

## **IMPLICATIONS OF CONTEMPORARY INTERNATIONAL MONETARY SYSTEM ON DEBT CRISIS IN THE GLOBAL SOUTH**

**ZEKERI MOMOH**

[momohz@kku.edu.ng](mailto:momohz@kku.edu.ng)

PhD, Department of Political Science, Karl Kumm University (Nigeria).

### **Abstract**

There is a growing concern in the global south on the unfavourable nature of the contemporary international monetary system and international debt crisis on development in the global south. This concern have been situated within the liberals and historical structuralist perspectives to the study of international political economy. While both perspective have tenaciously hold on to their postulations on the nature of present international monetary system and the causes of the debt crisis in the global south. This study examine the implications of contemporary international monetary system on debt crisis in the global south. This study is situated with the context of historical research design with data collected from various secondary sources such as journals, books and internet sources. The analysis of the study was carried out using qualitative content analysis. Moreover, one of the implications of the World Bank and IMF structural adjustment and conditionalities on the global south is that its impedes the global south efforts at developing their infrastructure, health service delivery and educational development among others. Lastly, this study recommend among other things, good leadership, good governance and sound domestic economic system are key in addressing the consequences of contemporary international monetary system and international debt crisis on development in the global south.

### **Keywords**

Debt, Liberalism, Crisis, Regime, Money, International Monetary Fund.

### **Resumo**

Existe uma preocupação crescente no sul global quanto à natureza desfavorável do sistema monetário internacional contemporâneo e à crise da dívida internacional sobre o desenvolvimento no sul global. Essa preocupação tem sido enquadrada dentro das perspetivas liberais e estruturalistas históricas para o estudo da economia política internacional. Embora ambas as perspetivas se tenham mantido firmes nas suas postulações sobre a natureza do atual sistema monetário internacional e as causas da crise da dívida no sul global. Este estudo examina as implicações do sistema monetário internacional contemporâneo na crise da dívida no sul global. Este estudo está situado no contexto de um projeto de pesquisa histórica com dados recolhidos de várias fontes secundárias, tais como revistas, livros e fontes da Internet. A análise do estudo foi realizada utilizando análise qualitativa de conteúdo. Além disso, uma das implicações do ajustamento estrutural e das condicionalidades do Banco Mundial e do FMI no sul global é que impede os esforços do sul global no desenvolvimento das suas infraestruturas, prestação de serviços de saúde e desenvolvimento educacional, entre outros. Por último, este estudo recomenda, entre outras coisas, que uma boa liderança, uma boa governação e um sistema económico interno sólido são fundamentais para lidar com as



consequências do sistema monetário internacional contemporâneo e da crise da dívida internacional no desenvolvimento do sul global.

**Palavras-chave**

Dívida, Liberalismo, Crise, Regime, Dinheiro, Fundo Monetário Internacional.

**How to cite this article**

Momoh, Zekeri (2025). Implications of Contemporary International Monetary System on Debt Crisis in the Global South. *Janus.net, e-journal of international relations*. VOL. 16, Nº. 2, November 2025-April 2026, pp. 307-328. DOI <https://doi.org/10.26619/1647-7251.16.2.17>

**Article submitted on 24th December 2024 and accepted for publication on 13th September 2025.**





## **IMPLICATIONS OF CONTEMPORARY INTERNATIONAL MONETARY SYSTEM ON DEBT CRISIS IN THE GLOBAL SOUTH**

**ZEKERI MOMOH**

### **Introduction**

The evolution of contemporary international monetary relations can be categorised into the following phases: the classical gold standard era which was between 1870s to World War I. During this period gold was the standard unit of exchange and government all over the world were making concerted efforts at converting their domestic currency to gold at a fixed rate. After this period, was the Bretton Woods system which lasted from 1944-1973. The Bretton Wood era was also characterised by a monetary regime that was greatly influenced by interventionist liberalism, that allow nations to fix their exchange rates to gold, which allowed the U.S. dollar as the international currency for conversion. Today, there are pressure for traditional liberals for free market economy.

Consequently, the establishment of the International Monetary Fund (IMF) was necessitated by the need for the bank to provide short-term loans to the Global South to address their growing balance-of-payments challenges and to ensure that there was state intervention in capital flows in order to maintain exchange rate stability among nations. It is important note that the rising U.S. balance-of-payments deficits, as well as domestic pressures on the United States made the US to return to traditional Liberalism. It was against this backdrop that there was a paradigm shift from post WWI pegged currency conversion to floating exchange rates by 1973.

However, the Bretton Woods system collapsed due to two basic problem. The first was the United States making it difficult for countries to convert the US Dollars into gold and second was the conscious efforts by President Charles de Gualle converting dollars into gold. These two factors prompted the shift in international monetary relations in 1973. Today, international monetary relations is based on the mixed regime system which consist of the floating and fixed exchange rates that started from 1973. In 1973, the international community began a shift from the Bretton Wood monetary system, such that in 1976, there was a complete shift to the floating exchange rates that allow countries not to obstruct the currency market system to allow the market forces to determine currency values in the international monetary system (Cohen 2016).

One of the disadvantages of post and present international monetary system on Global South with reference to Africa is the rising debt crisis that has impeded the growth and development of African countries. Besides, the debt crisis that has impeded the growth and development of many Global South countries and have left long lasting negative implications in Africa was the 1980 debt crisis. In the literature of International Political Economy, a number of reasons have been advanced to be responsible for the 1980s debt crisis such as unexpected chnages in the global economy, irresponsible behaviour of the



creditor nations, irresponsible behaviour of the indebted Global South and dependence of the Global South on the Global North for foreign loan (Cohen, 2000; 2016).

Moreover, the unexpected changes in the global economy was attributed largely to the sharp increase in the prices of food grains (especially wheat) in the 1960s and the Middle East War in October, 1973 that led to increase in the price of oil. Another reason was attributed to overlending by the creditors without considering the credit worthiness of the Global South. For instance, the assertion that debt crisis of the 1980s was attributed to the imprudent behaviour on the part of the Global South were situated within the context of the liberal perspective. While, the postulations that the 1980s oil crisis was attributed to the dependence of Global South on the Global North for loans and other credit facilities were further situated within the context of the historical structuralists perspective to the study of International Political Economy. The historical structuralists especially those labelled as Dependency school attributed the reliance of the Global South on the Global North to long term structural nature of the world capitalist system.

However, the nineteenth Century witnessed widespread of debt crisis and loans defaults in the 1930s that affected the capital flows into Southern Europe, Eastern Europe and Latin American countries. The international debt crisis of the early 1980s was regarded by scholars as "one of the most traumatic international disturbances" of the twentieth century (Cline, 1995:1; Cohen, 2000:165). The 1980s international debt crisis took the international community by surprise because many countries did not envisage the debt crisis and the consequences of the debt crisis on the international banking system was detrimental to significant numbers of Global South such as Mexico, Zaire, Argentina, Peru, Sierra Leone, Sudan and Togo just to mention a few.

