

The Weaponization of Wealth A Thematic Analysis of Geopolitical Finance

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Abstract:

Geopolitical finance—the strategic interplay between global financial systems and political power—has evolved from a secondary instrument of influence into a primary mechanism of international statecraft. This research explores the shift from a market-driven financial view to a strategic paradigm where finance acts with the destabilizing power of conventional warfare. Using a qualitative, descriptive, and analytical methodology, the study synthesizes academic literature and data from international institutions to examine the phenomenon across three temporal themes: the historical foundations of the Bretton Woods system, the contemporary landscape of financial sanctions and U.S. dollar hegemony, and the futuristic implications of digital currencies and climate finance.

The results confirm that while the U.S. dollar maintains a dominant 58–60% share of global reserves, the rise of "financial statecraft" has led to an unprecedented increase in targeted economic sanctions and bilateral funding agreements. The study highlights how developing nations face heightened vulnerability due to external debt denominated in foreign currencies amidst shifting geopolitical tensions. The research concludes that as global rivalries intensify and systems become increasingly digitized, finance can no longer be viewed as a neutral economic concept but must be managed as a central pillar of national security and international relations.

Keywords:

Geopolitical Finance, Financial Statecraft, Economic Sanctions, Dollar Hegemony, Bretton Woods, Financial Infrastructure, Digital Currencies, Global Financial Stability.

Introduction: "The What & Why"

The phenomenon of geopolitical finance can be defined as the interplay between the global financial system and politics in the global economy. Geopolitical finance, therefore, is the study of how nations, as a whole, use the global financial system as a tool to further their interests through the global economy. The world is considered a global village, and as such, the global financial system is a complex entity whose operations can no longer be explained by the free market forces of demand and supply. Instead, the global financial system is dictated by political forces, hence the development of geopolitical finance as a major phenomenon in the global economy. The importance of geopolitical finance can be explained through the role it plays in the global economy. Geopolitical finance is important in the global economy in the sense that the global financial system is a major determinant of global stability, and the operations of the global financial system have the same destabilizing effects as war between nations. The nations that control the global financial system, either in the form of currency or financial institution, have a strong upper hand over other nations of the world. The role of geopolitical finance, therefore, can be seen to extend beyond nations to other business entities whose operations are dependent on the global financial system.

This particular topic is also very relevant in the present global environment, which is marked by increasing geopolitical tensions, economic fragmentation, and the changing balance of power in the world. The established hegemony of any particular financial power is increasingly being challenged by the rising ambitions for autonomy and power of the emerging economies. However, the world has also become more interconnected than ever due to the forces of globalization, and the effects of any financial or political move in any particular country are felt across the world. The increasing use of tools such as economic sanctions, currency manipulation, and control of the global supply chain only add to the significance of the rising role of finance as a geopolitical tool, which is of significant concern for the stability of the present global financial order. The research question that the article aims to answer is the question of how geopolitical finance has evolved over time and how it is likely to evolve and impact the world of global finance in the present and the future. More specifically, the article aims to answer the research questions of how the establishment of the foundations of global financial systems has led to the emergence of geopolitical finance, how the tools of global finance are being used today as tools of geopolitical power, and how the tools of global finance are likely to evolve in the future to shape the relationship between finance and geopolitics. The hypothesis on which the article is based is the hypothesis that geopolitical finance has evolved from being a secondary tool of political power to becoming a primary tool of political power, and the trend is likely to rise with the increasing geopolitical power struggles.

In this regard, this article will explore geopolitical finance under historical, modern, and futuristic lenses to show why finance can no longer be viewed as a neutral concept, but rather a strategic concept that is significantly affected by political and economic considerations. Therefore, this article is one that is very relevant to finance, economic, and political science students, as it helps to further illustrate a more comprehensive understanding of the concept of geopolitical finance (Beainy & Kamel, 2023).

Literature Review: "The story so far "

The literature on geopolitical finance has increasingly focused on the close relationship between political power and financial systems. Early literature on political economy challenged the neutral character of financial systems by emphasizing the role of power structures. Studies on the post-World War II era have commonly focused on the Bretton Woods system and emphasized the role of the US Dollar. Studies associated with the International Monetary Fund and the World Bank have emphasized the global financial system and its focus on global stability and the role of advanced economies. This literature established the notion of the close relationship between power and financial systems.

Recent literature has focused on the idea of financial statecraft in a globalizing world. Some studies have focused on the idea of economic sanctions, control of capital flows, and access to global payment systems (Subrahmanyam & Sassine, 2026). Some studies on economic sanctions have focused on the idea that economic sanctions are more likely to be successful when imposed by powerful states that control global banking networks and currencies. The idea of globalization has led to greater interdependence among nations. This has, in turn, made nations more powerful and more vulnerable at the same time. While globalization has offered opportunities for nations to become more powerful through global interdependence, it has also offered opportunities for global crises to occur. Some studies postulated after the global financial crisis that occurred in 2008 have focused on the idea that global financial crises are as much a political issue as they are an economic issue.

