-e709-4eab-9641-5eddad3f77dc.

European Central Bank (ECB) (2023). *Eurosystem proceeds to next phase of digital euro project*. European Central Bank. https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.pr231018~111a014ae7.en.html.

European Payments Council (2024). *UPI: revolutionising real-time digital payments in India. Interview with Ritesh Sukla*. European Payments Council. https://www.europeanpaymentscouncil.eu/news-insights/insight/upi-revolutionising-real-time-digital-payments-india.

Evans, M. (2018). *Forests in the global bio-economy: Lessons from Indonesia and Brazil*. Forests News. https://forestsnews.cifor.org/58785/forests-in-the-global-bio-economy-lessons-from-indonesia-and-brazil?fnl=en.

Fantacci, L., Pettifor, A. and Amato, M. (2019). *How to transform the EU – and build solidarity between its members.* Open Democracy. https://www.opendemocracy.net/en/oureconomy/how-to-transform-the-eu-and-build-solidarity-between-its-members/.

Feygin, Y. and Leusder, D. (2020). *The Class Politics of the Dollar System.* Phenomenal World. https://www.phenomenalworld.org/analysis/the-class-politics-of-the-dollar-system/.

Fritz, B., de Paula, L.F. and Magalhães Prates, D. (2018). Global currency hierarchy and national policy space: a framework for peripheral economies. *European Journal of Economics and Economic Policies: Intervention*, 15(2), pp.208–218. https://doi.org/10.4337/ejeep.2018.02.11.

Furtado, C. (2020)[1979]. *The Myth of Economic Development.* Translated by J.B. Jones. Polity Press.

Gabor, D. and Brooks, S. (2017). The digital revolution in financial inclusion: international development in the fintech era. *New Political Economy*, 22(4), pp.423–436. https://doi.org/10.1080/13563467.2017.1259298.

Gabor, D. and Sylla, N.S. (2023). Derisking Developmentalism: A Tale of Green Hydrogen. *Development and Change*, 54(5), pp.1169–1196. https://doi.org/10.1111/dech.12779.

Gazi, S. (2023). *De-dollarisation and Internationalisation of Other Currencies: Geopolitics and Implications for Dollar Diplomacy*. Developing Economics. https://developingeconomics.org/2023/09/26/de-dollarisation-and-internationalisation-of-other-currencies-geopolitics-and-implications-for-dollar-diplomacy/.

Getachew, A. (2019). *Worldmaking after empire: The rise and fall of self-determination*. Princeton University Press.

Global Times (2023). *China's first cross-border LNG shipment, settled in yuan, completes offloading.* Global Times. https://www.globaltimes.cn/page/202305/1290796.shtml.

Global Times (2024). *Yuan's share hits record high in global payments in March: SWIFT.* Global Times. https://www.globaltimes.cn/page/202404/1310839.shtml.

Global Witness (2023). *An unjust transition? The new rush for Lithium in Africa*. Global Witness. https://www.globalwitness.org/en/campaigns/natural-resource-governance/unjust-transition-lithium-africa/.

Gopinath, G. (2024). *Geopolitics and its Impact on Global Trade and the Dollar*. [Speech]. IMF. https://www.imf.org/en/News/Articles/2024/05/07/sp-geopolitics-impact-global-trade-and-dollar-gita-gopinath#_ftn2.

Gopinath, G., Boz, E., Casas, C., Díez, F.J., Gourinchas, P.-O. and Plagborg-Møller, M. (2020). *Dominant Currency Paradigm. American Economic Review*, 110(3), pp.677–719. https://doi.org/10.1257/aer.20171201.

Gopinath, G. and Itskhoki, O. (2021). *Dominant Currency Paradigm: A Review.* National Bureau of Economic Research. https://www.nber.org/system/files/working_papers/w29556/w29556.pdf.