Prior to the 1980s there was absence of global financial institutions to deal with debt related challenges as sizeable numbers of countries and governments were unwilling to intervene in debt crisis related issues as private bank lending to Global South increased especially around the 1970s as a result of IMF advised, in a bid for Global South to change their economic policies and programmes inline with liberal economic system. By 1982, most indebted Global South could not pay their loans from larger commercial banks which were key player in the global financial system. The consequences of the failure of indebted Global South to meet their loan obligation affected the international financial stability. It is against this background that the creditor government considered it necessary to intervene in the debt settlement process in the 1980s. Moreover, the leading creditors that spearhead addressing the debt crisis in the 1980s were the United States, International Monetary Funds (IMF), World Bank, the Paris Club, London Club and the Bank for International Settlements all playing international financial supporting roles (Cohen, 2000:165). It is pertinent to note that the debt regime became prevalent in the 1980s when compared to the 1930s because, there was the absence of global hegemon like the United States, World Bank and IMF in the 1930s but are evident in 1980s (Corbridge, 1993:25).

By late 1990s the Asian continent witnessed what is known today in International Political Economy literature as the Asian Financial Crisis. It started in Thailand in July 1997, when there high demand for its currency due to capital inflows. This capital inflow led to rise in its current account deficit, decline in Thailand export, decline in property prices and growing international debt of Thailand which resulted in depreciation of the Thailand baht.



Similarly, other Asian countries such as Indonesia, South Korea, Malaysia, the Philippines, and Singapore began to witness similar economic shock, in what was popularly referred to as “financial contagion” because investors were afraid that just as Thailand devalued its currency there was the tendency that other Asian countries might do so. This led to capital outflow, currencies depreciation and a rapid fall in stock markets, banking crises, and decline in economic growth rates. This economic challenges led to political instability and civil disobedience in Thailand, Indonesia, South Korea, and Philippines (Cohen 2016).

Consequently, the 2008 global financial crisis that started in the United States negatively affected the global economy was attributed to the “financial contagion” just like the Asian financial crisis of 1997. This “financial contagion” are often triggered by investors rush to sell their currency. This often led to capital outflow. In the Asian financial crisis and the 2008 global financial crisis had common features, such as common stocks in real estate bubbles, deficits in current account, and heavy reliance on large capital inflows. It is pertinent to note that the debt crisis of 1980s and the Asian financial crisis of 1997 both started from the Global South as a result of government debts. The implication of debt crises that emanates from the Global South is that it gives more power and influence to the International Monetary Fund (IMF) and Developed Countries over the debtors developing countries. This explains why the IMF and World Bank has continued to impose its structural adjustment policies and programmes on Global South that continue to suffer from economic dislocation as a result of the implementation of liberal economic reforms that has no bearing on the wellbeing and living standard of the citizens.

On the contrary, the 1929/1930 and ended in 1933. The 2008 global financial crisis started in the United States in December 2007 and ended in June 2009 as well as the Euro crisis 2008 started from the developed countries as a result of European crisis. It is pertinent to note that government debt was responsible for the Greece debt crisis while in other European countries, government entered into debt in order to bail out banks. The implication of the debt crisis that emanates from the developed countries is that it lead to the emergence of developed countries especially the European Union as emerging economies within the international system. This explains that the present international monetary and financial system is at the disadvantage of the Global South.

On the whole, there is a call by interventionist liberals for a return to a interventionist system that will allow for pegging of currency to gold or a standard unit of international currency conversion. The 1997 Asian financial Crisis, 2008 global economic crisis and European financial crisis also known Euro crisis of 2008, were all caused by the adoption of the free market economic system without interventionist measure. On the contrary, the liberals have argued that global financial crisis have been attributed to poor domestic policies and weak political institutions in developing countries, not from capital outflows. It is against this background, that this study seeks to examine the implications of contemporary international monetary system on debt crisis in the global south.

### **Conceptual Review of the Contemporary International Monetary System**

The contemporary international monetary system (IMS) refers to the set of institutions, rules, practices, and instruments that govern global monetary relations, cross-border



capital flows, and exchange rate stability. At its core, the IMS performs three functions: providing international liquidity, ensuring adjustment mechanisms for balance-of-payments disequilibria, and maintaining confidence in the stability of the system (IMF, 2025).

A central feature of the system is the hierarchy of currencies, where the U.S. dollar plays a dominant role as the primary reserve, invoicing, and settlement currency. Despite periodic discussions of multipolarity, the dollar accounts for the majority of global reserves, trade invoicing, and cross-border financial contracts (Federal Reserve, 2025). The euro and, increasingly, the Chinese renminbi occupy secondary positions, but dollar dominance continues to generate spillover effects from U.S. monetary policy to the Global South (European Parliament, 2025).

Another defining aspect is the increasing role of global capital markets in financing. Since the liberalization of the 1980s and 1990s, private markets have replaced official flows as the primary source of international liquidity. This evolution has increased vulnerability to sudden stops and capital flight, especially in emerging economies that rely heavily on foreign-currency-denominated debt (Bank for International Settlements, 2025). These vulnerabilities are amplified by what scholars describe as the "original sin" problem, where many developing economies are unable to borrow internationally in their domestic currency (Eichengreen, 2019).

The global financial safety net (GFSN) forms the institutional backbone of crisis response. It is composed of the International Monetary Fund (IMF), regional financial arrangements, bilateral central bank swap lines, and multilateral development banks. During the COVID-19 crisis, the IMF's unprecedented \$650 billion allocation of Special Drawing Rights (SDRs) demonstrated the importance of unconditional reserve assets for liquidity provision (IMF, 2023). However, critics argue that access to this safety net remains asymmetrical, with advanced economies benefiting disproportionately from swap lines and SDR holdings, while low-income countries face conditional lending (Boston University GDP Center et al., 2024).

Recent reforms have sought to enhance liquidity and governance. For example, IMF members have begun channeling SDRs to multilateral development banks (MDBs) to expand lending capacity (Reuters, 2024). Yet governance gaps remain: the allocation of voting power within the IMF and World Bank continues to reflect post-World War II realities rather than contemporary global economic structures (Carnegie Endowment, 2024). This imbalance raises questions about the system's fairness and effectiveness in addressing the needs of the Global South.

Furthermore, scholars and policymakers emphasize the growing challenge of fragmentation and multipolarity. Regional initiatives such as the Chiang Mai Initiative in Asia, along with the use of alternative payment systems, suggest a gradual diversification away from a purely dollar-centric order. However, while such fragmentation may provide options for crisis financing, it complicates coordination in sovereign debt restructuring and systemic responses (UNCTAD/Bretton Woods Project, 2025).

On the whole, contemporary International Monetary System is characterized by the persistence of dollar dominance, the volatility of private capital markets, the incomplete and uneven coverage of the global financial safety net, and persistent governance





asymmetries. Conceptually, these features show that the IMS remains structurally imbalanced, with implications for global stability and for the debt vulnerabilities of the Global South.

