

Reassessing Global Monetary Governance: IMF, Dollar Hegemony, and the Quest for Economic Justice in a Fragmented Global Order

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Abstract

This article analyzes the structural limits of contemporary global monetary governance amid rising geopolitical tensions, expanding economic sanctions, and renewed debates on de-dollarization and monetary sovereignty. While international monetary law is often presented as a neutral framework aimed at ensuring stability and cooperation, recent developments suggest a system increasingly marked by asymmetrical power, legal fragmentation, and distributive inequality. Drawing on a Law and Political Economy (LPE) perspective, this study argues that the dominance of the United States dollar and the institutional role of the International Monetary Fund (IMF) are not merely economic outcomes, but reflect a legalized hierarchy embedded in global monetary governance. Methodologically, the research combines doctrinal legal analysis with a policy-oriented approach, focusing on soft law instruments, institutional design, and governance practices. The analysis shows that monetary infrastructures and legal norms enable the strategic use of financial sanctions, thereby constraining monetary sovereignty and limiting policy space for many states. In this context, de-dollarization and calls for monetary autonomy are better understood not simply as economic or political responses, but as legal critiques of an unequal global order. This study contributes to international economic law by advancing a reform-oriented perspective that emphasizes monetary pluralism, seeks to limit asymmetric power, and calls for greater accountability and economic justice.

Keywords: *Global Monetary Governance; Dollar Hegemony; Monetary Sovereignty; IMF.*

Introduction

In the past decade, global economic relations have increasingly been shaped by geopolitical tensions, economic sanctions, and strategic competition among major powers. Economic measures that were once framed as exceptional tools of foreign policy have become routine instruments in international relations, affecting not only targeted states but also the stability of the global financial system as a whole. The expanded use of financial sanctions, asset freezes, and restrictions on access to international payment systems has revealed the deep entanglement between global finance and political power.¹

These developments have exposed structural vulnerabilities within the existing framework of global monetary governance. While international economic law formally emphasizes stability, cooperation, and development, recent crises suggest that the global monetary system operates unevenly across states. Financial infrastructures that rely on a limited number of dominant currencies and institutions have amplified asymmetries between economically powerful states and those positioned at the periphery of the system.² As a result, monetary arrangements that appear technical and neutral often produce significant distributive consequences.

At the center of this system lies the International Monetary Fund (IMF), which continues to play a central role in surveillance, crisis management, and policy coordination. Established to promote monetary stability and international cooperation, the IMF has evolved alongside the transformation of the global economy since the

¹ Daniel W. Drezner, *The Hidden Hand of Economic Coercion* (Cambridge: Cambridge University Press, 2022), pp. 1–5.

² Katharina Pistor, *The Code of Capital: How the Law Creates Wealth and Inequality* (Princeton: Princeton University Press, 2019), pp. 17–21.

collapse of the Bretton Woods system.³ Despite this evolution, its institutional design, particularly voting power allocation and policy conditionality, has remained largely resistant to structural reform. This persistence has raised longstanding concerns regarding representation, legitimacy, and fairness within global monetary governance.⁴

The dominance of a single global currency has further intensified these concerns. The international monetary system remains heavily reliant on the use of the United States dollar as the primary reserve, transaction, and settlement currency. Scholars have long observed that this dominance is not merely the outcome of market efficiency, but also the product of legal, institutional, and historical arrangements embedded in post-war monetary governance.⁵ In moments of geopolitical conflict, these arrangements enable the translation of monetary centrality into economic leverage, reinforcing structural inequalities within the global economy.

Recent geopolitical crises and sanction regimes have accelerated debates on de-dollarization and monetary sovereignty, particularly among emerging economies and Global South states. Initiatives to reduce dependency on dominant currencies, through local currency settlements, alternative payment mechanisms, and regional financial cooperation, reflect growing dissatisfaction with the existing legal and institutional order.⁶ These initiatives are not simply economic strategies; they signal normative challenges to the legitimacy of the current global monetary regime.

