International Financial Subordination: A Critical Research Agenda

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1. Introduction

The rise of so-called Developing and Emerging Economies (DEEs) has been one of the most fundamental shifts in the global economy in recent years.[1] In 2010, for example, China became the world's largest exporter and in 2018 Foreign Direct Investment (FDI) to DEEs surpassed the amount directed to developed economies (UNCTAD, 2019). However, their rising economic power and weight in the global economy has not changed the subordinate position of DEEs in global financial markets. The clearest manifestations of this are the recurrent bouts of sharp exchange rate depreciations and financial instability, driven by conditions in international financial markets (Naqvi, 2018). However, DEEs' financial subordination stretches far beyond periodic crises. It shapes day-to-day economic relations in ways that have far-reaching implications for development prospects, from state policymaking to industrial development, patterns of urban growth and spatial restructuring, class relations and distributional conflicts, as well as value transfers within and across borders.

Macroeconomists, policy makers, and researchers at multilateral institutions acknowledge that DEEs face more serious economic challenges than developed economies, notably in the realm of macroeconomic policy and financial stability. These negative implications are generally attributed to an alleged underdevelopment of domestic financial systems, a lower quality of institutions, and (a history of) macroeconomic mismanagement (Krugman, 1979; Obstfeld, 1996; Jeanne & Zettelmeyer, 2002; Calvo & Reinhart, 2002). This implies that the solution to these financial challenges largely lies in the implementation of appropriate domestic economic policies and institutional reforms, initially fiscal probity, flexible exchange rates and development of domestic markets for securities, and more recently revised to include targeted and temporary capital controls (e.g., IMF, 2012).

More critical perspectives within economics have placed relative emphasis on the global drivers of financial contagion. Eichengreen & Hausmann (1999) argued that financial fragilities were not necessarily the result of policy error but the inability of agents in DEEs to borrow from international financial markets in their own currency, so-called 'original sin'. Stiglitz (2010) argues that the risk of financial instability rises with the degree of integration, and that, therefore, the goal should be to design a system, which mitigates against the adverse impacts of unintended contagion being amplified. Eichengreen & Gupta (2018) highlight the increasing importance of global factors, relative to national characteristics and policies, in influencing the frequency and duration of 'sudden stops' in capital flows to DEEs. This echoes

[1] We acknowledge that terms like DEEs risk homogenizing a great diversity of social formations outside the wealthy capitalist core of the world economy, as well as re-inscribing global market hierarchies that posit the latter as the apex of capitalist modernity (cf, Tilley 2021). That said, the term usefully draws attention to enduring global lines of division. Our interest in this paper lies in how international financial subordination, as a general phenomenon affecting all DEEs (albeit in variegated ways), contributes to such persistent global inequalities.

Rey's (2015) contention that DEEs are increasingly subjected to a global financial/liquidity cycle over which they have no control and which renders many domestic policy levers irrelevant.

Other economists have been concerned with the volatile and pro-cyclical nature of unregulated capital flows and the impacts these have for development trajectories in DEEs (e.g., Diaz-Alejandro, 1985; Griffith-Jones, 1998; Arestis and Glickman, 2002). These contributions, however, have largely focused on the recurrent empirical features of boom-bust cycles in DEEs rather than the structural underlying mechanisms which reproduce such subordination over time. Importantly, what is lacking from these economic accounts is an analysis of such features in terms of *global power relations*. Foregrounding questions of power is crucial if we are to think politically about financial subordination and its implications in DEEs. We need analytical and conceptual tools that allow us to firmly locate financial subordination within wider relations and processes structuring the world capitalist economy.

For this, we turn to IPE, and its rich tradition of writings on monetary power and the structural power of finance (e.g., Strange, 1988; Cohen 1998; Helleiner, 2008; Kirshner, 2014; Braun et al. 2020). Although these writings have largely focused, on the one hand, on the global ramifications of international money markets and their uneasy relations with governments in developed economies, and on the dominance of the US dollar and the hegemonic power of the US in the global monetary order on the other, a subset of the field has centered its attention on the particular modalities of expression of the structural power of finance in DEEs (e.g., Grabel 2018; Gallagher 2015; Dafe 2020; Antoniades, 2017; Naqvi 2021; Ban and Bohle 2021). These insightful contributions, as well as our own work on the matter (cf. *inter alia* Authors), draw attention to a wide range of political and institutional factors (reviewed in more detail below), which together serve to maintain DEEs in a subordinate position in the global monetary and financial system.

That said, while the extant IPE literature strongly suggests that this subordinate position may well be a continuous and systemic feature of the world capitalist economy, with far reaching implications for development prospects in DEEs, we note that the persistence, significance, and consequences of this phenomenon are not yet fully theorized. The insights generated in the literature have remained relatively fragmented, hampering collective efforts at theory-building. Our objective in this article is to address this fragmentation and contribute to a more systematic understanding of this phenomenon. We suggest that what the IPE literature has lacked thus far is an umbrella concept which would serve as a means to anchor scholarly efforts and channel them towards a cumulative and collective theory-building endeavor. Consider, for instance, how key terms like globalization, post-Fordism, neoliberalism, financialization and others have been able (despite their limitations) to develop vibrant fields of social scientific inquiry. Scholars from across disciplines have rallied (if, at times, with a healthy dose of skepticism) under these umbrella concepts and associated research agendas. While hotly debated, the value of these terms is that they successfully provided a platform for bringing into conversation a wide range of investigations into various aspects, properties, and features of these phenomena.

This contributed to both our general understanding and knowledge of such phenomena, but also to critical dialogue and theoretical development.

Our key contention, then, is that what we call *international financial subordination* (IFS) has the potential, as an umbrella concept and associated research agenda, to focus scholarly efforts on an important set of processes and relations that maintain DEEs in a subordinate position in the global monetary and financial system. In short, IFS is about unearthing why the structural power of finance takes a particularly violent form of expression in DEEs, and the implications thereof. We start from the following working definition: IFS suggests a relation that is both spatial and saturated with power, a relation of domination, inferiority and subjugation between different spaces across the world market, expressed in and through money and finance, which penalizes actors in DEEs disproportionally. It expresses itself as constraints on the agency of a multiplicity of social actors, it is directly implicated in the geographical transfer of value across the world market, and it significantly contributes to broader patterns of uneven spatial development. IFS is a general phenomenon that affects DEEs, although in variegated ways. At the core of our proposition is an attempt at generating an interdisciplinary and pluralist encounter involving various international political economy traditions around a research agenda on IFS.