## Literature Review

There is a growing numbers of study in International Political Economy that focuses on various aspects of international financial or monetary system. For instance, Cohen (2000) examined the monetary governance in the international system. Cohen (2004) investigated the future of international monetary system. Again Cohen (2015) in his study examined competition among various currencies within the international system. Besides, Cohen (2016) investigated the nature of international monetary relations from inception to 2016. However, Eichengreen (2008) examined the globalization of capital while Cohen (2008) investigated the nature of international monetary governance. James (1996) study focus on the International Monetary Cooperation Since the inception of the Bretton Woods system.

Nevertheless, Bootle (2013) examine the crisis associated with Euro. Verdun (2002) had earlier examined the euro and integration theory. Porter (2005) studied the governance of global finance. Fratianni, et al studied the governing of global finance with focus on the new challenges of G7 and IMF Contributions. However, Prasad (2014) examined the changing role of the US dollar. Again, Eichengreen (2011) investigated the rise and fall of the US Dollar. Helleiner, et al (2009) studied the future of the US dollar.

However, Helleiner and Kirshner (2015) investigated China's growing monetary power in the International system. On the influence of domestic politics on international finance, Broz and Frieden (2001) investigated the Political Economy of International Monetary Relations. Webb (1995) examined the relationship between capital mobility, policy coordination, and domestic autonomy since 1945. From the review of the above literature, a lot of studies have been conducted on the nature of international monetary and financial system as well as international debt crisis.

The various financial crises in the world has attracted the attention of scholars to examine their causes and implications. For instance, Kirshner (2014) examined the United States power after the 2008 financial crisis. On the 2008 global financial crisis, scholars who carried out study in this area include Helleiner (2014); Blinder (2013); Rajan (2010) and Lewis (2011) among others. On the European debt crisis scholars who have undertaken research in this area include Marsh (2013); Berend (2013) and Pisany-Ferry, (2011). On the controversial austerity measures adopted as a result of the EU crisis was undertaken by Blyth (2013). On regulation and financial crises, scholars like Barth, Caprio and Levine (2012) wrote on the, financial regulations that work. However, the 1990s Asian financial crisis has attracted the works of Carney (2009); Pempel (1999); Thirkell-White (2005). On international debt crises include Herman and Spiegel (2010) and Rieffel, (2003) among others.

The contemporary international monetary system has been widely critiqued for entrenching structural inequalities that disproportionately affect the Global South. Recent scholarship emphasizes that the persistence of dollar dominance, fluctuating global



interest rates, and conditional lending practices exacerbate debt vulnerabilities in developing economies. For instance, Ocampo and Bértola (2022) argue that the international monetary system is inherently asymmetrical, as Global South countries face limited access to liquidity during crises compared to advanced economies. This imbalance was evident during the COVID-19 pandemic, when capital outflows and currency depreciations heightened debt burdens in Africa and Latin America. Similarly, Gallagher and Kozul-Wright (2021) highlight that reliance on dollar-denominated debt exposes Global South economies to exchange rate volatility, thereby aggravating debt service obligations whenever the U.S. Federal Reserve raises interest rates.

A growing body of literature underscores the role of international financial institutions (IFIs) in perpetuating debt crises through policy conditionalities. Kentikelenis and Stubbs (2023) observe that structural adjustment programs tied to IMF lending continue to impose austerity measures, reducing fiscal space for social spending and development. These dynamics deepen dependency and limit the autonomy of debtor nations in shaping their own economic recovery paths.

Other scholars focus on the governance architecture of the international monetary system. Acosta and Griffith-Jones (2022) maintain that the current system privileges creditor nations and private financial markets, while debtor nations in the Global South lack meaningful representation in global decision-making forums. This asymmetry reproduces cycles of debt distress, as countries must borrow under unfavorable terms with limited mechanisms for restructuring. In addition, there is increasing attention on the debt-climate nexus. For instance, Bhattacharya and Stern (2023) contend that many Global South economies face a “double crisis” of debt and climate vulnerability, as high debt servicing crowds out investments in climate adaptation and mitigation. The absence of innovative financing mechanisms such as debt-for-climate swaps illustrates how the international monetary system is failing to address contemporary global challenges.

Overall, the literature converges on the argument that the structure of the international monetary system systematically disadvantages the Global South. Today, US dollar dependency, conditional lending, limited representation in global financial governance, and inadequate mechanisms for debt restructuring combine to reinforce debt crises. While proposals such as Special Drawing Rights (SDRs) allocation and regional financial arrangements offer potential relief, the studies reviewed emphasize that without systemic reform, the Global South will continue to be caught in recurrent debt traps. It is against this background this study seeks to make contributions to the implications of contemporary international monetary system on debt crisis in the global south.

## **Theoretical Framework**

Theories abound in International Political economy for the study of international monetary/financial system and foreign debt crisis such as liberal theory, historical structural theory, hegemonic stability theory and regime theory among others. Looking at the variables under investigation namely international monetary/financial system and foreign debt crisis. The regime theory is appropriate in understanding the nexus between international monetary/financial system and foreign debt crisis. The regime theory has





Stephen D. Krasner and Robert Keohane as its leading proponents. It emerged as a theory in the 1970s.

The Regime theory is anchored on the premise that regimes help to reduce the conflict that characterized the nature of the international system and promote cooperation among states. The regime theory is used to explain why in some sections of the international system experience, orderliness while in some areas, there are conflicts. Regimes are "*sets of implicit or explicit principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given area of international relations.*" (Feldstein, 1994:737).

Regime principles and norms are anchored on the assertion that there are universal practices and patterns of behaviour that regulate relationships and interactions among states. For instance, international trade are guided by certain principles such as trade liberalization, reciprocity, and nondiscrimination principle. Hence, basic rules and regulations tends to emanates from this broader trade principles and norms which influence behaviours of nations in their relationship and transactions with each other.

Today, we have significant numbers of International regimes that are closely linked with international organizations (IOs), because of their very nature as an institutions with official roles and responsibilities, with a minimum of three member states. It is pertinent to note that international organizations operate within formal bodies that are guided by international regimes. For instance, the IMF, World Bank and WTO operate within the frameworks of international financial regimes.

Robert Keohane argues that it is stress-free to uphold regimes than to construct new ones and that there is the tendency for countries to benefit from a regime and it is ease also for states to unilaterally preserve a regime even after there is hegemonic declines in the international system (Birdsall, et al 2005). It equally important to note that the regime theory has been used to study regime outcomes especially in the areas of international debt crisis, environment issues, transportation, and communications among others (Ffrench-Davis, 1988; Corbridge, 1993).

On the whole, to assess regime outcomes, regime theorists would investigate whether states accept the existing regime principles, norms, and regulations; or whether the existing regimes could successfully accomplish solve international problems; and whether regimes actually make states to widen their views of self-interest or not. All these questions are key in understanding regime system around the world (Feinberg, 1988). It is against this background that this study adopted the regime theory to examine the implications of contemporary international monetary relations on debt crisis in the global south.