The perspective of global economic justice, these developments raise critical questions. If global monetary governance systematically constrains the policy autonomy of certain states while privileging others, the claim that international economic law promotes equitable development becomes increasingly difficult to sustain. The absence of an explicit legal framework addressing monetary sovereignty and distributive justice suggests a gap between the normative aspirations of international economic law and its institutional reality.⁷

Taken together, contemporary geopolitical tensions, sanction practices, and de-dollarization initiatives reveal that global monetary governance is not experiencing a temporary disruption, but a structural challenge. This context demands a critical reassessment of the legal foundations of the international monetary system, particularly the role of the IMF, in order to determine whether existing arrangements remain compatible with the pursuit of global economic justice in an increasingly fragmented global order.

Problem Formulation

³ International Monetary Fund, *Articles of Agreement of the International Monetary Fund* (Washington, DC: IMF, 2016).

⁴ Ngaire Woods, "The Globalizers: The IMF, the World Bank, and Their Borrowers," *Cornell University Press* (2006), pp. 92–98.

⁵ Barry Eichengreen, *Exorbitant Privilege: The Rise and Fall of the Dollar and the Future of the International Monetary System* (Oxford: Oxford University Press, 2011), pp. 4–7.

⁶ International Monetary Fund, "The Rise of Geoeconomic Fragmentation," IMF Blog, August 30, 2022, <https://www.imf.org/en/Blogs/Articles/2022/08/30/the-rise-of-geoeconomic-fragmentation>.

⁷ Thomas Cottier, "Monetary Sovereignty and International Law," in *International Economic Law in the 21st Century*, ed. Ernst-Ulrich Petersmann (Oxford: Oxford University Press, 2012), pp. 109–112.

Despite its central role in maintaining international monetary stability, global monetary governance continues to operate within a legal framework that inadequately responds to contemporary geopolitical and economic realities. The increasing use of financial sanctions, coupled with intensified geopolitical rivalry, has revealed how monetary arrangements can be mobilized as instruments of structural power. Yet, international economic law has struggled to articulate clear legal standards capable of constraining such practices or mitigating their distributive consequences.⁸

A core problem lies in the tension between the formal objectives of global monetary governance and its institutional design. The IMF is mandated to promote monetary cooperation, financial stability, and balanced growth. However, its governance structure, particularly quota allocation, voting power, and conditionality, has long reflected asymmetric economic influence.⁹ This asymmetry raises a fundamental legal question: whether the existing framework of global monetary governance can still claim normative legitimacy when decision-making authority and policy outcomes remain structurally unequal.

The persistence of dollar hegemony further complicates this problem. While the dominance of a single currency has historically contributed to transactional efficiency and liquidity, it has also produced systemic dependencies that limit monetary policy autonomy for many states. Legal scholarship increasingly recognizes that these dependencies are sustained through institutional practices and soft law instruments rather than explicit treaty provisions alone.¹⁰ Nevertheless, international economic law lacks a coherent legal doctrine addressing the distributive implications of such structural dependence.

Recent de-dollarization initiatives highlight the depth of this normative gap. Efforts by emerging economies to reduce reliance on dominant currencies through alternative settlement mechanisms and regional cooperation reflect dissatisfaction with the existing legal order. These initiatives are often framed as economic or political strategies, but they also signal a deeper legal contestation over monetary sovereignty and fairness.¹¹ The absence of clear legal parameters governing such shifts risks further fragmenting the global monetary system without resolving its underlying injustices.

Accordingly, the central research problem of this discussion is not whether global monetary governance should be replaced, but whether it can be legally recalibrated to accommodate changing power dynamics while preserving systemic stability. The challenge lies in identifying legal pathways that reconcile the IMF's stabilizing function with demands for greater inclusivity, accountability, and global economic justice.¹²

⁸ David Singh Grewal, "Network Power and Globalization," *Yale Law Journal* 123, no. 6 (2014): 1930–1935, <https://www.yalelawjournal.org/article/network-power-and-globalization>.

⁹ Ngaire Woods, "Global Governance after the Financial Crisis: A New Multilateralism or the Last Gasp of the Great Powers?" *Global Policy* 1, no. 1 (2010): 51–55.

¹⁰ Rosa M. Lastra, *International Financial and Monetary Law*, 2nd ed. (Oxford: Oxford University Press, 2015), pp. 25–30.