As we flesh out this research agenda, we do not claim to reinvent the wheel. In the first part (section 2), the article gives pride of place to the necessary work of critical synthesis. We argue in particular that an IFS agenda would benefit from a sustained engagement with three heterodox traditions which have had a long-standing interest in phenomena related to IFS, and which arguably have been the most explicit and systematic in their treatment of such issues: dependency theory, post-Keynesian economics, and Marxist scholarship. Our key argument here is that these traditions provide useful tools to firmly locate IFS within both contemporary processes of accumulation (notably in the periphery) and the turbulent histories of the relation between finance and (post)colonial development (Bhambra 2021; Tilley 2021), which are fundamental to reinvigorating systemic explanations of IFS. Moreover, all three traditions provide important insights to theorize the monetary basis of IFS.

However, our contribution does not stop at this work of critical synthesis. It is also programmatic. The second part of the article (section 3) is dedicated to demonstrating the analytical value of IFS as an umbrella term, and to articulating a pluri-disciplinary research agenda to encourage research on IFS in challenging and novel directions. We organize our reflections around six analytical axes: (1) history and the mutations of IFS; (2) social relations of production and IFS; (3) money in IFS; (4) the relationship between IFS and the state; (5) the role of non-state actors in IFS; and (6) the importance of geography and spatial relations for understanding IFS. While our analysis is primarily conceptual, we use empirical examples to illustrate our argument, and, where relevant, we discuss political implications.

We conclude with critical reflections on the potential to deploy IFS in applied research and on future research on the IPE of money and finance. In a recent survey of the field of IPE and its blind spots, LeBaron et al. (2021) underline that although most IPE scholars would recognize that North-South divides are central axes of global inequality, they are often treated as analytical afterthoughts. Our hope is that taking IFS seriously will help remedy this blind spot and contribute to a reversal of the marginalization of systemic perspectives in IPE (Clift et al., 2020).

2. IFS: Building from IPE foundations and heterodox economics traditions

Three types of arguments recently developed in the IPE literature are of particular relevance to understanding the subordinate position of DEEs in global monetary and financial relations.

First, IPE scholars emphasize the power of specific political and financial actors in subjecting DEEs to strict disciplines. Roos (2019) highlights the influence of creditor cartels and credit rating agencies, and Kentikelenis and Babb (2019) underline the supporting role of the IMF. Gabor (2021) identifies a concerted policy effort on the part of a coalition of actors (including multilateral financial institutions and asset managers) to reorganize development interventions around partnerships with global finance. This 'Wall Street Consensus' both generates lucrative financial opportunities for private finance and deepens its power to discipline the state in DEEs. Petry et al. (2021) discuss the 'gatekeeping role' of index providers in shaping patterns of financial flows to DEEs and influencing economic policymaking.

Second, a series of IPE interventions point to a broader institutional configuration in the global political economy (encompassing norms of capital mobility, the structures of global financial governance, the power of financiers, and the pressures of developed economies) which constrains the policy space of DEEs (Ban 2016; Grabel 2018; Naqvi 2018). Although in some circumstances – including the successful mobilization of various domestic interests – states have been able to exercise a 'countervailing monetary power' which allowed mitigating this constraint relatively successfully (e.g., Gallagher 2015; Antoniades, 2017; Naqvi 2021; Ban and Bohle 2021; Hardie and Rethel 2018; Perfeito da Silva 2022), the general picture is one where policy options in DEEs are severely limited.

Third, focusing on domestic institutions and modalities of external integration into the world economy, a number of IPE scholars argue that certain varieties of capitalism in DEEs are particularly vulnerable to (and dependent on) external finance. For instance, Nölke and Vligenhart (2009) identify a 'dependent market economy' variety of capitalism in Central and Eastern Europe, and Schneider (2009) a 'hierarchical market economy' in Latin America, in which multinational corporations are the main providers of finance and channels of external dependence. In recent work on the global financial crisis, Ban (2013) extends this focus on hierarchical/dependent intra-firm relations to foreign ownership of banks and the financial risks, constraints on local (public) agency, and channels for resource transfer these bring for countries in East-central Europe (see also Gabor, 2012).

The IPE literature, then, offers useful insights into a range of factors that, taken together, contribute to reproducing IFS. Nevertheless, as argued in the introduction, such insights remain relatively fragmented, insofar as the various factors identified (from the power of states, to domestic and institutional configurations) could be more firmly grounded in contemporary processes of accumulation, the turbulent histories of the relation between finance and (post)colonial development (Bhambra 2021; Tilley 2021), and theories of money. In this section, we therefore make the case for enriching these IPE contributions by bringing them together under our IFS umbrella concept and into sustained conversation with three heterodox traditions: dependency, post-Keynesian and Marxist scholarship. To the best of our knowledge, this is the first attempt at systematically mapping out, comparing, and contrasting the key arguments made in these distinct literatures concerning IFS. For each body of literature, we ask: How is IFS understood? What are the units of analysis? What are the empirical manifestations of IFS? What are the structural processes and mechanisms driving it? What are the policy implications of such an understanding?

2.1. Dependentistas and theories of financial dependency

With conceptual frameworks of dependency theory ranging widely – from Marxism and Structuralism to Neo-Marxism – what these strands have in common is that they take a historical approach to underdevelopment, theorize centrally about the polarizing tendencies of capitalism, focus on production structures and specifically on the constraints faced by peripheral economies (Kvangraven, 2021). Dependency theory is therefore particularly relevant for understanding how IFS relates to structures of production.

The factors driving IFS in dependency theory are traced back to the development of colonial systems of production and extraction that also impact the financial systems in the periphery. While financial subordination has been less theorized in the dependency literature than 'real' subordination (e.g. the seminal work of Frank, 1966; Baran, 1957; dos Santos, 1970; Furtado, 1970; Amin, 1974; Cardoso and Faletto, 1979), important interventions have been made in the literature regarding financial dependencies, taking two different starting points.

The first connects financial dependency to the real economy, with weaknesses in the latter driving the former. Nkrumah (1965) argued that dependency in West Africa persisted despite formal decolonization because of foreign dominance in the highly concentrated banking sectors, which were structured in that way to the benefit of colonial production and extraction. This was because the colonial banks' roles were to finance (export) products needed for the colonizers as well as to facilitate repatriation of income by the metropolitan enterprises (Amin, 1976; Uche, 2012). Similarly, Amin (1974, 1976) observed that the monetary problem of underdeveloped countries could be found in their banking systems' orientation towards short-term financing rather than transforming savings to long-term investments. This extractivist pattern has continued in large parts of the periphery (see more recent interventions on the African banking sectors by Taylor (2016), and Koddenbrock et al. (2020)). Furthermore, Prebisch (1939) argued that dependent development led to peripheral economies' financial sector dependence on global liquidity and global business cycles (see also Lampa, 2021). Prebisch emphasized that peripheral economies' subordination is also reflected in their inability to fine-tune monetary policies according to domestic needs, given that they are on the receiving end of monetary and financial cycles generated by core countries. In both the analyses of the subordinate banking sector and restricted monetary policy, the cause of subordination is the structure of the productive economy. However, subordinate banking and monetary systems exacerbate the situation of dependence in the real sector as well.