Goswami, A. and Rao, A.A. (2023). Beyond Climate Finance: Climate ambition in the Global South requires financial system reforms. Centre for Science and Environment. https://www.cseindia.org/beyond-climate-finance-climate-ambition-in-the-global-south-requires-financial-system-reforms-11753.

Hamouchene, H. (2022). *The energy transition in North Africa: Neocolonialism Again*! The Transnational Institute. https://www.tni.org/en/article/the-energy-transition-in-north-africa.

Hamouchene, H. and Sandwell, K. eds., (2023). *Dismantling Green Colonialism*. Pluto Press.

Hewitt, C.L. (2004). One Capital Indivisible Under God: The IMF and Reparation for in a Time of Globalized Wealth. *American Behavioral Scientist*, 47(7), pp.1001–1027. https://doi.org/10.1177/0002764203261075.

Hickel, J. (2021). The (anti) politics of central banking: Monetary policy, class conflict and the limits of sovereignty in South Africa. *Economy and Society,* 50(1), pp.57–77. https://doi.org/10.1080/03085147.2021.1841931.

Hickel, J., Dorninger, C., Wieland, H. and Suwandi, I. (2022). Imperialist appropriation in the world economy: Drain from the global South through unequal exchange, 1990–2015. *Global Environmental Change*, 73. https://doi.org/10.1016/j.gloenvcha.2022.102467.

Hickel, J. and Sullivan, D. (2024). How much growth is required to achieve good lives for all? Insights from needs-based analysis. *World Development Perspectives*, 35. https://doi.org/10.1016/j.wdp.2024.100612.

Hirai, T., Marcuzzo, M.C. and Mehrling, P. eds., (2013). Why Not Bancor? Keynes's Currency Plan as a Solution to Global Imbalances. In: *Keynesian Reflections: Effective Demand, Money, Finance, and Policies in the Crisis*. Oxford University Press. https://academic.oup.com/book/35368.

Human Rights Watch (2023). *Bandage on a Bullet Wound: IMF Social Spending Floors and the Covid-19 Pandemic*. https://www.hrw.org/report/2023/09/25/bandage-bullet-wound/imf-social-spending-floors-and-covid-19-pandemic.

Intergovernmental Panel on Climate Change (IPCC) (2023). Summary for Policymakers. In: *Climate Change 2021 – The Physical Science Basis: Working Group I Contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*. Cambridge University Press. https://doi.org/10.1017/9781009157896.001.

International Energy Agency (IEA) (2022). *World Energy Outlook 2022*. IEA. https://iea.blob.core.windows.net/assets/830fe099-5530-48f2-a7c1-11f35d510983/WorldEnergyOutlook2022.pdf.

International Energy Agency (IEA) (2023). *Scaling Up Private Finance For Clean Energy in Emerging and Developing Economies*. IEA. https://www.iea.org/reports/scaling-up-private-finance-for-clean-energy-in-emerging-and-developing-economies.

International Monetary Fund (IMF) (2020). *Digital Money Across Borders: Macro-financial Implications*. IMF. https://www.elibrary.imf.org/view/journals/007/2020/050/article-A001-en.xml.

International Monetary Fund (IMF) (2023). *Central Bank Digital Currency Virtual Handbook*. IMF. https://www.imf.org/en/Topics/fintech/central-bank-digital-currency/virtual-handbook.

Jacobs, J. (2024). *Will growth in regional payment systems spur de-dollarisation?* OMFIF. https://www.omfif.org/2024/05/will-growth-in-regional-payment-systems-spur-de-dollarisation/.

Jha, S. (2023). *Is a global debt bomb about to explode?* Al Jazeera. https://www.aljazeera.com/features/2023/7/4/is-a-global-debt-bomb-about-to-explode.

Ji, Q. and Zhang, D. (2019). China's crude oil futures: Introduction and some stylized facts. *Finance Research Letters*, 28, pp.376–380. https://doi.org/10.1016/j.frl.2018.06.005.

Jimenea, A., Wu, J. and Terris, H. (2024). *The world's largest banks by assets, 2024.* S&P Global. https://www.spglobal.com/marketintelligence/en/news-insights/research/the-worlds-largest-banks-by-assets-2024.