¹¹ Barry Eichengreen, "Global Imbalances and the Lessons of Bretton Woods," *NBER Working Paper* No. 10497 (2004), 18–22, <https://www.nber.org/papers/w10497>.

¹² Joseph E. Stiglitz, *Globalization and Its Discontents Revisited* (New York: W. W. Norton & Company, 2017), pp. 243–248.

Based on this problematique, this article addresses the following research questions:

- 1) How does the current framework of global monetary governance under the IMF institutionalize structural asymmetries through dollar-centered arrangements?
- 2) Why does international economic law insufficiently address issues of monetary sovereignty and distributive justice amid geopolitical tensions and de-dollarization trends?
- 3) How can global monetary governance be legally redesigned, within the existing institutional framework, to balance monetary stability with the pursuit of global economic justice?

These research questions situate global monetary governance at the intersection of law, power, and economic justice. By framing de-dollarization and monetary sovereignty as legal challenges rather than purely economic phenomena, this paper seeks to clarify the normative limitations of the current system and to explore reform-oriented legal responses within international economic law.

Methodology

Doctrinal legal research, combined with a policy-oriented approach, is used to examine global monetary governance within the framework of international economic law. The doctrinal approach is used to analyze primary legal sources, including the IMF Articles of Agreement, institutional mandates, and relevant principles of international monetary law, in order to identify the normative structure underlying the current global monetary system.¹³ This method allows for a systematic assessment of how legal rules and institutional arrangements shape monetary governance and distribute economic power.

To address the contemporary dynamics of geopolitical tensions and de-dollarization, the article integrates a policy-oriented analysis of IMF soft law instruments, policy frameworks, and institutional practices. Such materials, while formally non-binding, play a significant role in influencing state behavior and shaping monetary policy outcomes.¹⁴ By examining these instruments, the article captures the practical operation of global monetary governance beyond treaty texts.

The analysis is further informed by a Law and Political Economy (LPE) perspective, which situates legal norms within their broader political and economic context. This framework enables a critical evaluation of the distributive consequences of dollar-centered monetary governance and its implications for global economic justice. The combination of doctrinal and policy-oriented methods ensures that the study remains both legally rigorous and responsive to contemporary global developments.

¹³ Michael McAuley and James G. Devaney, "Doctrinal Legal Research: A Critical Overview," *Journal of Law and Society* 47, no. 4 (2020): 631–635, <https://onlinelibrary.wiley.com/doi/10.1111/jols.12206>.

¹⁴ Anna Gelpern and Mitu Gulati, "The Soft Law of Sovereign Debt: Contractual Reform, Judicial Review, and International Institutions," *Yale Journal of International Law* 38, no. 2 (2013): 167–172, <https://digitalcommons.law.yale.edu/yjil/vol38/iss2/2/>.

Discussion and Results

Law and Political Economy as an Analytical Framework

This study draws on Law and Political Economy (LPE) as its primary analytical framework. LPE moves beyond conventional approaches to international economic law that treat legal rules as neutral constraints on market behavior. Instead, it emphasizes how law actively constitutes economic relations, allocates power, and stabilizes particular distributions of wealth and authority.¹⁵ This perspective, international economic law is not merely a technical apparatus but a central site of political struggle.

Fundamentally, LPE challenges the separation between law and economics that has long dominated mainstream legal analysis. International economic regimes are often presented as functional responses to efficiency concerns, market failures, or coordination problems. LPE rejects this framing by demonstrating that legal rules are embedded within broader political and social choices.¹⁶ What appears as economic necessity is frequently the outcome of historically contingent legal arrangements that privilege certain actors while marginalizing others.

In global economic governance, LPE directs attention to institutional design, governance structures, and the distributional consequences of legal norms. International organizations do not simply implement pre-existing economic logics; they translate political priorities into legally operative frameworks.¹⁷ Their mandates, voting rules, and policy instruments shape the boundaries of permissible economic action. In practice, global economic law often operates less as a constraint on power than as a medium through which power is exercised.