### **International Monetary system and Debt Crisis in the Global South**

Prior to the WWII the international mechanism's for addressing debt crisis were restricted to either unilateral decisions taken by creditors or debtors country or a bilateral resolutions which was a situation whereby the creditors or debtors reached a consensus on how the can be addressed. However, after WW II the pattern of settlement of foreign debts involve tripartite parties such as the World Bank, IMF, Paris and London Clubs.



Though, the U.S sometimes acted as third party in Global South access to loan (Lindert et al 1989: 66-77).

The aftermath of WW II was characterized by the emergence of international debt regimes. Some of these international debt regimes covers one or more sector of the economy. Though the 1980's international debt regime cover specific regime within the framework of balance-of-payments financing regime because international debt regime focus on specific issue. The first international debt regime that emerged was the balance-of-payments debt regime. The principle of balance-of-payments financing was anchored on the notion that was sufficient but not unrestricted to alternative fund and was made available to countries for handling their balance-of-payment deficit challenges. The principle was also based on the notion that countries proving loan may attach conditions for the repayment of their loans, considered to be appropriate in addressing the debtors balance- of- payment financing regime on borrowers (Cohen. 2000).

Moreover, the 1970s balance-of-payments regime faced serious challenge from private banks that provided Global South with loan as significant numbers of Global South could not meet the creditworthiness required for the private banks loan. This was attributed to the harsh conditionalities attached to the loans received by most Global South as at that time. For instance, in 1982, Mexico declared that it would not be able to pay its loan. This prompted private banks to immediately cut their loan to developing countries. It was against this background that significant numbers of Global South to return to the International Monetary Fund (IMF) for their loan assistance.

However, the reliance of Global South on official financing provided the platform for the United States and other international organisations to introduced the foreign debt regime, which replaced the pre-1970s balance-of-payment regimes. Therefore, the foreign debt regime was based on the principle that debt regime based on conditionality of Global South compliance and commitment to the market oriented reforms. It is important to note that the pre-1970 balance-of-payment regime differs in some area from the 1980 foreign debt regime. For instance, the foreign debt regime through the instrumentality of the United States of America and IMF imposed put more pressure on commercial banks to continue granting loans to indebted poor countries. Also, the Paris and London club were used in the 1980s and 1990s than the pre-1970s period.

Again, the World Bank and IMF became key players in the provision of structural adjustment loan to Global South from the 1980s. Moreover, the loans provided by the World Bank and IMF to the Global South in Africa and Eastern European countries were closely linked to their adoption of liberal economic reforms such as privatisation, deregulation and trade liberalisation. Though, the negotiation of Paris and London Clubs were anchored on three fundamental principles of imminent default, conditionality and burden distribution.

There are three types of negotiations that took place between the creditors (World Bank, IMF, Paris and London Clubs as well as other commercial banks) and the debtors (Global South in Africa, Asia, Latin America and Eastern Europe). The first negotiation was between the World Bank and IMF who accept to provide structural adjustment loans to the indebted Global South in order to implement economic policies and programmes that would address their balance-of-payment deficit. For instance, countries that were



formerly members of the Soviet Union that were indebted in the 1980s and those that needed World Bank and IMF to finance their infrastructure such as Poland, People's Republic of China, Hungary, Romania, Albania, Croatia, Slovenia, Macedonia, Czech Republic and Bosnia and Herzegovina among others either adopted the World Bank and IMF economic policies or had adopted similar economic reforms such as the market socialist system that was characterised by workers self management.

The second negotiation was between the Paris and London Clubs. This negotiation often consist of members of the indebted countries, creditors countries, representatives from the World Bank, IMF, Regional Development Bank and the United Nations Conference on Trade and Development (UNCTAD). A critical assessment of the modus operandi of the Paris Club is that it adopted three basic principles in its debt negotiation which include: imminent default which constrained the debtors demand for relief to countries with important needs to prevent unwarranted negotiation and to show the severity of the situation or needs. Conditionality is also adopted in the Paris Club principle to show that the debtor is creditworthy and will be able to pay thier debts based on the agreement signed with the International Monetary Funds (IMF) (Kuhn et al 1990:7). In some situation when the country in question is not a member of the IMF as at the time of requesting for the loan from the Paris Club as in the case of Cuba, Poland and Mozambique. The Paris Club usually reschedule it own conditionality programme that will ensure that the debtor country does not default on its payments.

The third principle of negotiation was based on burden sharing. This implies that the Paris Club ensures that it provide relief in relation to their loan accessible to the debtor country. As stated earlier under the first negotiation, the United States and IMF were instrumental to developing strategies to address the debt criss of the 1980s. The objectives of the international debt strategies according to Cohen (2000:180) was "*to prevent the collapse of the international banking and financial system, to restore capital market access for the debtor countries, and to minimize economic dislocation and restore economic growth in the debtor countries.*" This assertion shows that the goals of the international debt strategies was to prevent pre-1930 incidence of debt crisis, ensure that Global Southin need of loan were able to access the capital market for loan and to ensure that Global Southensure steady economic growth.

It is important to note that the World Bank and IMF adopted a number of strategies in addressing debt crisis since in the 1980s. For instance, the emergency measures and involuntary leanding was launched between 1982-1985 as an international debt strategy that invlove "firefighting" strategy. This strategy of managing the 1980 debt crisis was designed by the United States, IMF and other creditors to provide a short-term emergence financing to highly debted Global Southsuch as Mexico, Brazil and Venezuela just to mention a few in order to prevent similar financial crisis to the 1930s crisis. However, this short term measure did not brought the desired relief to the debted Global Southas envisaged by the creditors rather the debtor countries were worst off in terms of witnessing economic growth.

Also, the Baker plan was initiated between 1986-1988 following a meeting of G5 Finance Minister and Central Bank Governors organised by the U.S. Secretary of the Treasury James Baker III in New York City's Plaza Hotel in September 1985. The Baker's plan was introduced in late 1985 to assist debtor countries with a solution for dealing with their



debt crisis. The Baker plan was premised on the assumption that the postponement of some debt payments by Global South and the provision of new loans will help the debtor countries to grow their way out of their debt and could improve their export and be able to reduce their debt (Cline, 1995).

Nevertheless, the Baker plan did not do much to improve the situation of the indebted developing countries, rather their situation got worst as IMF and creditor banks were insisting on structural adjustment policies and programme as a top priority for developing countries. Again, the plan failed because the focus of the creditor banks and IMF were on Latin American countries with less emphasis on other Global South in other regions of the world. Besides, debtor Global South experience economic stagnation due to poor economic growth that affected the United States exports in Latin American markets.

Given the failure of the Baker's plan, the Brandy plan was introduced between 1989-1994 by the United States Secretary of the Treasury, Nicholas J. Brandy in March 1989. Under the Brandy plan each debtor country negotiate independently with the creditor. The debtor country is expected to accept the IMF and World Bank structural adjustment or liberal economic reforms. However, the Brandy plan differs from the Baker plan with its emphasis on debt reduction, or partial debt forgiveness of existing debt. In spite of the recommendations of the Brandy plan, the economic situation of debtor Global South did not improve as envisaged that the adoption of the liberal economic policies and programme will turn around the debt crisis in developing countries.