Johnson, O.E.G., Destresse, J., Roberts, N., Swinburne, M., Lybek, T. and Adams, R.K. (1998). *Payment systems, monetary policy, and the role of the central bank.* IMF. https://doi.org/10.5089/9781557756268.071.

Kaltenbrunner, A. (2015). A post Keynesian framework of exchange rate determination: a Minskyan approach. *Journal of Post Keynesian Economics*, 38(3), pp.426–448. https://doi.org/10.1080/01603477.2015.1065678.

Kaltenbrunner, A. and Orsi, B. (2024). *Forthcoming paper*.

Kennedy, C. (2023). *Digital Yuan Completes First Cross-Border Oil Deal*. OilPrice.com. https://oilprice.com/Latest-Energy-News/World-News/Digital-Yuan-Completes-First-Cross-Border-Oil-Deal.html.

Koddenbrock, K. (2019). Hierarchical multiplicity in the international monetary system: from the slave trade to the Franc CFA in West Africa. *Globalizations*, 17(3), pp.1–16. https://doi.org/10.1080/14747731.2019.1671111.

Kosse, A. and Mattei, I. (2023). *Making headway - Results of the 2022 BIS survey on central bank digital currencies and crypto*. Bank for International Settlements. https://www.bis.org/publ/bppdf/bispap136.htm.

Kozul-Wright, R. (2023). *A climate finance goal that works for developing countries.* United Nations Conference on Trade and Development. https://unctad.org/es/isar/news/climate-finance-goal-works-developing-countries.

Kuehnlenz, S., Orsi, B. and Kaltenbrunner, A. (2022). Central Bank Digital Currencies and the International Payment System: the Demise of the US Dollar? *Research in International Business and Finance*, 64. https://doi.org/10.1016/j.ribaf.2022.101834.

Kumar, A. (2023). *Practice makes perfect: What China wants from its digital currency in 2023*. Atlantic Council. https://www.atlanticcouncil.org/blogs/econographics/practice-makes-perfect-what-china-wants-from-its-digital-currency-in-2023/.

Lakhani, N. (2023a). *$700m pledged to loss and damage fund at Cop28 covers less than 0.2% needed.* The Guardian. https://www.theguardian.com/environment/2023/dec/06/700m-pledged-to-loss-and-damage-fund-cop28-covers-less-than-02-percent-needed.

Lakhani, N. (2023b). *Revealed: how US transition to electric cars threatens environmental havoc.* The Guardian. https://www.theguardian.com/us-news/2023/jan/24/us-electric-vehicles-lithium-consequences-research.

Lang, M., Manahan, M.A. and Bringel, B. eds., (2024). *The Geopolitics of Green Colonialism: Global Justice and Ecosocial Transitions.* Pluto Press.

Latindadd and Afrodad (2023). *Southern Debt Report: Characteristics and Challenges.* https://www.afrodad.org/sites/default/files/publications/Southern-Debt-Report-Characteristics-and-Challenges.pdf

Le Billon, P. (2001). The Political Ecology of war: Natural Resources and Armed Conflicts. *Political Geography,* 20(5), pp.561–584. https://doi.org/10.1016/S0962-6298(01)00015-4.

LeoGrande, W. (2022). T*oday marks 60 years of the Cuban embargo. What exactly is it?* Responsible Statecraft. https://responsiblestatecraft.org/2022/02/03/today-marks-the-60-years-of-the-cuban-embargo-what-exactly-is-it/.

Liu, Z.Z. and Papa, M. (2022). *Can BRICS De-dollarize the Global Financial System?* Cambridge University Press.

Löscher, A. and Kaltenbrunner, A. (2022). Climate change and macroeconomic policy space in developing and emerging economies. *Journal of Post Keynesian Economics*, 46(1), pp.1–29. https://doi.org/10.1080/01603477.2022.2084630.