This is especially evident in the context of soft law. Guidelines, policy frameworks, and technical standards are frequently portrayed as flexible alternatives to binding regulation. LPE analysis exposes that such instruments can function as powerful mechanisms of governance, especially when backed by institutional authority and market pressure.¹⁸ Soft law thus becomes a means of entrenching dominant economic paradigms while limiting democratic accountability and legal contestation.

LPE also foregrounds the distributive effects of international economic law. Crisis management, monetary stabilization, and development finance are commonly framed as neutral interventions aimed at restoring equilibrium. Yet these processes routinely involve trade-offs that redistribute risks and burdens across states and social groups.¹⁹ By focusing on distribution rather than efficiency alone, LPE exposes how global economic governance often normalizes inequality under the guise of technical expertise.

LPE does not merely offer a critique. It provides a normative orientation toward institutional redesign. Rather than accepting existing legal frameworks as given, LPE

¹⁵ David Singh Grewal and Jedediah Britton-Purdy, "Introduction: Law and Political Economy," *Law & Political Economy* Project, 2018, <https://lpeproject.org/blog/introduction-law-and-political-economy/>.

¹⁶ Robert L. Hale, "Coercion and Distribution in a Supposedly Non-Coercive State," *Political Science Quarterly* 38, no. 3 (1923): 470–474.

¹⁷ David Kennedy, *A World of Struggle*, 61–68.

¹⁸ Gelpern, "Hard, Soft, and Embedded," 755.

¹⁹ Stiglitz, *Globalization and Its Discontents Revisited*, 221–229.

invites inquiry into how law might be restructured to promote greater economic justice and political accountability.²⁰ This reformist-critical orientation aligns with contemporary debates on monetary sovereignty, de-dollarization, and the fragmentation of the global economic order, where calls for change increasingly target the legal foundations of existing regimes.

Law and Political Economy offers a conceptual lens through which global economic governance can be examined as a legally structured system of power. By situating law within political and distributive dynamics, LPE enables a critical assessment of international monetary institutions and their role in shaping economic outcomes. This framework provides the analytical foundation for the subsequent examination of global monetary governance and the institutional role of the IMF.

Global Monetary Governance and the Institutional Role of the IMF

Global monetary governance is formally organized around a commitment to stability, cooperation, and balanced economic growth. Since its establishment, the International Monetary Fund has occupied a central position within this framework, acting as a guardian of monetary order and a coordinator of international financial relations. Its legal mandate, as set out in the Articles of Agreement, emphasizes the promotion of exchange rate stability, the facilitation of multilateral payments, and the provision of financial assistance to members experiencing balance-of-payments difficulties.²¹ On paper, these objectives suggest a system oriented toward collective benefit and mutual support.

In practice, global monetary governance exposes a more complex institutional reality. The IMF's governance structure is built upon a quota system that determines both financial contributions and voting power. While formally grounded in economic criteria, this system has long produced significant disparities in decision-making authority. Economically powerful states retain disproportionate influence over institutional priorities, policy frameworks, and crisis responses.²² This asymmetry is not an incidental feature of the system but a legally embedded characteristic that shapes the distribution of power within global monetary governance.

The persistence of this structure has important implications for legitimacy. Although the IMF has undertaken periodic quota reforms, these adjustments have largely failed to alter the underlying balance of influence. Emerging and developing economies continue to face structural constraints in shaping institutional decision-making, even as they bear a substantial share of the adjustment costs associated with financial crises.²³ This raises questions about whether formal equality of membership can compensate for substantive inequality in governance outcomes.

²⁰ Quinn Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism* (Cambridge, MA: Harvard University Press, 2018), 271–276.

²¹ International Monetary Fund, *Articles of Agreement of the International Monetary Fund* (Washington, DC: IMF, 2016), arts. I–IV.

²² Ngaire Woods, “The Globalizers: The IMF, the World Bank, and Their Borrowers,” *Cornell University Press* (2006), 57–62.

²³ Bessma Momani, “IMF Reform After the Global Financial Crisis,” *Review of International Political Economy* 21, no. 5 (2014): 1086–1090.