The second important intervention in the dependency literature has come from theorists who see IFS as the primary *driver* of dependency. Tavares (1985) pioneered this line of reasoning, arguing that the fundamental obstacle to development was financial dependency, reflected in the inability of peripheral economies to borrow in their own currencies. For her, this was more decisive than constraints in the real economy. Within this view it is intermittent access to finance (and especially the nefarious role of foreign finance) that drives balance-of-payments constraints, ultimately leading to low growth (Vernengo, 2006).

In the dependency literature, one can identify several subordinate units. Many dependency theorists analyze how the nation state is subordinate in a global hierarchy, and the impact this has on balance-of-payment constraints, the trade imbalance, lack of competitiveness, and technological capabilities. While dependency theorists may engage with the lack of capabilities also at the firm level, the analysis tends to consider the reasons for this to be due to peripherality in the global system, and colonial legacies; consequences tend to be outlined at the national level (e.g. trade deficits, foreign corporations extracting profits). Some authors brought in more actors to explain the possibilities of dependent development. Cardoso and Faletto (1979) highlighted the possibilities of domestic political actors forming coalitions with foreign governments and multinational corporations. Meanwhile, many of the Marxist dependency theorists foregrounded class analysis. For example, Marini (1973) considered the working class in dependent countries as politically dominated and economically exploited, as in all capitalist countries, but that these class relations take specific forms due to international subordination. For Marini, in order to generate an average rate of profit, firms in dependent economies subject their workers to particularly acute forms of exploitation ('super-exploitation'). A more contemporary application of such conceptual and empirical exploration is that of Musthaq (2021), who demonstrates how Amin's conceptualization of imperialist 'labor arbitrage' can be extended to account for the hierarchical nature of global monetary and financial relations, creating opportunities for imperial 'financial arbitrage'. In a hierarchical monetary system that privileges world money, the growing responsiveness of capital movements to monetary policy in advanced countries worsens the situation for the countries in a subordinate monetary position in the global economy (see also Sylla, 2021; Reis and Antunes de Oliveira, 2021).

If, according to dependency theory, subordination affects peripheral nations, peripheral firms, peripheral financial sectors, and the working classes, what are the factors that shape it, and who benefits from it? The way in which domination is described differs, but emphasis tends to be placed on political and economic actors in the center, as well as, in some cases, the domestic ruling classes of the periphery (e.g. Baran 1957, Cardoso and Faletto 1979). However, much of dependency theory also explains the domination of the center in terms of structures and tendencies of capitalism (e.g. monopoly in the North, competitive pressures in the South), rather than pointing to concrete *agents* of domination. Instead, the causes are traced back to key historical moments of extraction and domination that have persisted across centuries and reproduced under the form of structural core-periphery relations (see also Fischer 2015; Kvangraven 2021).

The associated policy implications of the most radical strands of the dependency literature tend to center on structural transformations of social relations, either through challenging the global capitalist system itself or by pointing to ways in which the power balance between international classes can be shifted in favor of workers in the periphery. Less radical strands will point to ways that the hierarchical system can be challenged within capitalist relations, for example by breaking up monopolies in the center, providing more policy space for countries in the periphery, and finding ways to shield actors in the periphery from cyclical swings and shocks that emanate from the global financial system.

2.2. Post-Keynesian studies of the international currency hierarchy

Post-Keynesian literature theorizes the subordinate integration of DEEs into the global capitalist system through the concept of international currency hierarchy. Here, IFS is mainly understood as monetary subordination, in that DEE currencies occupy lower ranks in a structured and hierarchical international monetary system. This monetary subordination, in turn, has important implications for macroeconomic dynamics, financial stability, and policy autonomy.

Theoretically, this literature owes much to the original Keynesian formulation of liquidity preference theory, in particular Keynes' discussion of asset's 'own rate of return' (Keynes, 1936). The common assumption is that national money can be considered an international asset class which stands in competition with other nations' money. The relative ability to perform (international) money functions, that is to act as a means of payment, store of value, and unit of account creates a hierarchy between those monies with one currency sitting on top of the hierarchy and acting as *the* money of the system. This global money has the highest liquidity premium and the 'return' of all other currencies are assessed vis-a-vis this top currency. At the bottom of the hierarchy sit the currencies of DEEs which hardly fulfill any international monetary functions and often see domestic currency functions substituted by foreign currencies.

The key units of analysis in a large part of the currency hierarchy literature are the money-issuing and governing authorities of nation states. IFS manifests itself primarily in financial and exchange rate instability and macroeconomic constraints on the autonomy of policymaking. These macroeconomic constraints include a need to offer higher interest rates as compensation for their currencies' lower liquidity premium, being subject to large and sudden changes in investor demand unrelated to domestic economic conditions, the inability to issue debt in domestic currency ('original sin'), and the need to accumulate foreign exchange reserves. The literature varies in its analytical and theoretical emphasis, including in what is seen to ultimately determine a currency's liquidity premium and hence position in the currency hierarchy. One strand of the literature (Davidson,1992; Dow, 1999) focuses on the speculative demand for money and the role of international liquidity preference in causing large movements in currencies outside the core. Overall, this strand is less concerned with the specific conditions in DEEs than with developing a more general theory of monetary subordination. Work by the German Monetary Keynesian school on currencies' international currency premium (Riese, 2001; Herr and Huebner, 2005) puts particular emphasis on the conditions within DEEs and provides a theoretical foundation for the hierarchical nature of the international monetary system, based on currencies' differential ability to store value. With regards to the underlying determinants of a currency's position in the international currency hierarchy, these are mainly located in governments' ability and commitment to maintain the value stability of their currency (e.g. through current account surpluses, the commitment to maintain stable inflation, and the exchange rate regime).

The focus on DEEs is also central to a third strand of literature, largely developed in Brazil and rooted in the tradition of Latin American structuralism and dependency theory. Emphasis in this literature is on the negative macroeconomic implications of DEEs' monetary subordination, in particular with regards to the exchange rate and monetary and fiscal sovereignty (Prates and Andrade, 2013; de Paula et al., 2017). Though less analytical emphasis is placed on the structural determinants of currencies' international liquidity premia, these tend to be located in currencies' ability to store value through current account surpluses and the central bank as market-maker of last resort.