Lulu, S. (2024). *How Argentina Utilized its Bilateral Swap Arrangement as a Bridge Loan.* AMRO. https://amro-asia.org/how-argentina-utilizes-its-bilateral-swap-arrangement-as-a-bridge-loan/.

Martin, F.E., Mukhopadhyay, M. and van Hombeeck, C. (2017). *The global role of the US dollar and its consequences. Quarterly bulletin 2017 Q4*. Bank of England. https://www.bankofengland.co.uk/quarterly-bulletin/2017/q4/the-global-role-of-the-us-dollar-and-its-consequences.

McCartney, M. (2024). *How China Could Weaken the US Dollar.* Newsweek. https://www.newsweek.com/china-news-weaken-us-dollar-bonds-1989924

McDowell, D. (2020). Financial sanctions and political risk in the international currency system. *Review of International Political Economy*, 28(3), pp.1–27. https://doi.org/10.1080/09692290.2020.1736126.

Ministry of Finance of the Russian Federation, Bank of Russia, and Yakov Partners. (2024) *Improvement of the International Monetary and Financial System*. BRICS Chairmanship Research. https://yakovpartners.ru/upload/iblock/9c2/ci594n0ysocxuukw7iliw6qtr4xz6cc4/BRICS_Research_on_IMFS.pdf.

Miranda, P. (2023). *Reforming the global debt architecture*. Global Policy Forum Europe. https://www.globalpolicy.org/sites/default/files/Global%20Debt%20Architecture_final.pdf.

Morgan, J. (2023). On CBDC and the Need for Public Debate: Policy and the Concept of Process. *Economic Thought*, 11(2), pp.3–24. http://et.worldeconomicsassociation.org/files/2024/02/WEA-ET-11.2-Morgan.pdf.

Mousseau, S.-C. (2024). *'This Is Our Last Resort': The Maasai's Struggle for Land Rights in Northern Tanzania.* Common Dreams. https://www.commondreams.org/opinion/maasai-land-rights-tanzania.

Muchala, B. (2021). *Tip of the iceberg: How the call for SDRs reveals the urgency for deeper reforms of the global reserve system to address systemic inequalities.* Bretton Woods Project. https://www.brettonwoodsproject.org/2021/03/tip-of-the-iceberg-how-the-call-for-sdrs-reveals-the-urgency-for-deeper-reforms-of-the-global-reserve-system-to-address-systemic-inequalities/.

Mulder, N. (2024). *The west would harm itself with rash seizures of frozen Russian assets.* Financial Times. https://www.ft.com/content/2c917ef5-60bd-4825-89e4-8b88dc9080a8.

Mwaya, J. (2022). *Fixing the Pan-African Payment System for start-ups.* The Africa Report. https://www.theafricareport.com/217225/fixing-the-pan-african-payment-system-for-start-ups/.

New Development Bank (2022). *New Development Bank General Strategy for 2022-2026: Scaling Up Development Finance for a Sustainable Future.* https://www.ndb.int/wp-content/uploads/2022/07/NDB_StrategyDocument_eVersion_07.pdf.

Nievas, G. and Sodano, A., (2024). *Has the US exorbitant privilege become a rich world privilege? Rates of return and foreign assets from a global perspective, 1970-2022*. World Inequality Lab, Working Paper No. 2024/14. https://shs.hal.science/halshs-04563917/document

Orange, R. (2022). *'Green industry wants to take our land': the Arctic paradox.* The Guardian. https://www.theguardian.com/world/2022/apr/21/green-industry-wants-to-take-our-land-the-new-battle-for-the-arctic.

Patnaik, U. (2017) 'Revisiting the "Drain", or Transfer from India to Britain in the Context of Global Diffusion of Capitalism'. In: S. Chakrabarti and U. Patnaik, eds., *Agrarian and Other Histories: Essays for Binay Bhushan Chaudhuri. Tulika Books*, New Delhi. Columbia University Press.