Beyond its formal decision-making processes, the IMF exercises influence through an extensive array of surveillance activities and policy guidance. Article IV consultations, staff reports, and policy recommendations constitute a dense network of soft law instruments that shape national economic policy.²⁴ While these instruments lack binding force in a strict legal sense, they exert considerable normative pressure on states, particularly those dependent on IMF financial assistance or seeking market credibility. As scholars have noted, this form of influence blurs the boundary between advice and obligation.²⁵

Conditionality further amplifies this dynamic. IMF lending programs are routinely accompanied by policy conditions that affect fiscal policy, monetary arrangements, and financial regulation. Although justified as necessary for restoring stability, such conditions often narrow domestic policy space and prioritize macroeconomic objectives aligned with prevailing monetary orthodoxy.²⁶ The legal justification for conditionality rests on consent and contractual arrangement, yet the structural context in which consent is given complicates claims of voluntariness, especially for states facing acute economic distress.

An LPE reading suggests that these institutional practices points to how global monetary governance functions as a legalized structure of power. Legal mandates, governance rules, and soft law instruments interact to stabilize a particular vision of monetary order, one that privileges certain currencies, policy models, and economic interests.²⁷ The IMF's role is thus not limited to technical coordination; it participates in shaping the normative boundaries of acceptable economic policy.

This dynamic becomes most visible during periods of global crisis. Financial instability, pandemics, and geopolitical conflict have expanded the scope of IMF intervention while simultaneously exposing the limits of its governance model. Crisis responses often reinforce existing hierarchies, as access to liquidity and policy flexibility remains unevenly distributed.²⁸ Such patterns challenge the assumption that global monetary governance operates primarily as a neutral stabilizing mechanism.

Meanwhile, The IMF is not a static institution. Incremental reforms, shifts in discourse, and increased attention to social and distributional concerns suggest an awareness of legitimacy deficits.²⁹ Yet these developments remain constrained by the foundational legal and institutional architecture of the system. Without deeper recalibration, efforts to enhance inclusivity risk being absorbed into existing structures without altering their distributive effects.

²⁴ International Monetary Fund, "IMF Surveillance," accessed January 20, 2026, <https://www.imf.org/en/About/Factsheets/IMF-Surveillance>.

²⁵ Gelpern, "Hard, Soft, and Embedded," 752.

²⁶ Stiglitz, *Globalization and Its Discontents Revisited*, 233–240.

²⁷ David Kennedy, *A World of Struggle*, 145–150.

²⁸ Eric Helleiner, *The Status Quo Crisis: Global Financial Governance After the 2008 Meltdown* (Oxford: Oxford University Press, 2014), 89–94.

²⁹ International Monetary Fund, "IMF and Social Spending," IMF Policy Paper, June 2019, <https://www.imf.org/en/Publications/Policy-Papers/Issues/2019/06/14/IMF-and-Social-Spending-46975.perb>

The institutional role of the IMF illustrates the tension at the heart of global monetary governance. While formally committed to stability and cooperation, the legal and governance structures of the system continue to reproduce asymmetric power relations. Understanding this tension is essential for assessing why contemporary challenges, such as de-dollarization and demands for monetary sovereignty, have emerged as legal and normative critiques rather than mere economic strategies.

Dollar Hegemony, Economic Sanctions, and the Question of Monetary Sovereignty

The contemporary global monetary order remains deeply structured around the dominance of the United States dollar. Despite recurring claims of diversification, the dollar continues to function as the primary reserve currency, medium of exchange, and unit of account in international trade and finance. This position is not sustained by market efficiency alone. It is legally and institutionally embedded through financial infrastructure, payment systems, and regulatory regimes that privilege dollar-denominated transactions.³⁰ Dollar hegemony operates as a legal-economic arrangement. It is not merely a monetary phenomenon.

The geopolitical dimension of this arrangement has become increasingly visible through the expanding use of economic sanctions. Financial sanctions, particularly those targeting access to dollar-based payment systems, have transformed monetary infrastructure into an instrument of coercion.³¹ Measures involving correspondent banking restrictions, asset freezes, and exclusion from settlement systems effectively leverage dollar centrality to produce extraterritorial effects. Legally, this practice stretches the boundary between monetary governance and economic warfare.