A slightly different approach is taken by a fourth, Minskyan strand of literature (e.g. Kaltenbrunner, 2015; Bonizzi, 2017; Ramos, 2019), which rather than emphasizing the store of value function puts the emphasis on money's role as means to settle outstanding (international) financial obligations and the ability to meet these obligations through cash-flow generation. This Minskyan interpretation of the hierarchical international monetary system shifts the analytical focus from broad macroeconomic aggregates and the operations of monetary authorities alone, to the specific balance sheet characteristics of private economic agents (both national and international) to understand monetary subordination. Analytical emphasis is not only on the asset side of balance sheets, but how these interact with specific spatially, institutionally, and financially variegated liability configurations. As a consequence, rather than a country's macroeconomic situation and monetary governance, its position in international debtor-creditor relations, the spatially unevenly distributed structure of the international financial system, and the power relations underpinning them, become essential to explain DEEs' monetary subordination.

In sum, the currency hierarchy literature shows that a key determinant of IFS works through the monetary system's unevenness at the global level, which constrains agency, in particular states' ability to conduct autonomous monetary and financial governance. The policy implications, then, tend to revolve around reform of the global monetary and financial system to level the playing field, as well as exploring policies DEEs can pursue to gain greater autonomy, such as capital controls and exchange rate management.

2.3. Marxist accounts of money and finance in DEEs

For Marx, if more and more sophisticated forms of money and finance play a fundamental role in expressing the disciplinary power of capital, in lubricating capital accumulation, and in displacing capital's crisis tendencies in both space and time, money and finance themselves constitute sites of antagonism and contradiction, which find temporary resolution in crisis. This has a number of important implications for theorizing IFS. While IFS may appear as a relation of domination, inferiority and subservience between different spaces across the world market, it is nonetheless underpinned by class-based processes and productive relations. There is a dialectic at play which presents the class antagonism between capital and labor (the fundamental divide of capitalist society) as an unequal relation between spaces, which may be regions, nations or other collectivities, via finance and monetary relations. This means that the challenge for an analysis of IFS from a Marxist perspective is to unpack how and why a phenomenon rooted in production/class takes the appearance of a relation of inequality between spaces/states. Furthermore, IFS may take different forms inasmuch as it is conditioned by the historically and geographically specific pattern of capital accumulation prevailing in a particular space. For Marxists, while theorizing IFS must foreground relations of production, it must also account for the partial autonomization of finance and the relations of subordination which might emanate from spatially structured financial processes.

Seeing capitalism as a global, class-based process, necessitates recognizing the centrality of imperialism for the development of capitalism, as dependency theorists also highlighted. Since the classical theories of imperialism of Luxemburg, Lenin, Bukharin, and Hilferding, Marxist scholars have developed analyses of finance and imperialism into two lines of analyses, both of which are of particular interest with respect to theorizing IFS.

First, Marxist scholars emphasize that monetary and financial phenomena may take specific forms in the spaces which have been *coercively* integrated into the world market. Coercive integration here refers to a broad set of both historical and more contemporary processes of imperialism, such as colonization, structural adjustment programs, free trade agreements and various other forms of extra-economic pressure. Coercive integration results in monetary and financial phenomena in DEEs taking a subordinate character, with implications for the formation of crises, the enforcement of class discipline, and value transfers across the world capitalist economy. For instance, recent work on financialization argues that due to their position in the world market, DEEs experience patterns of 'peripheral' or 'subordinate financialisation' (Becker et al, 2010; Painceira, 2012; Bonizzi et al., 2020), which involve the extraction of a share of locally generated surplus which is then channeled to advanced capitalist states via the global financial system (see also Norfield, 2016; Suwandi, 2019; Patnaik and Patnaik, 2021). This value transfer takes place through processes closely linked to production, e.g., dividends and profit remittances, or through financial and speculative channels, such as high interest rates on domestic debt. The important implication here is that IFS is not only a phenomenal expression of the crisis-ridden dynamics of accumulation, it is also a function of *relations of empire and imperialism* (Narsey, 2016; Alami, 2019b; Koddenbrock et al., 2020).

Second, these relations of empire and imperialism (and the processes of subordination they give rise to) are considered to be internalized within the various forms of state apparatus in DEEs, including the policies, institutions, and instruments involved in the regulation and management of financial and monetary affairs (Soederberg, 2005; Marois, 2012). Indeed, the frequency and violence of financial crises have forced states in DEEs to develop specific policy and institutional forms in order to strengthen financial systems and to 'self-insure' against future crises and episodes of capital flight, while maintaining a long-term commitment to liberalize financial flows (commonly cited examples of policies include foreign exchange reserve accumulation, macroprudential regulations, and various forms of capital controls). Self-insurance policies tend to be costly, and these costs are often socialized by shifting them onto the working class, peasants, and the poor. In terms of political implications, this means that mitigating IFS would likely require addressing broader class-based exploitative processes. This would include the abolition of class relations and a transfer of control and ownership of resources to laborers.

Having conducted a mapping of the literature and of what we consider to be the most promising theoretical elaborations and methodological predispositions for the analysis of IFS, we now turn to demonstrating the analytical value of IFS as an umbrella term for IPE scholars through the elaboration of a proposed research agenda.

3. A critical research agenda on IFS

We organize our reflections around six analytical axes: (1) history and the mutations of IFS; (2) social relations of production and IFS; (3) money in IFS; (4) the relationship between IFS and the state; (5) the role of non-state actors in IFS; and (6) the importance of geography and spatial relations for understanding IFS. Each axis is not intended to be understood as mutually exclusive, nor would we expect that every piece of work on IFS should consider all of them. Equally, the axes taken together are not meant to be exhaustive; there may be other productive avenues for advancing our understanding of IFS. Nonetheless, our argument is that further investigation along these axes would help develop IFS as a relatively coherent and structured field of social scientific inquiry, which as mentioned earlier, is necessary for collective theory-building.

3.1 History and the mutations of IFS

We make the case in this sub-section for the development of historically sensitive accounts of IFS, that is, explanations capable of accounting for its historical patterns of continuity *and* transformation in its modalities of expression over time. The literature examined above has been better at highlighting continuity and path-dependency in IFS, rather than dynamism and mutations. Consider for instance the dependency theory argument discussed earlier that banking and financial systems in dependent, resource-rich economies tend to be highly concentrated, dominated by foreign banks, and geared towards short-term financing and shifting financial profits abroad (see also Bernards, 2020; Koddenbrock et al., 2020). This is a legacy of the colonial insertion of peripheral economies as extractive platforms into the world market, and may endure under contemporary core/periphery relations. This is a useful argument to underline the long historical patterns of financial subordination, but less so to specify how IFS has mutated over time. By contrast, the more recent IPE literature has produced valuable insights about various aspects of contemporary IFS, but arguably lacks historical depth.