Perry, K.K. (2021). The new 'bond-age', climate crisis and the case for climate reparations: Unpicking old/new colonialities of finance for development within the SDGs. *Geoforum,* 126, pp.361–371. https://doi.org/10.1016/j.geoforum.2021.09.003.

Persaud, A. (2023). *Unblocking the green transformation in developing countries with a partial foreign exchange guarantee*. Climate Policy Initiative. https://www.climatepolicyinitiative.org/wp-content/uploads/2023/06/An-FX-Guarantee-Mechanism-for-the-Green-Transformation-in-Developing-Countries.pdf.

Pigeaud, F. and Sylla, N.S. (2021). *Africa's last colonial currency: The CFA franc story.* Pluto Press.

Pozsar, Z. (2023). *Great power conflict puts the dollar's exorbitant privilege under threat.* Financial Times. https://www.ft.com/content/3e05b491-d781-4865-b0f7-777bc95ebf71.

Prasad, E.S. (2021). The Case for Central Bank Digital Currencies. In: *Future of Money*. Harvard University Press. https://doi.org/10.4159/9780674270091.

Prebisch, R. (1949). *The Economic Development of Latin America and its Principal Problems*. United Nations Publishing.

Progressive International (2024). *Program of Action on the Construction of a New International Economic Order.* Progressive International. https://act.progressive.international/nieo-poa/.

Ramos, J. (2024). *BRICS: Nearly 50 Countries Look to Its Blockchain System Over US Dollar*. Watcher Guru. https://watcher.guru/news/brics-nearly-50-countries-look-to-its-blockchain-system-over-us-dollar

Rodney, W. (2018). *How Europe underdeveloped africa*. Verso Books.

Rodríguez, F. (2023). *The Human Consequences of Economic Sanctions.* Center for Economic and Policy Research. https://cepr.net/wp-content/uploads/2023/04/FINAL-The-Human-Consequences-of-Economic-Sanctions-Rodriguez-7.pdf.

Roos, J. (2018). *The New Debt Colonies.* Viewpoint Magazine. https://viewpointmag.com/2018/02/01/new-debt-colonies/.

Sial, F., Ajl, M., Gil, B. and Nyamunda, T. (2022). *Sanctions and the changing world Order: Some Views from the Global South.* Developing Economics. https://developingeconomics.org/2022/09/01/sanctions-and-the-changing-world-order-some-views-from-the-global-south/.

Siripurapu, A. and Berman, N. (2023). *The Dollar: The World's Reserve Currency*. Council on Foreign Relations. https://www.cfr.org/backgrounder/dollar-worlds-reserve-currency.

Sissoko, C. (2024). On the Economics of Cross-border Reparations Payments: The Case for a Bank of International Reparations. *Development and Change*. https://doi.org/10.1111/dech.12842.

Skingsley, C. (2022). *Options for access to and interoperability of CBDCs for cross-border payments*. Bank for International Settlements. https://www.bis.org/publ/othp52.pdf.

St. Louis Federal Reserve (2024). F*ederal Funds Effective Rate.* FRED Economic Data. https://fred.stlouisfed.org/series/DFF.

Stein, J. and Cocco, F. (2024). *How four U.S. presidents unleashed economic warfare across the globe*. The Washington Post. https://www.washingtonpost.com/business/interactive/2024/us-sanction-countries-work/.

Stevano, S. et al (2023). *Letter: Global South is expression of uneven power relations.* Financial Times. https://www.ft.com/content/0fa86ba8-38db-4298-864b-047cd57b5fd6

Stiglitz, J.E. (2002). *Globalization and its discontents.* Penguin Books.

Svartzman, R. and Althouse, J. (2020). Greening the international monetary system? Not without addressing the political ecology of global imbalances. *Review of International Political Economy*, 29(3), pp.1–26. https://doi.org/10.1080/09692290.2020.1854326.

Sylla, N.S. (2020). *The Franc Zone, a Tool of French Neocolonialism in Africa*. Jacobin. https://jacobin.com/2020/01/franc-zone-french-neocolonialism-africa.