The outcome of the Baker plan requested that the value of other currencies should be increased through synchronized market interference and the US on the other hand will reduce its government expenditure. The outcome of this monetary arrangement led to significant decline in the dollar. This triggered any meeting of the G5 at Louvre, Paris in February 1987 to avert the declining state of the dollar. It was against this backdrop that the Plaza and Louvre agreements set the pace for a shift to managed floating, in which governments mediated to address the volatility and ineptitude of current. It is pertinent to note that current international monetary regime have remained more rickety as critics have envisaged and have been advocating for a paradigm shift to the old pegging order that allow for fixed exchange regime (49).

A critical analysis of the International debt crisis strategies adopted between 1982-1992 shows that 17 of the highly indebted countries listed under the Baker plan fell from 130% of the banks capital and reserves to only 27% in the United States Banks. In the British banks, the 17 countries fell from 85% of capital to 12%, and loan exposure of German and French banks fell from 31% to 19% and from 135 to 23% respectively (Cline, 1995:94). Again, most of the debtor Global South were able to return to the international financial markets far more rapidly after the 1980, debt crisis than they had after the 1930, debt crisis. Studies have also shown that scholars and policy makers who were inclined to liberal economic orientation sees that first and second objectives of international debt strategies as "successful" to have achieve its goals.

However, scholars and policy makers inclined to the Instrumentalist orientation are of the opinion that the objectives of the international debt strategies should be to restore economic growth to Global South of the world rather the debt strategies have failed to achieve its objectives. For instance, Davis (n.d: 60) have argued that "the major



*creditors immediate payment capacity of the debtor nations are not their development”* Again, IMF and World Bank emphasis is on Global South adoption of structural adjustment programmes and repayments of their loans rather than on the promotion of development in the developing countries.

It can be argued that any effort at ensuring a return to the old pegging exchange order will not be encouraged especially from the beneficiaries of present international monetary regime. The European Community developed the “snake agreement” which had limited exchange-rate fluctuations among nations with a constricted band of +2.25 to -2.25 percent (Cohen, 2016:205). Nevertheless, the “snake agreement” failed to achieve its goals because some European nations such as Italy, France, Ireland, and Britain national currency were weaker when compared to “snake agreement” band. Again, there was rising capital mobility and different macroeconomic policies among European Union member states, oil price increase of 1973-1974 that was triggered by war in the Middle East and the global economic crisis of 1975 (Cohen, 2016:205).

With the introduction of the European Monetary System (EMS), that only for individual EU member states to give up their currency for the Euro help to promote monetary stability in Europe. However, the European Union is faced with the challenge of the European sovereign debt crisis which has arguably is affecting its monetary stability. However, the future of the US dollars have been subjected to intense debate among scholars in the literature of International Political economy today. One perspective argues that the lingering United States deficits and the rising United State external debt challenge is likely to affect the confidence of the international community in the dollar. Another perspective has it that the given the economy of the United States in terms of its size, political stability of the United State Democracy, liberal economic system of the United States and the strength of the United States financial markets will ensure the sustainability of the US dollar as an international currency.

It important to note that the Japanese Yen became an international currency in the 1970s–1980s. During this period Japan witnessed remarkable economic growth making Japan the second largest economy in the world in 1968 and the largest creditor country in the world by the 1980s. However, the absence of financial system openness and a regulated capital market system till the 1990s impeded Japan competition at the international system. The aftermath of the global financial crisis of 2008 made some analysts to predict that the Euro will replace the US dollar as an international currency for conversion. Despite the successes recorded by the Euro that were triggered by political stability, low inflation and increasing foreign direct investment among others. Without any form of obscurantism, the Euro is gaining ground in terms of its usage in international currency for conversion. The US dollars has remained a viable international currency for conversion within the international system.

A comparative analysis of the US dollar and Euro according to Cohen (2016:209-2010) noted that:

*In 2007, the dollar was used as a medium of exchange in 86 percent of all foreign exchange transactions, compared with 37 and 16.5 percent for the euro and Japanese yen, respectively. Almost two-thirds of all countries that peg their currencies peg them to the U.S. dollar as a unit of account,*





*compared with one-third to the euro. The share of dollars as a store of value in central bank holdings declined from 70.9 percent in 1999 to 64 percent in 2007, while the share of euros rose from 17.9 to 26.5 percent. Although the dollar continued to be the key international currency, the euro had made impressive gains since its creation in 1999.*

From the forgoing assertion, it is obvious that despite the successes recorded by the Euro as international currency for conversion between 1999 and 2007 due to its financial market stability. However, the existence of divergent Euro zone has impeded the success of the Euro against the US dollars. Today, the US dollars remain elegant as international currency for conversion among many countries in the world. On the contrary the continuous United States external debt is giving the increasing numbers of countries around the world using Euro, Yen and renminbi for international transactions, is presently put the US dollar in contention with other currency, thereby paving way for a multipolar international currency regime.

Nevertheless, the use of US dollar as bases for international conversion has continued to put the global south at disadvantage position within the International monetary system. Today, payment for international transactions and debt repayment are carried out using the US dollars. This has perpetually put the global south in debt crisis. It is pertinent to note that the modus operandi of the IMF and World Bank has arguably towards the global south has not changed remarkably since the 1980s and 1990s debt crises that weaken the capital based of the global south. The push for structural adjustment anchored on liberal economic reforms such as subsidy removal, currency devaluation or adjustments and austerity measures have remained unchanged over the years as the insistence of the IMF and World Bank is arguably more harder on the global south despite the negative effects of these liberal economic reforms that has further worsen the existing states of poverty and underdevelopment in the global south.

The relationship between exchange rate regimes and debt accumulation in the Global South remains one of the most contested issues in international political economy. Exchange rate systems not only influence domestic macroeconomic stability but also determine countries' exposure to external shocks, capital flows, and the capacity to manage sovereign debt. The contrasting realities of flexible regimes in advanced economies and pegged or managed regimes in developing ones reveal deep structural asymmetries in the global monetary system.

Flexible exchange rate regimes in the Global North, particularly in the United States, the eurozone, and Japan, are sustained by strong institutional credibility, deep capital markets, and the privileged position of their currencies as international reserves. These economies are able to borrow externally in their own currencies, insulating them from the exchange-rate-induced debt crises that plague the Global South (Ocampo, 2017). Conversely, when developing economies adopt flexible exchange rate regimes, their currencies often face volatility, depreciation, and capital flight during global financial shocks. Because most of their debt is denominated in foreign currencies such as the U.S. dollar, currency depreciation directly increases debt-servicing costs, thereby worsening the risk of debt distress (Obstfeld & Taylor, 2017).