A sensitivity to both continuity and change is important in at least three respects. First, and while we acknowledge that our concept of *international* financial subordination may suggest that IFS has followed the emergence of the modern nation-state, historical comparative studies of more ancient (pre-dating the emergence of the nation-state and the capitalist mode of production) and modern forms of IFS would help identifying the specifically capitalist features of IFS.

Second, and in a related manner, historical comparative studies could shed light on the ways in which IFS has mutated with the historical development of capitalism. This could be in relation to the changing identity of world money and shifting dominance of money forms, which would provide both a deeper historical background and broader theoretical framework in which to embed the international currency hierarchy literature discussed earlier. This would also allow linking other violent financial histories, such as that of trans-Atlantic slavery and the emergence of novel forms of insurance and capitalist finance (Williams, 1944; Inikori, 2002) to IFS. Relatedly, the mutations of IFS could be studied in relation to the historical development of the world market and other long-term capitalist trends. For instance, in previous work (Bonizzi et al., 2019; Powell, 2019) we have argued that the contemporary phenomenon of financialization can be linked to shifts in the dynamics of accumulation on a planetary scale, and epochal changes in the roles that the various circuits of capital play in general capital circulation. These changes include the internationalization/disaggregation of production and the unfolding of a 'new' international division of labor (Charnock & Starosta, 2016) manifest in the development of regional and global value/commodity chains, and the relentless spread of market-based financial systems providing security to global capital through institutional transformations, reserve accumulation, and continued financial liberalization.

Third, historically-sensitive studies could focus on how different world-regions have been unevenly affected by the global spread of IFS, how this geographical expansion has in turn led IFS to mutate in its concrete forms of manifestation, and how variegated configurations of IFS across space are a product of specific histories. In short, we call for a deeper attention to the entangled temporalities and spatialities of IFS, an issue we return to below.

3.2. Social relations of production and IFS

IFS is not a purely monetary and financial phenomenon, but is deeply entangled with broader dynamics of capitalist development, including those that pertain to the so-called 'real' economy. The literature contains powerful insights as to some of the ways in which the two relate to each other, but is also limited in as much as it fails to sufficiently problematize this interrelation. Dependency theory, Latin American structuralists, and some Marxists, locate the source of IFS in the domestic productive structures of peripheral extractive economies and IFS (call this the *productivist bias*).[2] Post-Keynesian work, on the other hand, tends to exhibit a

[2] With the exception of some writers like Tavares, who, as we saw, argues that IFS drives dependency.

financial/monetary bias, in that IFS is primarily understood and examined as a monetary phenomenon, which then affects the real economy and productive structures via domestic asset prices and the exchange rate.

Both the *productivist* and *financial/monetary* biases are really two sides of the same methodological outlook, which consists in either seeking to establish a direct causal relation between IFS and the 'real' economy, or (in its most nuanced variants) to give analytical primacy to one of the poles in this relation. While insightful in some respects, such an approach is ultimately unsatisfying, insofar as it is poorly suited to capture the multiple reciprocal feedback loops between IFS and the 'real' economy. The challenge is to develop a dialectical understanding of this complex and multifaceted relation, one that eschews giving primacy to any of its poles (IFS or real economy), and at the same time acknowledges the temporary autonomization of these processes.

Here we see potential in drawing upon the Marxist understanding of the dialectical relation between the various *circuits of capital* (money capital, productive capital, and commodity capital) and the contradictory unity of value production, circulation, and realization (within the totality of capital as value in motion). These circuits are mutually constituted, albeit in a necessarily crisis-ridden manner. The argument is that IFS must not only be conceived as a phenomenon with multifaceted manifestations, but also a phenomenon characterized by multiple determinations, with sources in the mutually constitutive circuits of capital, with these determinations shaping each other.

Let us illustrate this point with examples suggestive of how various circuits of capital are reciprocally connected in ways that impact IFS. There are many cases where intense social unrest and longer-term changes in prospects of labor exploitation in DEEs have had profound impacts on their financial reputation as investment destinations, patterns of capital flows, and exchange rate dynamics, in turn affecting circuits of productive capital. Consider also how the long depression of the 1870s, associated with falling profitability levels, led British financial institutions to export capital, which was facilitated by a separation of provincial industrial enterprise from the national financial institutions based in the City of London (Elbaum and Lazonick, 1984). This development, based on domestic social relations of production in England, had implications for the British colonies across the world for decades to come, as British banks established banking monopolies and withheld credit to local enterprises that were seen as competitors to British firms, which in turn affected the accumulation of productive capital (Koddenbrock et al., 2020).

This analytical focus also enables scrutinizing and comparing different configurations of IFS in social formations which are integrated into the various circuits of capital according to distinct modalities. For instance, a relevant research question may be what are the commonalities and differences between configurations of IFS in South Korea and South Africa? In Vietnam and Colombia? And how are they linked, in an interdependent and mutually constitutive way, to these countries' productive structure and role in global capital accumulation? This opens up the possibility of conceiving IFS as a general structural but *variegated* process (Karwowski, 2020). In terms of political implications, such an approach to IFS would suggest that mitigating

IFS may require policies that target not only the circulation of money and commercial capital, but also the accumulation of productive capital.

3.3. Money and/in IFS

An important component of our proposed research agenda is to put money (not simply finance) front and center in studies of IFS. This is not simply because the fraught relations between the financial system and its monetary basis are a major driver of financial developments and crises, but also because it is crucial to pay keen attention to how IFS is reproduced via monetary mechanisms. The post-Keynesian literature discussed earlier emphasizes the need to examine the institutional configuration of the global monetary system to explain the continuous position of DEE currencies at the bottom of the currency hierarchy.

Yet this focus on monetary functions and currency hierarchy is not unproblematic. One could argue that there is a tendency in some post-Keynesian and Latin American neo-structuralist writings to portray IFS as a largely technical question, thereby fetishizing the currency hierarchy. The implications are far-reaching: the hierarchical structure of the global monetary system ends up being treated in ahistorical terms (instead of seeing it as a product of history and power relations). Politically, the question becomes one of improving the location of DEEs' currencies in this pyramidal structure in order to achieve a certain degree of exchange rate stability and policy autonomy. However, this begs the question whether the international monetary system can ever be 'flat', or whether by definition only a few currencies can assume international money functions (Murau and van't Klooster, 2020). Similarly, an exclusive focus on monetary functions may be problematic, in as much as it seems to suggest that enhancing the technical ability of poorer countries' currencies to perform certain monetary functions would allow 'fixing' IFS. Power relations, while of course not entirely absent from such accounts, slip into the background. Finally, the focus on the dichotomy between domestic and foreign runs the risk of obfuscating the transnational class dynamics underpinning the international demand for currencies (Feygin and Leusder, 2020).