Another area of study that has been prominent is the idea of currency dominance and reserve currencies. Most researchers have focused on the idea that the dominance of the dollar as a global reserve currency has offered the United States a competitive advantage in terms of lower borrowing costs, greater flexibility, and greater power to impose sanctions. However, researchers have also attempted to study the attempts made by emerging economies such as China to break the dollar dominance and promote the internationalization of currencies. While most researchers have been unanimous in their view that dollar dominance has not been eroded, they have also been unanimous in their view that some level of diversification has occurred in global monetary systems. Recently, the area of study on geopolitical finance has diversified to include emerging areas such as technology and sustainability. Researchers have started to focus more on the idea of digital currencies, which is an emerging area in global finance. The study on digital currencies has found that they may potentially alter the global financial scene and reduce the power of the traditional financial intermediary. The research on climate finance has also identified that access to green finance and control of critical resources have the potential to become new areas of geopolitical finance. Therefore, the concept of geopolitical finance has developed to include new areas other than the traditional areas of finance. Although the research on the concept of geopolitical finance has diversified, there are some gaps identified in the research. Most of the research on the concept has focused on specific tools like sanctions and currency power without considering the historical, contemporary, and emerging aspects. The aim of the research is to bridge the identified gap by presenting the reader with an all-rounded view of the concept. Therefore, the aim of the research is to ensure that the reader has a holistic understanding of the concept by synthesizing the research on the concept and highlighting the emerging trends.

Methodology: "The how we did it "

The present study has used the qualitative, descriptive, and analytical approach in the examination of the subject of geopolitical finance in the context of the past, present, and future. The present study has used secondary data for the analysis of the subject of geopolitical finance, whereas the use of primary data has not been made. The reason for not using primary data in the present study is the wide scope of the subject of geopolitical finance. The present study has used the analysis of academic literature and publications of international organizations and institutions for the analysis of the subject of geopolitical finance. The reason for using the analysis of academic literature and publications of international organizations and institutions is the political and economic dimensions of the subject of geopolitical finance. The qualitative approach has been the most suitable approach for the analysis of the subject of geopolitical finance due to the political and economic dimensions of the subject of geopolitical finance. The present study has used the analysis of academic journal articles, books, and publications of international organizations and institutions for the analysis of the subject of geopolitical finance. The reason for using the analysis of publications of international organizations and institutions is the wide scope of the subject of geopolitical finance. The reason for using the analysis of publications of international organizations and institutions is the complex scope of the subject of geopolitical finance.

In the analysis of the data, the study has adopted a thematic approach in the analysis of the subject of geopolitical finance. The study has divided the data collected in the course of the study into three themes. The themes include the examination of the subject of geopolitical finance in the context of the past, the examination of the subject of geopolitical finance in the context of the present, and the examination of the subject of geopolitical finance in the context of the future.

In order to ensure the reliability and transparency of the research, the study has adopted a very rigorous approach to the research process by ensuring the inclusion and exclusion criteria are strictly followed. The study has included sources from academic publishers and institutions, but the opinion articles from other sources have been excluded from the research process.

The above methodology is a very structured and reliable approach to the research of the subject of geopolitical finance.

Results: "The facts "

The facts and figures that have been obtained from the research indicate that the subject of geopolitical finance is very closely related to the subject of finance. The facts obtained from the research indicate that between the period of 1945 and the early 1970s, the dollar of the United States was pegged to the price of gold, as stipulated by the Bretton Woods system. The other international currencies were also pegged to the dollar at that time. The United States held more than half of the official gold reserves of the world during the 1960s. The international system of floating exchange rates was introduced after the collapse of the Bretton Woods system in 1971.

The facts also suggest that in the current system, the dominance of the U.S. dollar has not been reduced. Recent facts and figures suggest that the dominance of the U.S. dollar has been reflected in international finance. Recent facts and figures suggest that the U.S. dollar constitutes about 58-60 percent of international foreign exchange reserves. This figure is much higher than that of other international currencies like the euro, yen, pound, and renminbi.

The facts also suggest that there has been a dramatic increase in the application of financial sanctions in recent times. Facts suggest that the application of financial sanctions has been much more common than the application of trade sanctions. In the case of countries that have been put under full sanctions, there has been a reduction in foreign investment and banking relations.

In terms of the debt levels of nations across the globe, recent facts and figures suggest that developing nations have been holding a higher percentage of external debt. This has also been denominated in foreign currency. This suggests that developing nations have been exposed to higher borrowing costs. This has happened due to geopolitical tensions and the increase in the rates of interest in the international monetary system. At the same time, there has been an increase in bilateral and regional funding agreements. This suggests that nations across the globe have been seeking to secure funding.

Lastly, recent facts and figures suggest that financial technologies, digital payments, and climate finance have been growing rapidly. This suggests that there have been significant changes in the international finance system.

Discussion and conclusion: "The so what ? "

The study's findings have confirmed that finance has always been an instrument of geopolitical power and has never been an economic system per se. History and reality have proven that financial hegemony is in the hands of only a select group of powerful nations that possess global currencies and financial institutions. The means and methods of exerting financial hegemony have changed over time, but the ultimate goal of utilizing finance to exert power has remained constant.

New developments in finance have confirmed that there is an emerging pattern of sophisticated and targeted financial statecraft. The reliance on financial sanctions and financial infrastructure is an indication that there is an apparent preference for economic coercion over military solutions. Financial instruments have highlighted and underscored stark disparities in the global system, particularly for developing nations that are naturally more susceptible to financial volatility. New developments in finance have confirmed that there is incremental and gradual change in finance and that financial diversity is now an area of concern because of the geopolitical risks inherent in traditional financial systems.

To conclude, finance has been and shall continue to be central to global affairs and international relations. The study's findings have confirmed that finance has become an instrument of power for states and nations. As global rivalry is intensifying and financial systems are increasingly becoming digital and high-tech, finance's geopolitical significance shall only continue to rise. Future research must focus on quantifying financial sanctions' effects on nations and economies and new developments in emerging economies' finance and finance's geopolitical implications.

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