Managed exchange rate systems, such as China's tightly controlled yuan regime, aim to stabilize the currency, promote exports, and mitigate volatility. Although not a classical currency board, China's managed peg demonstrates the advantages of state control in shielding the domestic economy from currency crises. However, when Global South countries attempt similar arrangements, the results are often destabilizing. Argentina's currency board experiment in the 1990s initially attracted foreign capital by promising exchange rate stability but ultimately collapsed under external imbalances, reserve depletion, and unsustainable borrowing. The breakdown of such systems frequently triggers abrupt devaluations and debt explosions (Eichengreen, 2008).

A key structural constraint faced by the Global South is the so-called "original sin"—the inability to borrow internationally in domestic currencies (Hausmann & Panizza, 2011). This forces developing countries to issue sovereign debt in foreign denominations, typically dollars or euros. Under flexible regimes, depreciation raises the local-currency cost of debt repayment. Under fixed or pegged regimes, governments are often compelled to borrow more heavily or implement austerity to defend the exchange rate, which in turn worsens debt sustainability when confidence wanes. Thus, exchange rate arrangements condition the trajectory of debt by magnifying the exposure of developing economies to foreign currency risks.

Besides, debt growth in the Global South is shaped not only by domestic policy choices but also by the asymmetries of the international monetary system. The dominance of Northern currencies means that monetary policies in the United States and Europe, such as interest rate hikes, reverberate through developing economies, leading to capital outflows, currency depreciation, and rising debt burdens (Obstfeld & Taylor, 2017). This structural imbalance highlights the debt trap faced by the Global South: while Northern countries enjoy monetary sovereignty, Southern economies remain vulnerable to exchange rate fluctuations, external shocks, and dependence on foreign-currency borrowing.

Existing exchange rate systems whether flexible in the North or managed/pegged in the South condition the growth of debt in the Global South by mediating access to capital, vulnerability to shocks, and the costs of debt servicing. Whereas Northern economies benefit from reserve currency status and relative insulation, developing economies face a structural debt trap embedded within the asymmetries of the global monetary order.

Nevertheless, the accumulation of debt in the Global South is a multidimensional phenomenon shaped by domestic, regional, and international factors. Exchange rate regimes play a critical role by influencing borrowing conditions, external vulnerability, and exposure to global financial shocks. However, they operate alongside, and often interact with, other variables such as economic policy errors, corruption, mismanagement of public assets, and external interference. Understanding the relative importance of exchange rate systems requires situating them within this broader political economy of debt.

Exchange rate regimes condition the cost and sustainability of sovereign borrowing. Flexible regimes often expose developing economies to exchange rate volatility, with depreciations inflating the burden of foreign-currency denominated debt (Ocampo, 2017). Pegged or currency board arrangements, while promising stability, frequently



collapse under speculative attacks or reserve depletion, leading to sharp devaluations and debt explosions as illustrated by Argentina in 2001 (Eichengreen, 2008). Thus, exchange rate frameworks are structural variables that directly shape debt outcomes by linking domestic economies to international capital markets.

Policy missteps, such as procyclical fiscal spending, overreliance on external borrowing, and poorly sequenced liberalization, have been central to many debt crises. The Latin American debt crisis of the 1980s, for example, was partly driven by governments borrowing excessively during periods of low interest rates without adequate provisions for repayment when conditions tightened (Pastor, 1989). In many African states excessive dependence on commodity exports and failure to diversify magnified exposure to price shocks, thereby fueling debt accumulation (Iyoha, 1999). In these contexts, exchange rate regimes mattered, but policy mismanagement often amplified vulnerabilities.

Corruption and poor governance contribute to debt accumulation by diverting borrowed funds from productive investments into private hands. According to Ndikumana and Boyce (2011), "illicit financial outflows" from Africa frequently exceed inflows of development loans, creating a paradox where external borrowing actually undermines development. Mismanagement of public enterprises, overvalued contracts, and non-transparent procurement practices weaken debt sustainability by preventing external loans from generating adequate returns. In such cases, debt crises are less about exchange rate regimes per se and more about domestic governance failures.

External interference also plays a critical role. Structural Adjustment Programs (SAPs) imposed by the International Monetary Fund (IMF) and World Bank in the 1980s and 1990s promoted liberalization and austerity, which often deepened debt burdens rather than alleviating them (Stiglitz, 2002). Similarly, shifts in U.S. monetary policy such as interest rate hikes in the early 1980s and post-2020 pandemic tightening triggered widespread debt crises in the Global South (Obstfeld & Taylor, 2017). These external shocks interact with exchange rate regimes by precipitating capital outflows, currency depreciations, and higher debt-servicing costs.

While exchange rate regimes are undeniably important, they are not the sole or necessarily the dominant factor in debt accumulation. Instead, their impact is mediated by policy choices, governance quality, and the global economic environment. For instance, a flexible exchange rate regime may be sustainable if accompanied by prudent fiscal management and effective institutions. Conversely, even a stable exchange rate system may fail if loans are misappropriated or if external shocks overwhelm domestic resilience. Thus, exchange rate regimes should be seen as one component within a broader constellation of variables influencing debt.

The degree of importance of exchange rate regimes in shaping debt in the Global South is significant but not absolute. They condition the external vulnerabilities of economies, especially given the prevalence of foreign-currency denominated debt. Yet, domestic policy errors, corruption, mismanagement, and external interference frequently play equal or greater roles in driving indebtedness. Debt crises in the Global South are best understood as outcomes of the interaction between structural exchange rate vulnerabilities and broader political-economic factors, both internal and external.



Further, the implications of the World Bank and IMF's structural adjustment programmes (SAPs) and conditionalities on the Global South are profound, particularly in undermining long-term development capacity. A growing body of evidence demonstrates that these programmes, rather than fostering growth, often impeded investments in infrastructure, health service delivery, and education. Empirical studies show that conditionalities, which emphasized fiscal austerity, currency devaluation, and privatization, frequently resulted in reduced public spending on social services. For instance, in sub-Saharan Africa, health expenditure declined sharply under SAPs, with governments cutting subsidies for hospitals, introducing user fees, and reducing the availability of essential medicines. This worsened health outcomes, contributing to rising infant and maternal mortality in countries such as Ghana, Zambia, and Nigeria during the 1980s and 1990s (El-Said & Harrigan, 2006).

In education, SAP-related austerity measures led to reduced teacher salaries, increased student-teacher ratios, and the introduction of tuition fees in previously free primary education systems. A World Bank study itself admitted that these reforms created barriers to access for the poor, especially girls, thereby exacerbating inequalities in educational attainment (Cornia, Jolly, & Stewart, 1987).

On infrastructure, SAP-driven fiscal contraction limited governments' ability to invest in public works, transport networks, and power generation. Instead, privatization conditionalities often transferred control of key sectors to foreign corporations, sometimes resulting in higher prices and lower accessibility rather than improved efficiency (Mosley, Harrigan, & Toye, 1995). In Nigeria, for example, World Bank-backed privatization of utilities in the 1990s failed to expand access to electricity and water for poorer communities, but generated significant rents for political elites (Biersteker, 1990).