By contrast, our proposed research agenda precisely aims at defetishizing money in studies of IFS by centering relations of power. Here too a good starting point may be the Marxist theoretical elaboration of money, which is distinctive insofar as it does not only consider money in terms of its institutional and functional arrangements, but foregrounds money's central role in organizing capitalist social relations. The essence of money in capitalism is that it is a fundamentally unequal social relation that expresses class power, i.e., the command of capital over living labor and non-human natures for the purpose of self-expansion (Clarke, 2003; Alami, 2018; Koddenbrock, 2019). This means that the contemporary movement of money and private financial capital across the world market neither simply expresses the investment decisions of individual financial investors, nor the power of a specific fraction of capital such as a financial oligarchy or moneyed capitalists. While it is indeed the financial system that creates credit money, centralizes large volumes of idle capital, transforms it into various forms of loanable financial capital, and largely controls its allocation across activities, sectors, and regions, the movement of money and finance expresses the disciplinary power of capital *as a whole* (Alami, 2019a; Harvey, 2020; Clarke, 2003).

This allows framing the question of IFS in political, rather than technical or regulatory terms, as IFS is seen as part and parcel of wider relations and processes which result in a particularly violent form of expression of the structural power of capital under the form of finance in DEEs. This political framing links the question of IFS to a much broader problem of how capitalist competitive pressures are transmitted via financial and monetary relations, thereby subjecting workers, populations, firms, states and regions alike to the power of capital, albeit in uneven ways. A notable challenge, though, is linking this characteristically abstract theorization of money-power with the more concrete analysis of the plumbing of the financial system, its institutional and functional monetary arrangements, and the agency of the various actors who personify abstract economic relations. Such a task may be arduous, but we would argue that it is necessary, if we are to develop a politically attuned understanding of IFS.

3.4. The state and international financial subordination

A major theme of the literature relevant to IFS, perhaps due to its grounding in variants of statist political economy, is the impact of (international) financial relations on the state in DEEs. This impact is largely conceived as an external constraint (e.g., in the form of a balance of payments constraint and reduction in monetary policy autonomy for post-Keynesians or a constraint on national development for some dependency theorists). This view of IFS as largely manifested in an external constraint on policy space (as some of the IPE literature frames it) is useful inasmuch as it draws attention to the contribution of IFS in the sort of general asymmetry between how states in developed economies and those in DEEs face the competitive pressures of the world market.

However, the analytical emphasis on IFS as an external constraint is also limiting, because it tends to conceive of the relationship between IFS and state power as a zero-sum game. The general policy orientation that follows from this appraisal is one that consists in reintroducing strong regulations on banking and financial systems and reversing the liberalization of cross-border finance. From that perspective, policies such as capital controls and financial regulations, or measures concerning the 're-nationalization' of financial systems are seen as working towards reversing (or at least mitigating) IFS, or regaining policy space (Naqvi, 2021; Ban and Bohle, 2021). We question such a view insofar as it risks downplaying the class-based determinants and distributive consequences of such policy efforts, and the fact that an assertion of state authority in the realms of finance (under the form of regulations or otherwise) necessarily implies a retreat of IFS.

To avoid these theoretical and political pitfalls, while retaining the important notion that IFS does constitute an additional source of pressure on state policymaking in DEEs, we suggest framing the issue in a different way. Specifically, we propose firmly anchoring inquiries of IFS and its relationship with the state in a broader theoretical understanding of the role of the state in capitalist society. We conceive of the state as playing a key role in processing global capitalist class relations, in politically containing social antagonisms, and in securing the general conditions for accumulation within national territories (Clarke, 1991). The scope for state actions is restricted by the conditions imposed by expanded capitalist reproduction on a global scale. These conditions and the competitive pressures of capitalist relations are transmitted to states via what IPE theorists call the structural power of finance.

This opens up space for reflecting on state power in a non-binary way, reframing the issue of the relation between IFS and the state as follows: by virtue of their very existence as states in capitalist society, all nation-states are disciplined by the structural power of finance, but how does IFS influence this relation in the specific case of DEEs, and how does IFS in turn shape the ways in which these states process class relations and foster capital accumulation within their national territories? The development of policies, regulations, and institutions in the realms of money and finance can thus be assessed not only to the extent that they seem to signal the state resisting or giving in to IFS. Rather, they can be studied in light of states' attempts to negotiate IFS in ways that are more or less consistent with their accumulation strategies and attempts to engineer particular social contracts between classes.

For instance, Bernards (2021) demonstrates how financial inclusion reforms promoted by the state in Ghana are embedded in social and ecological contradictions dating back to colonialism. This provides a much more nuanced understanding of the drivers and challenges related to financial reform than what is usually acknowledged in the development finance literature. Such an understanding can also provide indicators as to how states in DEEs attempt to control cross-border financial flows, and how such policies may reproduce particular forms of class rule (see, e.g,. Soederberg, 2004 on the cases of Chile and Malaysia, and Alami, 2019a on Brazil and South Africa). The implication of such an approach is that policies, even those that ostensibly challenge the structural power of finance, must be understood in the context of a complex web of often conflicting class interests, both globally and domestically. In short, we call for research that is sensitive to the ways in which IFS may also be expressed and reproduced in and through the power of the capitalist state in DEEs, with particular attention to class dynamics.

3.5. IFS and the practices of non-state actors

The arguments and research program presented so far have been mainly concerned with macro-structural and deep-seated historical processes. We now turn to an exploration of how a richer understanding of IFS may be developed by a deeper attentiveness to agency. Specifically, we make the case for cross-disciplinary engagement with the question of how IFS both shapes, and is perpetuated, by various kinds of actors and their situated practices. Recent work in the post-Keynesian and Minskyan tradition has taken important steps in this direction, by analyzing the interdependencies between currency hierarchy and the balance sheet structures of private economic agents. The IPE literature also underlines the power of institutions, states, and domestic interests in shaping IFS. What about other actors and forms of agency? We foresee potentially productive engagements with other academic disciplines such as economic sociology, economic anthropology, economic geography, and social studies and cultural economy of finance, which we wish to welcome into our IFS umbrella concept and research agenda (e.g., Gilbert, 2019; Tilley, 2020; Radhakrishnan, 2018; Rethel, 2018; Pryke and Gay, 2007).

