Passive Capital Control Through Political Hostility:

The Neoliberal Neocolonial State

by

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Submitted to Central European University Department of Political Science

In partial fulfillment of the requirements for the degree of Master of Arts in Political Science (one year)

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Author's Declaration

I, the undersigned, Md Azmeer Rahman Sorder, candidate for the Master of Arts degree in Political Science (one-year program), declare herewith that the present thesis is exclusively my work, based on my research, and only such external information as properly credited in notes and bibliography. I declare that no unidentified and illegitimate use was made of the work of others, and no part of the thesis infringes on any person's or institution's copyright. I also declare that no part of the thesis has been submitted in this form to any other institution of higher education for an academic degree.

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Abstract

Using Penn World Table, International Crisis Behavior Dataset, and World Bank Development Indicator's data from 1991 to 2019, this thesis attempts to answer if modern capital-rich neoliberal states are using political hostility in the forms of political violence as passive capital control tools. In the process, this thesis attempts this investigation in the light of one severely understudied explanation of low capital mobility from the famous Lucas Paradox (Lucas, 1990). This study adopts this understudied colonial explanation into a neocolonial one with the help of the existing orthodox neoliberal view provided by Lucas and the heterodox neocolonial dependence lens. In the process, this thesis attempts to test two hypotheses, first, if political violence leads to capital accumulation in neoliberal neocolonial states, then there would be an increase in capital resulting from politically violent events, and second, a neoliberal neocolonial state may have rational motive to use political violence as passive capital control measures. The result shows a statistically insignificant but negative impact of crisis events on foreign direct investment and foreign portfolio investment while a positive relationship on external debt stock. These results indicate that there is an increase in capital accumulation in the neoliberal neocolonial states resulting from politically violent events. This thesis also establishes that there is a rational motive for the neoliberal neocolonial state to use political violence as a form of capital control. So, this study showcases the underlying relationship between the neoliberal neocolonial state and the international capital markets where political violence plays a key role.

Acknowledgment

These past ten months at Central European University have been a wonderful time of learning and intellectual improvement. When I applied, I did not know I would get it. As it is ending, I wish it would have lasted a bit longer. The opportunity to study at CEU has been very enriching, especially at the Department of Political Science. The wide variety of courses I took and the professors I have met have impacted my academic journey significantly. As I was attending online for the first few weeks, they went out of their way to accommodate me in the classrooms. I express my sincerest gratitude to the professors and the department for such an opportunity and their valuable time.

I would like to express heartfelt gratitude to my thesis supervisor Professor Björn Bremer. He helped me narrow down my very wide research question to an executable form and gave me ample flexibility and guidelines to draft this thesis. Not only from this thesis writing process but also from his classes and personal encounters, I have learned a ton, both academically and personally. I wish him a great life ahead.

Lastly, I would like to acknowledge my parents and my elder sister. My parents are contributing significantly to my education abroad and my sister is finally picking up some duties and responsibilities to my parents in my absence. It would have been much more difficult for me without their support, inspiration, and occasional discouragement.

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I.

Introduction

According to neoliberal long-run economic growth models such as the pathbreaking Solow Model (Solow, 1956), capital accumulation, as one of the factors of production, leads a poor country to a high-income country. Capital accumulation leads to a higher economic production level and so a higher national income. So, for any poor country to have economic growth, the role of capital accumulation is paramount, both domestic and international. Domestic capital comes from national savings, households, and private enterprises, while international capital comes from international investors in the forms of direct investment with control and ownership in indigenous enterprises, portfolio investments, and loans. Mundell-Fleming (Fleming, 1962; Mundell, 1963) model, one of the theoretical pillars of understanding capital flow among open economies, dictates that a small open economy (SOE) will receive huge capital inflow from a neighboring large open economy (LOE) if the interest rate of the SOE is higher when all else is constant.

Barring interplanetary trade and capital flow, the earth is a closed economy. Any nation seeking economic growth must increase its capital accumulation process from domestic and international sources, by international means from other capital-rich economies. That is the capital from capital-rich countries should flow into capital-poor countries. Concerning this, the famous Lucas paradox (Lucas, 1990) tries to explain why it does not happen. What Lucas notes is an "egalitarian prediction," a world where the accumulated capital in some regions will flow to other regions until the dispersed capital is equal across their origin and destination. Concerning this, I seek to answer if political hostility (in the form of political violence) is used as a tool to maintain the current and historically similar levels of capital

accumulation (what I consider is the neocolonial dependence), the monopoly over trade in capital goods by capital-rich former colonial powers. The underlying relationship I want to explore is the relationship between the neoliberal neocolonial state and the international capital market where the role of political violence is maintaining the neocolonial order and constant capital flow from poor to rich economies. As a result, the research question, I attempt to answer in this thesis is,

• Are modern capital-rich neoliberal states using political hostility in the form of political violence as a passive capital control tool?