These developments call into question conventional understandings of monetary sovereignty. The issue is no longer theoretical. Traditionally understood as a state's authority over its currency and monetary policy, monetary sovereignty is increasingly constrained by global financial integration.³² Dependence on dollar liquidity and access to dollar-clearing systems exposes states to vulnerabilities that are legal as much as economic. The capacity to participate in global markets becomes contingent upon compliance with regulatory and geopolitical expectations embedded within dollar-based systems.

From an LPE perspective, dollar hegemony reflects a legalized hierarchy within the global monetary order. Legal rules governing payment systems, financial compliance, and market access structure asymmetric dependencies. These rules are often framed as technical safeguards against risk or illicit finance, yet their distributive effects are profound.³³ They allocate monetary power unevenly, reinforcing the ability of certain states to externalize the costs of crisis and conflict.

³⁰ Benjamin J. Cohen, *Currency Power: Understanding Monetary Rivalry* (Princeton: Princeton University Press, 2015), 17–25.

³¹ Elena Chachko, “The Limits of International Law on Economic Sanctions,” *American Journal of International Law* 113, no. 4 (2019): 820–828.

³² Rosa M. Lastra, *International Financial and Monetary Law*, 2nd ed. (Oxford: Oxford University Press, 2015), 45–52.

³³ Katharina Pistor, *The Code of Capital: How the Law Creates Wealth and Inequality* (Princeton: Princeton University Press, 2019), 165–172.

The intensification of sanctions in recent geopolitical conflicts has accelerated debates on de-dollarization. Efforts to conduct trade in alternative currencies, establish parallel payment systems, or increase gold and non-dollar reserves are frequently dismissed as symbolic or inefficient.³⁴ However, viewed through an LPE lens, these initiatives represent legal and institutional challenges to an entrenched monetary order. They seek not merely to diversify currency usage but to reduce exposure to coercive monetary governance.

De-dollarization does not imply the immediate displacement of the dollar. Rather, it signals dissatisfaction with a system in which monetary stability is intertwined with geopolitical leverage. The absence of a neutral global currency regime means that monetary governance remains vulnerable to strategic manipulation.³⁵ This condition undermines the legitimacy of claims that the existing order serves collective economic interests.

International legal frameworks have thus far struggled to address this tension. Neither IMF surveillance nor existing soft law principles provide effective constraints on the strategic use of monetary power. The legal architecture of global monetary governance remains premised on stability rather than justice, coordination rather than accountability.³⁶ Consequently, monetary sovereignty emerges not as a retreat into nationalism, but as a demand for recalibrated legal arrangements that limit asymmetrical dependence.

Dollar hegemony and the expanding use of financial sanctions expose the structural limits of contemporary global monetary governance. Monetary sovereignty, functions as a legal critique of a system that conflates stability with dominance. These dynamics set the stage for examining whether existing international institutions, particularly the IMF, are capable of accommodating such critiques or whether more fundamental legal redesign is required.

Redesigning Global Monetary Governance: Toward a Reformist-Critical Legal Architecture

The analysis shows that the challenges facing global monetary governance are structural rather than incidental. Dollar hegemony, the strategic use of sanctions, and the constrained nature of monetary sovereignty are not anomalies within an otherwise neutral system. They are outcomes produced and sustained by the existing legal architecture. Addressing these challenges therefore requires more than incremental policy adjustments. It demands a reconsideration of how global monetary law is designed, justified, and institutionalized.

A reformist-critical approach rejects the assumption that stability must be achieved through hierarchy. The current system equates monetary stability with the centrality of a

³⁴ Zongyuan Zoe Liu, “The BRICS and De-dollarization: A Reality Check,” *Foreign Affairs*, August 2023, <https://www.foreignaffairs.com/world/brics-and-de-dollarization>.

³⁵ Eric Helleiner, “The US Dollar’s Global Role: Past, Present, and Future,” *International Affairs* 98, no. 6 (2022): 1937–1943.

³⁶ International Monetary Fund, “The Role of the IMF in the International Monetary System,” IMF Policy Paper, July 2015, <https://www.imf.org/external/np/pp/eng/2015/071315.pdf>.

single currency and the discretionary authority of a limited set of actors. This equation is neither legally inevitable nor normatively defensible.³⁷ International monetary law already recognizes principles of cooperation, balance, and mutual adjustment. What remains underdeveloped is their translation into institutional constraints capable of limiting asymmetric power.