Tang, F. (2022). *What is China's Swift equivalent and could it help Beijing reduce reliance on the US dollar?* South China Morning Post. https://www.scmp.com/economy/china-economy/article/3168684/what-chinas-swift-equivalent-and-could-it-help-beijing-reduce?campaign=3168684&module=perpetual_scroll_0&pgtype=article

Taylor, L. (2024). *US banana giant ordered to pay $38m to families of Colombian men killed by death squads.* The Guardian. https://www.theguardian.com/world/article/2024/jun/11/chiquita-banana-deaths-lawsuit-colombia

Tooze, A. (2018). *Crashed: How a decade of financial crises changed the world*. Penguin.

Tran, H. (2023). *Understanding the growing use of local currencies in cross-border payments.* Atlantic Council. https://www.atlanticcouncil.org/blogs/econographics/understanding-the-growing-use-of-local-currencies-in-cross-border-payments/.

Tyson, K. (2023). *Multicurrency Mercantilism: The New International Monetary Order*.

UN News (2024). *UN paralyzed, crises piling up, world leaders 'going around in circles', says Brazil's Lula.* United Nations. https://news.un.org/en/story/2024/09/1154836.

UNCTAD (2024). A *world of debt 2024: A growing burden to global prosperity.* United Nations Conference on Trade and Development. https://unctad.org/publication/world-of-debt.

UNHRC (2018). *Report of the Special Rapporteur on the rights of indigenous peoples.* United Nations Human Rights Council. https://www.ohchr.org/en/documents/thematic-reports/ahrc3917-report-special-rapporteur-rights-indigenous-peoples

University of Birmingham (2024). *Global North energy outsourcing demands more attention.* University of Birmingham. https://www.birmingham.ac.uk/news/2024/global-north-energy-outsourcing-demands-more-attention.

Wellisz, C. (2022). *Digital Journeys: Freeing Foreign Exchange in Africa. Finance & Development Magazine.* IMF. https://www.imf.org/en/Publications/fandd/issues/2022/09/Digital-Journeys-Africa-freeing-foreign-exchange-wellisz.

Withanage, H. (2022). *Sri Lanka: debt crisis and the fall of a nation.* Friends of the Earth International. https://www.foei.org/sri-lanka-debt-crisis-and-the-fall-of-a-nation/.

Wong, K. (2024). *Saudi Arabia 'open' to petroyuan, closer China ties, minister says.* South China Morning Post. https://www.scmp.com/economy/global-economy/article/3277788/saudi-arabia-open-petroyuan-closer-china-ties-minister-says.

Woolfenden, T. (2023). *The colonial roots of global south debt.* Debt Justice. https://debtjustice.org.uk/wp-content/uploads/2023/09/The-colonial-roots-of-global-south-debt.pdf

World Bank (2021). *Central Bank Digital Currency: Background Technical Note.*

World Bank (2023). International Debt Report 2023. World Bank. https://www.worldbank.org/en/programs/debt-statistics/idr/products.

World Rainforest Movement (2023). *REDD and the Green Economy exacerbate oppression and deforestation in Pará, Brazil.* World Rainforest Movement. https://www.wrm.org.uy/bulletin-articles/redd-and-the-green-economy-exacerbate-oppression-and-deforestation-in-para-brazil.

Youel, S. (2024). *The fiscal benefits of a digital pound.* Positive Money. https://www.datocms-assets.com/132494/1717791494-positive-money-the-fiscal-benefits-of-a-digital-pound-3.pdf

Zhang, T. (2020). New Forms of Digital Money: Implications for Monetary and Financial Stability. Remarks at CAFIN Webinar Series on "Financial Risks, Innovation and Inclusion in a Post-COVID World", 30 October.

Positive Money c/o New Economics Foundation
10 Salamanca Place
London
SE1 7HB
0207 253 3235

www.positivemoney.org

posi+ivemoney