For example, recent literature at the intersection of economic anthropology and political economy demonstrates how the material and discursive practices of finance often reinscribe oppressive lines of division such as class, race, gender, and North/South (Radhakrishnan, 2018; Gilbert, 2019). A key theme here is how the narratives, imaginaries, representations, knowledges and technologies necessary to construct DEEs as investment destinations are far from value-neutral, and are embedded in long histories of race, colonialism, and empire (Bourne et al., 2018; Tilley, 2021). In geography, authors have shown how the imposition of core governance norms and standards reduces the risk for global investors and contributes to converting DEEs assets into 'investables' and embeds DEE states and societies further in the system of 'market rule' (Hebb and Wojcik, 2005; Soederberg, 2007; Faulconbridge, 2019). These authors point to the role of global standards, financial discourses, technologies, and everyday practices in enforcing asymmetrical power relations (at the expense of actors in DEEs), thereby pointing to how various forms of agency beyond the 'usual suspects' (powerful states, financiers, international financial institutions) contribute to the reproduction of IFS.

Our contention here is that producing richer understandings of IFS arguably requires developing two interrelated but distinct lines of inquiry. One would consist in scrutinizing how IFS is reproduced via the concrete, everyday practices of a multiplicity of actors beyond the state, albeit with an eye to the broader financial, monetary, and political economic structures underpinning them. The second line of inquiry concerns how IFS structures the behavior of these actors, that is, not only circumscribes their agency but also provides a number of opportunities to engage in profit-making and rent-generating activities, advance their interests, or consolidate their power.

Such a focus on specific actors and their situated practices would allow emphasizing the *processual* and *dynamic* nature of IFS, which the literature has tended to portray as a historical condition (as per dependency theory and Marxism, for instance). A processual understanding of IFS importantly complements such accounts inasmuch as it opens up space for more fine-grained studies of how different social actors develop strategies and practices to navigate IFS, and of the various forms of tension, conflict, and contradiction that may arise from this (e.g., lobbying activities or hedging practices to protect against IFS). Examples of concrete empirical insights that can be gained by such an approach include how states in large DEEs have developed new relations with securities exchanges in order to better navigate IFS and actively shape capital markets (Petry et al., 2021; see Alves 2017 for government bonds), or how pension funds have evolved in specific DEEs in response to demands for financial innovations resulting from movements towards market-based financial mechanisms and other pressures resulting from IFS (Bonizzi et al., 2021). Approaching IFS in this way allows us to examine how actors in the DEEs themselves actively shape the nature of their micro- and macroeconomic environment and it allows us to explore how this affects the nature of IFS in different spaces.

3.6. Towards a scalar-relational understanding of IFS

Our provisional definition of IFS in the introduction explicitly framed IFS as a *spatial* relationship. Besides, much of the literature discussed so far point to deeply geographical processes, not least in terms of how the contemporary operations of capitalist finance unevenly distribute financial gains, risks, and fragility across the world market, at the expense of DEEs and their populations. Space and geography evidently seem to matter for understanding IFS, yet, with some important exceptions considered below, the literature often falls short of thoroughly unpacking the geographical processes and spatial relations that underpin IFS. Our argument here is that more explicit engagements with these questions may be highly generative for the study of IFS.

Initial strides have been made in conceiving of IFS as an eminently spatial phenomenon, in the sense that it is both underpinned by relational spatialities and an expression of uneven geographical development at various scales. Bonizzi and Kaltenbrunner (2019) shed light on the uneven spatial relations created by the portfolio decisions and the balance sheet structures of institutional investors such as pension funds and insurance companies. IFS here is a geographical process inasmuch as the investment and funding strategies of powerful actors disproportionately located in the North result in a highly uneven distribution of risks and rewards at the expense of DEEs. Heinemann (2016) identifies another key geographical feature of IFS: patterns of financial capital flows to DEEs are highly dependent on shifting perceptions of the world economy produced by experts and professionals located in world financial centers which are the leading sites of financial knowledge production. For Alami (2019a), the sources of IFS lie in the 'subordinate positionality' that developing economies occupy in the geographical organization of financial and monetary relations on a planetary scale. These include the spatial arrangements of the financial system and the currency hierarchy, but also the concentration of wealth and command functions in a limited number of world financial centers and institutions. This points to the long-lasting role of imperial centers like the City of London in shaping wider financial networks and therefore influencing financial developments in DEEs (Norfield, 2016), but also to the fact that IFS may well be underpinned by a hierarchical network of world cities (Van Meeteren and Bassens, 2016).

Recent geographical research has also examined the spatial manifestations of IFS at other scales, such as the urban. Scholars have shown that housing finance and 'chaotic' patterns of urban growth have been fueled by excess liquidity and associated capital flows from developed economies situated at the top of the global monetary hierarchy (Fernandez and Aalbers, 2020; Socoloff, 2020; Büdenbender and Aalbers, 2019).

IFS may therefore well be constituted by a multiplicity of political economic geographies. Focusing on the tensions and intersections between these mutually constitutive geographies may be useful in uncovering how IFS contributes to the geographical transfer of value across the world market and to broader patterns of uneven spatial development. Importantly, these geographies may cut across the classical core/periphery relations, and may extend across and beyond the national/global scalar levels of analysis. Accordingly, we should be wary of fetishizing specific scales (i.e the global), spatial dichotomies (global versus national) or types of spatial relations (i.e. core/periphery) when studying IFS. Accordingly, we suggest that what is needed is an approach that takes seriously space, scale, and their internal relations, as constitutive elements of IFS, or what Macartney and Shields (2011) call a 'scalar-relational' approach (also Alami, 2018). Such an approach would explore how IFS as a process is reproduced through a nested hierarchy of socially produced and interrelated scales, from the investment practices of individual economic actors to the global financial system and interstate relations, and at a multitude of scalar levels in between.[3]

4. Conclusion

This paper has put forward the case for a critical research agenda around the umbrella concept of international financial subordination. With this concept, we offer a platform to concentrate and systematize scholarly efforts (in IPE and cognate fields) on the continuous and systemic subordination of DEEs in the global monetary and financial system. The literature has produced rich insights concerning the particularly violent forms of expression of the structural power of finance in DEEs and their implications, but has been less successful in developing this into a relatively coherent and structured field of inquiry. Our hope is that IFS can bring these research efforts together and channel them towards a cumulative and collective theory-building endeavor.

To contribute to this task, we provided an initial definition of IFS as a spatial relation of domination, inferiority and subjugation between different spaces across the world market, expressed in and through money and finance, which penalizes actors in DEEs disproportionately. This relation expresses itself through constraints on the agency of these actors, the geographical transfer of value across the world market, and broader patterns of uneven spatial development. We then argued that existing work on IFS could profit from an enhanced engagement with three heterodox traditions (dependency theory; post-Keynesian economics; Marxist political economy), which have traditionally paid attention to and theorized aspects of DEEs' continuous subordination in the global economy. In particular, drawing on these traditions, we argued that IFS must be firmly located within both contemporary processes of accumulation (notably in the periphery), the turbulent histories of the relation between finance and (post) colonial development, and theories of money.