One possible avenue is to recalibrate the role of international institutions, particularly the IMF. Rather than functioning primarily as a crisis manager and surveillance authority, the IMF could be reoriented toward facilitating monetary pluralism. This would involve recognizing alternative reserve arrangements, regional liquidity mechanisms, and non-dollar settlement systems as legitimate components of the international monetary system.³⁸ Such recognition would not undermine stability; it would distribute it.

Legal reform need not rely exclusively on hard law. Carefully structured soft law instruments, guidelines, principles, and codes of conduct, can play a meaningful role if embedded within transparent and accountable governance processes.³⁹ For example, normative frameworks addressing the use of financial sanctions could articulate limits grounded in proportionality, systemic risk, and distributive impact. While not formally binding, such frameworks would shape expectations and provide reference points for legal and political contestation.

A critical redesign must also address governance asymmetries. Voting structures, agenda-setting practices, and informal influence within global monetary institutions continue to privilege historically dominant actors. Reforms aimed at enhancing representation are often dismissed as political concessions. From a legal perspective, however, they are central to restoring institutional legitimacy.⁴⁰ Without meaningful participation, calls for cooperation ring hollow.

More importantly, a reformist approach does not imply abandoning the existing system. It seeks to work within current institutional arrangements while exposing their normative limits. Monetary sovereignty, in this sense, should not be understood as a retreat from multilateralism. It represents a claim for legal space, space to pursue economic policy without disproportionate exposure to coercive monetary tools.⁴¹ Accommodating such claims requires global monetary law to move beyond crisis containment toward distributive justice.

An LPE reading suggests that, the ultimate question is not whether the global monetary order can be perfected. It is whether law can be redesigned to reduce structural inequality and constrain the concentration of economic power. Legal rules will always reflect political choices. The task is to ensure that these choices are contestable,

³⁷ Rosa M. Lastra and Geoffrey P. Miller, “Global Financial Governance: The Soft Law Approach,” *Brooklyn Journal of International Law* 37, no. 1 (2011): 6–12.

³⁸ Eric Helleiner, *The Contested World Economy* (Ithaca: Cornell University Press, 2023), 201–208.

³⁹ Andrew T. Guzman and Timothy L. Meyer, “International Soft Law,” *Journal of Legal Analysis* 2, no. 1 (2010): 174–181.

⁴⁰ Bessma Momani and James Raymond Vreeland, “IMF Politics and the Global Economy,” *Journal of Globalization and Development* 2, no. 1 (2011): 1–6.

⁴¹ Dani Rodrik, *The Globalization Paradox* (New York: W. W. Norton & Company, 2011), 200–206.

accountable, and oriented toward broader economic justice rather than narrow strategic advantage.

Redesigning global monetary governance requires confronting the legal foundations of monetary hierarchy. A reformist-critical approach offers a path between preservation and rupture. By rethinking institutional mandates, soft law governance, and distributive outcomes, international monetary law can be reshaped to better reflect the realities of a fragmented and multipolar global economy.

The analysis shows that the challenges facing global monetary governance are structural rather than incidental. Dollar hegemony, the strategic use of financial sanctions, and the persistence of institutional asymmetries within the IMF reflect a legalized hierarchy that continues to shape global economic power. In this context, global monetary law operates not merely as a neutral framework for stability, but as a system that often reproduces inequality while managing its consequences.

From an LPE perspective, these dynamics indicate that monetary arrangements and legal infrastructures function as instruments of structural power. The continued reliance on dollar-centered systems and coercive financial measures underscores the limits of existing legal frameworks in addressing monetary sovereignty, accountability, and distributive justice. In this light, contemporary calls for de-dollarization and monetary autonomy are better understood as legal and normative challenges to an unequal global order.

This study argues that meaningful reform requires a recalibration of global monetary governance that goes beyond incremental adjustment. Efforts to redesign the system should emphasize monetary pluralism, constrain asymmetric power, and strengthen institutional accountability. Without addressing these underlying legal and structural imbalances, global monetary governance will remain limited. It may deliver stability, but not justice.

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