Finally, scholars have argued that these conditionalities constrained state capacity. By forcing governments to prioritize debt repayment and balance-of-payments stabilization over domestic investment, SAPs entrenched dependence rather than building self-sustaining development (Stiglitz, 2002). This explains why many Global South states emerged from decades of adjustment with weaker health and education systems than before the reforms, despite billions in loans.

## Conclusion

The international monetary/financial system has been structured in a way that outcomes of various transactions are at the detriment of the global south. This study examines the implications of contemporary international monetary system and international debt crisis on development in the global south. This study argues that, beginning from the 1929/30s global financial crisis, 1980s debt crisis, 1990s Asian debt crisis, the 2008/2009 global financial crisis and the 2008 Euro financial crisis has produced various outcomes that have had negative implications on the growth and development of the global south within the international political economy. This study further argues that the both past and present international monetary systems are designed to work in favour of the global north at the detriment of the global south. Today, liberals blame the global south for faulty domestic policies and institutions while the historical structuralists blame it on the dependency relationships that long existed between the global north and south that is



characterised by exploitation of the global south at the development of the global north. Nevertheless, the regime theorists have argued that the international monetary system exist within the frameworks of various international regimes. It was argued here that existing international regimes especially trade and monetary/financial regimes are designed to promote the interest of the global north and in most cases where these frameworks are discussed and are to be implemented, using the global representative will not be involved. This has created a serious gap in the present international monetary system. Hence, this study make the following suggestions as a measure to address the rising incidence of debt crisis in the global south.

### Recommendations

- a. Good governance and sound domestic economic policies are key in addressing the challenges pose by contemporary international monetary system and international debt crisis in the global south.
- b. The global south must combat the rising incidence of corruption that has eroded the culture of transparency, accountability and integrity in the country.
- c. The global south leaders must develop the political will and be committed in ensuring that issues of development are taken seriously and should be considered a top priority for engagement.
- d. Government in the global south should diversify their economy to ensure that focus of the country is shifted from a monocultural economy to multisectoral economy. This will help to ensure that a fall in the price of one commodity will not affect other sectors of the economy.

### References

- Acosta, P., & Griffith-Jones, S. (2022). Reforming the global financial architecture: Debt, development, and representation in the Global South. *World Development*, 157, 105942. <https://doi.org/10.1016/j.worlddev.2022.105942>
- Bank for International Settlements. (2025). *Annual report 2025: Financial conditions in a changing global financial system* (Chapter 2). <https://www.bis.org/publ/arpdf/ar2025e2.htm>
- Barth, J. R., Caprio, G., Jr., & Levine, R. (2012). *The evolution and impact of bank regulations* (World Bank Policy Research Working Paper No. 6288). World Bank. <https://doi.org/10.1596/1813-9450-6288>
- Barth, R.J. Caprio, G. Jr., & Levine, R. (2012). *Guardians of Finance: Making Regulations Work for Us* Cambridge, MA: MIT Press.
- Berend, T.I. (2013). *Europe in Crisis: Bolt from the Blue?* (New York: Routledge, 2013);
- Bhattacharya, A., & Stern, N. (2023). Climate and debt crises in developing economies: Navigating a double jeopardy. *Journal of Global Policy*, 14(1), 23–38. <https://doi.org/10.1111/1758-5899.13203>



- Biersteker, T. J. (1990). Reducing the role of the state in the economy: A conceptual exploration of IMF and World Bank prescriptions. *International Studies Quarterly*, 34(4), 477–492. <https://doi.org/10.2307/2600576>
- Birdsall, N. & Deese, B. (2005). "Beyond HIPC: Secure, Sustainable Debt Relief for Poor Countries," in Cheru, F. & Bradford, C. Jr., (eds.). *The Millennium Development Goals: Raising the Resources to Tackle World Poverty* (New York: Zed Books, p. 139.
- Blinder, S.A. (2013). *After the Music Stopped* New York: Penguin.
- Blyth, M. (2013). *Austerity: The History of a Dangerous Idea* New York: Oxford University Press.
- Bootle, R. (2013). *The Trouble with Europe* (Boston, MA: Nicholas Brealey, 2014); and Ivan T. Berend, *Europe in Crisis* New York: Routledge.
- Boston University Global Development Policy Center, Freie Universität Berlin, & UNCTAD. (2024). *Global financial safety net tracker — Methodology guidebook*. <https://www.bu.edu/gdp/files/2024/07/GFSN-Methodology-Guidebook-2024-FIN.pdf>
- Broz, J.L. & Frieden, A.J. (2001). "The Political Economy of International Monetary Relations," in *Annual Review of Political Science* 4 Norwood, NJ: Ablex , pp. 317–343.
- Carnegie Endowment for International Peace. (2024, October). *What is Bretton Woods? The contested pasts and potential futures of international economic order*. <https://carnegieendowment.org/research/2024/10/what-is-bretton-woods-the-contested-pasts-and-potential-futures-of-international-economic-order>
- Carney, R. (2009). (ed.), *Lessons from the Asian Financial Crisis* New York: Routledge.
- Cline, R.W. (1995). *International Debt Reexamined* Washington, DC: Institute for International Economics, p.1.
- Cline, R.W. (n.d). *The Baker plan and Brady Reformation: An evaluation* in Husain and Diwan (eds) *Dealing with debt crisis: A World Bank Symposium* Pp:220-227.
- Cohen, H.T. (2000). *Global political economy; Theory and practice* First Edition New York: Longman
- Cohen, H.T. (2016). *Global political economy; Theory and practice* Seventh Edition New York: Routledge
- Cohen, J.B. (2004). *The Future of Money* Princeton, NJ: Princeton University Press.
- Cohen, J.B. (2008). *Global Monetary Governance* New York: Routledge,
- Cohen, J.B. (2015). *Currency Power: Understanding Monetary Rivalry* (Princeton, NJ: Princeton University Press, 2015);
- Corbridge, S. (1993). *Debt and development* Oxford: Blackwell Publishers P:25, 85.
- Davis, F.G. (n.d). *External debt, adjustment and debt in Latin America* P31.
- Eichengreen, B. (2008). *Globalizing Capital: A History of the International Monetary System*, 2nd ed. (Princeton, NJ: Princeton University Press