As IFS is a complex phenomenon involving multiple determinations and manifestations, our research agenda must be multiangular and cross-disciplinary. That said, to provide relative structure and coherence to IFS as a field of study, we offered a research agenda organized around six analytical axes: the historical analysis of financial relations, the relations between financial and productive subordinations, the constitutive role of money and monetary relations as expressions of power, the role of the state, the actions and practices of non-state actors, and the geography and spatial relations of financial subordination.

Based on the identification and discussion of these six axes, we argue that IFS is a *historically enduring phenomenon*, whose form and nature have changed according to prevailing monetary and productive relations. In the contemporary era, the appearances of IFS have emerged out of a period of financialized capitalism, itself shaped by and instrumental to the internationalization

[3] We paraphrase Peck (2004: 397).

of the circuits of capital and dramatic progress towards the completion of a 'world market'. Empirically, this has manifested itself as the near global spread of international production networks, both spurring and in itself shaped by the rise of market-based finance.

This focus on the world market highlights another key aspect of our characterization of IFS, which we argue needs to be understood as a *global and systemic phenomenon* constitutive of the working of the global capitalist system. Finance is integral to the extraction, transfer, and realization of value across time and space and thus the perpetuation of uneven geographical development. The Americanization and market-based nature of global finance, a key theme in the IPE literature (Panitch and Konings, 2009; Gabor, 2020), can be seen in this light: as production has spread globally, led by lead firms in core economies, finance had to become international, flexible, and organized according to the institutional structures familiar to those lead firms. In line with Gabor's (2020; 2021) argument, similar institutional and legal structures are crucial to 'de-risk' global investments and ensure the safe transfer of revenues and profits. This systemic view of IFS also implies that purely national policy measures to address IFS will always be - at best - only partially effective and/or subject to unintended consequences. For example, the attempt to tackle DEEs' 'original sin' through the development of domestic bond markets, has reduced currency mismatches in the balance sheets of domestic actors, but has shifted them to non-resident investors thus increasing DEEs' vulnerability to international market conditions.

However, we have also warned against a tendency to characterize international monetary and financial relations as all-encompassing external constraints on state agency. Such a view fails to sufficiently consider the domestic class interests which underpin, and indeed may profit from, the specific ways IFS is mediated in each country. While the emphasis on non-resident investors in the Wall-Street consensus is merited (Gabor, 2021), their role needs to be analyzed in full awareness of the domestic interests enabling it. This is important because it forces us to think beyond specific 'technical fixes' to a particular manifestation of IFS, but rather consider the underlying domestic political economy forces which might work against reshaping DEEs' international integration in a more progressive way.

Finally, a crucial question, in particular for applied research, is how and where can we locate empirically the factors that perpetuate IFS in the current context? Here, our multi-theoretical and multi-disciplinary discussion has pointed to the need to pay attention to the interaction between both the global structures and relations of money/finance and production, and between those same structures and the daily practices of specific economic agents. For example, whilst we might argue that the dominance of the US Dollar is a key lever to discipline and exploit DEEs, this dominance is underpinned by the current organization of particular international product and financial markets, and the daily operations of economic agents engaged with them. The empirical investigation of these institutions, their spatial organization and differentiation, is an important part of this research agenda which can now be rooted in a clearer theoretical framework.

We hope that our elaboration of the concept of IFS and indicative discussion of its constitutive features can provide a critical framework for those working on related topics and by so doing bring them together in an interdisciplinary, critical, and politically-attuned dialogue with the ultimate aim of devising strategies to subvert and perhaps even begin to dismantle the structures of IFS.

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International Financial Subordination: A Critical Research Agenda

Abstract

Despite a varied picture in terms of their relative economic strength, Developing and Emerging Economies (DEEs) remain in a subordinate position in the global monetary and financial system. While the IPE and economics literatures provide rich insights about the significance of this phenomenon, research efforts remain fragmented. To address this problem, we offer an umbrella concept – international financial subordination (IFS) – to channel research efforts towards cumulative theory-building. IFS is about unearthing why the structural power of finance takes a particularly violent form of expression in DEEs. To provide structure to IFS as a scholarly field, we first assess the contributions of IPE in analyzing various factors that reproduce IFS. To better ground these efforts in processes of accumulation and the histories of the relation between finance and (post)colonial development, we then offer a critical synthesis of three heterodox traditions – dependency theory, post-Keynesian economics, and Marxism. Next, we develop a pluri-disciplinary research agenda organized around six analytical axes: the historical analysis of financial relations, the relations between financial and productive subordinations, the constitutive role of monetary relations as expressions of power, the role of the state, the actions and practices of non-state actors, and the spatial relations of financial subordination.

Keywords: financial subordination, currency hierarchy, North-South relations, dependency, financialized capitalism, monetary order

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Table 1: A Summary of IFS Analytical Approaches. Source: Authors.

	Dependency Theory	**Post-Keynesian Theory**	**Marxist Theory**
Conceptual Lenses	Core/periphery relations Colonial legacies, uneven development	Monetary hierarchies (Liquidity Premium)	Social relations of production Imperialism
Key agents	Nation states Domestic elites, domestic capital, domestic labour International capital, labour in the centre	Nation States (particularly macroeconomic policymakers) Foreign financial investors	Capital and labour as antagonistic classes Segments of capital (finance, industrial capital) The capitalist state
Empirical Manifestations	The ‘development of underdevelopment’ Weak production structures in the periphery, associated with balance of payment constraints, trade imbalance, lack of competitiveness and technological capabilities Actors in periphery pay higher prices for finance	Macro-financial dynamics: financial and exchange rate instability, external vulnerability, high interest rates, and constraints on policymaking	Enhanced capitalist discipline Recurring financial crises and austerity with costs shifted on to workers, peasants and the poor Value transfer in the form of profit remittances and financial channels such as interest rates on foreign-owned domestic debt

Driving Factors	Colonial legacies lay the foundations for uneven development Continued polarizing tendencies of capitalism Unequal exchange, unequal terms of trade	Foreign exchange constraint Financial Account (Structure of Global Financial System)	Coerced integration into the world market Weakness of industrial capital accumulation Institutionalization of the interests of financial capital in the state
Limitations	At times prioritises core-periphery relations at the expense of other relations Insufficient focus on the concrete practices which are both shaped by and underpin IFS	Little engagement with question of what underpins currency hierarchy Insufficient focus on underlying productive relations Insufficient focus on the concrete practices which are both shaped by and underpin IFS	Little engagement with international monetary hierarchies that shape IFS Insufficient focus on the concrete practices which are both shaped by and underpin IFS Insufficient focus on geographical processes and spatial relations that underpin IFS