- Eichengreen, B. (2008). *Globalizing capital: A history of the international monetary system* (2nd ed.). Princeton University Press.
- Eichengreen, B. (2011). *Exorbitant Privilege: The Rise and Fall of the Dollar* (New York: Oxford University Press).
- Eichengreen, B. (2019). *Globalizing capital: A history of the international monetary system* (3rd ed.). Princeton University Press.
- El-Said, H., & Harrigan, J. (2006). Globalisation, international finance, and political Islam in the Arab world. *Middle East Journal*, 60(3), 444–466.
- European Parliament. (2025). *Global currency dominance in the 21st century: Where does the euro stand?*  
[https://www.europarl.europa.eu/RegData/etudes/IDAN/2025/773690/ECTI\\_IDA\(2025\)773690\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2025/773690/ECTI_IDA(2025)773690_EN.pdf)
- Federal Reserve. (2025, July 18). *The international role of the U.S. dollar — 2025 edition*.  
<https://www.federalreserve.gov/econres/notes/feds-notes/the-international-role-of-the-u-s-dollar-2025-edition-20250718.html>
- Feinberg, E.R. (1988) "Latin American Debt: Renegotiating the Adjustment Burden," in Richard E. Feinberg and Ricardo Ffrench-Davis, eds., *Development and External Debt in Latin America: Bases for a New Consensus* South Bend, IN: University of Notre Dame Press, pp. 57–58.
- Feldstein, M. (1994) (ed.). *American Economic Policy in the 1980s* Chicago, IL: University of Chicago Press p. 737.
- Ffrench-Davis, R. (1988). "External Debt, Adjustment, and Development in Latin America," in Feinberg, E.R. & Ffrench-Davis, R. (eds.). *Development and External Debt in Latin America: Bases for a New Consensus* South Bend, IN: University of Notre Dame Press, p. 31.
- Fishow, A. (1985). "Lessons from the Past: Capital Markets During the 19th Century and the interwar Period", *International Organisation* 39-3 (Summer), pp.383-439
- Fратиanni, M., Savona, P., & Kirton, J.J. (2002). (eds.) *Governing Global Finance: New Challenges, G7 and IMF Contributions* Burlington, VT: Ashgate
- Gallagher, K. P., & Kozul-Wright, R. (2021). The case for a new Bretton Woods: Reforming the global financial system to address debt and inequality. *Development and Change*, 52(5), 1103–1121. <https://doi.org/10.1111/dech.12657>
- Hausmann, R., & Panizza, U. (2011). Redemption or abstinence? Original sin, currency mismatches, and countercyclical policies in the new millennium. *Journal of Globalization and Development*, 2(1), 1–35. <https://doi.org/10.2202/1948-1837.1111>
- Helleiner, E. (2014). *The Status Quo Crisis* New York: Oxford University Press.
- Helleiner, E. and Kirshner, J. (2009) (eds.) *The Future of the Dollar* (Ithaca, NY: Cornell University Press
- Helleiner, E. and Kirshner, J. (2015) (eds.) *The Great Wall of Money: Power and Politics in China's International Monetary Relations* Ithaca, NY: Cornell University Press.





Herman, B., Ocampo, A.J. & Spiegel, S. (2010) (eds.). *Overcoming Developing Country Debt Crises* New York: Oxford University Press.

International Monetary Fund. (2023). *2021 Special Drawing Rights allocation — Ex-post assessment report* (PPEA/2023/035). <https://www.imf.org/-/media/Files/Publications/PP/2023/English/PPEA2023035.ashx>

International Monetary Fund. (2025). *External sector report 2025 — Chapter 2: International monetary system*. <https://www.imf.org/-/media/Files/Publications/ESR/2025/English/ch2.ashx>

Iyoha, M. A. (1999). External debt and economic growth in sub-Saharan African countries: An econometric study. *African Economic Research Consortium (AERC) Research Paper 90*. Nairobi: AERC.

James, H. (1996). *International Monetary Cooperation Since Bretton Woods* New York: Oxford University Press.

Kentikelenis, A., & Stubbs, T. H. (2023). Conditionality and the persistence of austerity: IMF lending in the twenty-first century. *Review of International Political Economy*, 30(2), 456–478. <https://doi.org/10.1080/09692290.2022.2095327>

Kirshner, J. (2014). *American Power after the Financial Crisis* Ithaca, NY: Cornell University Press.

Kuhn, G.M & Guzman, P.J. (1990). Multilateral official debt rescheduling. Recent Experience. *World economic and Financial Surveys* Washington D.C. November. p7.

Lewis, M. (2011). *The Big Short* New York: W.W. Norton & Co.

Lindert, H.P. & Morton, J.P (1989). How sovereign debt has worked in Sachs, D.J. (ed.) *Developing country debt and economic performance* Vol. 1 *The International Financial System* Chicago: University of Chicago Press.

Marsh, D. (2013). *Europe's Deadlock* New Haven, CT: Yale University Press.

Mosley, P., Harrigan, J., & Toye, J. (1995). *Aid and power: The World Bank and policy-based lending* (Vol. 1). Routledge.

Ndikumana, L., & Boyce, J. K. (2011). *Africa's odious debts: How foreign loans and capital flight bled a continent*. Zed Books.

Obstfeld, M., & Taylor, A. M. (2017). *Global capital markets: Integration, crisis, and growth* (2nd ed.). Cambridge University Press.

Ocampo, J. A. (2017). *Resetting the international monetary (non)system*. Oxford University Press.

Ocampo, J. A., & Bértola, L. (2022). Global asymmetries and debt vulnerabilities in the Global South. *Cambridge Journal of Economics*, 46(3), 541–563. <https://doi.org/10.1093/cje/beac009>

Pastor, M. (1989). Latin America, the debt crisis, and the International Monetary Fund. *Latin American Perspectives*, 16(1), 79–110. <https://doi.org/10.1177/0094582X8901600105>



- Pempel, T. J. (1999). (ed.), *The Politics of the Asian Economic Crisis* Ithaca, NY: Cornell University Press.
- Pisany-Ferry, J. (2011). *The Euro Crisis and Its Aftermath* New York: Oxford University Press.
- Porter, T. (2005). *Globalization and Finance* Malden, MA: Polity Press.
- Prasad, S.E (2014). *The Dollar Trap* Princeton, NJ: Princeton University Press
- Rajan, G.R. (2010). *Fault Lines* Princeton, NJ: Princeton University Press.
- Reuters. (2024, May 15). IMF board approves members to channel reserve assets to MDBs for hybrid instruments. <https://www.reuters.com/business/finance/imf-board-approves-members-channel-reserve-assets-mdb-hybrid-instruments-2024-05-15>
- Rieffel, (n.d). *The role of the Paris club in managing debt problems* p 4-14.
- Rieffel, L. (2003). *Restructuring Sovereign Debt: The Case for Ad Hoc Machinery* Washington, DC: Brookings Institution Press.
- Sach, J. (1989). "Making the Brady plan work" *Foreign Affairs* 68-3 Summer 1989. P87-92.
- Stiglitz, J. E. (2002). *Globalization and its discontents*. W. W. Norton.
- Thirkell-White, B. (2005). *The IMF and the Politics of Financial Globalization: From the Asian Crisis to a New International Financial Architecture?* New York: Palgrave.
- UNCTAD & Bretton Woods Project. (2025). *Decoding IMF accounting: Unlocking the full potential of SDRs*. <https://www.brettonwoodsproject.org/2025/04/decoding-imf-accounting-unlocking-the-full-potential-of-sdrs/>
- Verdun, A. (ed.) (2002). *The Euro: European Integration Theory and Economic and Monetary*
- Webb, C.M. (1995). *The Political Economy of Policy Coordination: International Adjustment Since 1945* Ithaca, NY: Cornell University Press.