To answer this research question, I resort to Lucas's neoliberal reasoning and assumptions and another contrasting view from the neocolonial dependence lens. Among the four major approaches of theories of development, the flow of capital can be analyzed from two contrasting approaches, the international dependence revolution, and the neoclassical (neoliberal) counterrevolution (Todaro, 2006). Considering the international movement of capital, the neocolonial dependence model from the dependence revolution approach and orthodox neoliberal growth theory from neoliberal counterrevolution can be considered. The role of international capital in other approaches such as linear stages of growth and structural change models is not as prominent and evident as in the neocolonial dependence and neoliberal growth models.

> "Insofar as monopoly control over trade in capital goods was an important factor in the determination of capital-labor ratios prior to 1945, I do not see any reason to believe it ceased to be a factor after the political end of the colonial age." - (Lucas, 1990)

What could be the most important aspect of the original Lucas paradox is the role of colonial resource extraction and postcolonial global institutions. Lucas takes a simplistic neoclassical

growth model in which he states that the new investments will only happen in poorer economies until the capital-labor ratios (factors incomes from labor and capital) are level across countries. Lucas calls this, as stated earlier, an "egalitarian prediction". One related and important concept in this regard is the neoliberal economic view of conditional convergence. In this view, poor countries will eventually accumulate enough capital leading to higher national production to be as rich as other countries. As standard economic theorizing goes, this prediction is based on two key economic assumptions, one of which is free (barrier-less) and competitive trade in capital goods.

As Lucas tries to answer the central question he poses, he notes the obvious reality despite the "egalitarian prediction". So, (Lucas, 1990) discusses four possible explanations, differences in human capital resulting from labor quality, external benefits of human capital arising from knowledge spillovers, capital market imperfections due to government regulations and political risk, and last and more importantly colonial monopoly control over trade in capital goods. Lucas discusses capital market imperfections arising from, first, the political risk of non-repayment of loans from poor countries and second, from government regulations in the form of heavy taxation on capital inflows. From the reasons arising from colonial history, Lucas points out the decades to centuries-long "European-imposed legal and economic arrangements" on the third-world countries where the enforcement of contracts was the same between colonial and colonized countries. It would imply equalization of capital levels long before the end of colonialism. In this regard, Lucas cites (Smith, 1776)'s earlier phase of colonialism perspective in which European nations' colonies only served the purpose of trade and resource extraction. Lucas rejects any motive for colonial powers' role in establishing a global Laissez-Faire trading regime. In this discussion, Lucas develops another quantitative model in which there is a colony with no capital and no ability to accumulate any capital and there is an imperial power with monopoly over the capital. In this model, the

colony's capital per worker is chosen by the imperial power. What Lucas derives from his arguments and mathematics is that the imperialists' optimal policy would be to artificially reduce the capital flows to keep the real wage of the colony at an artificially low level.

Lucas, based on the intuitive findings from these results, suggests that many colonial institutes were designed to reinforce such rent-seeking by the colonizers. Lucas also provides a crucial observation that the monopoly control over the trade in capital goods was a key factor in income-labor ratio determination until the end of the colonial period. He also makes a bold statement that there was no reason to believe this monopoly control over the trade in capital goods role to cease after the political end of the colonial era.

Lucas points out the historical "carving out" of the rest of the world by the colonial powers. Without going into the colonial history of the modern-day capital-poor countries, we can easily establish that the colonial expansion, or as Lucas says, "carving out," was the result of direct military intervention, for example, the colonization of India starting with the Bengal conquest by British East India Company in 1757. As many historians note, the British Naval power paved the expansion of the colonial British empire.

War as a political violent act has historically served and in modern times continues to serve as an institution of international society (Theussen, 2022). This tool which helped create the historical monopoly control over trade in capital goods by the colonial powers (Lucas, 1990) needs a modern examination of whether it continues to serve as a tool for such power consolidation, especially in the light of modern minimal neoliberal states where the government has withdrawn from the markets but continue to provide national defense. More importantly, in the lights of the neoliberal monetarist (Chwieroth, 2007; Clarida, 1993;

[&]quot;Violence is employed both by those who wish to upend an existing order and by those who want to sustain it." -(Kalyvas et al., 2008)

Harmes, 2012) approach to the economy including central bank independence, full currency convertibility, internationally open and highly mobile capital markets, and widespread investment deregulation measures. In this regard, the violent act can be considered as a passive political control over capital, the control which seeks to sustain the monopoly over trade in capital goods.

So, the use of political hostility (in the form of wars and battles) was a key instrument of colonial expansion and imperial power consolidation in the colonies. War, by its widely accepted definition from Carl von Clausewitz (Huges Gerald, 2020), is a violent act against an opponent to compel the opponent to fulfill the aggressor's will. Now, in modern days, the number of interstate wars has reduced significantly, especially since the Second World War, but the occurrence has not stopped. Similarly, the colonial era has ended but the neocolonial dependence has not stopped. This is where the neocolonial dependence, regarding international capital flow, comes.

As (Todaro, 2006) notes, the Neocolonial dependence model is an "indirect outgrowth" of Marxian political economy school. Neocolonialism, as a separate term, emerged during the 1950s (Horvath, 1972), describes the dependence (or partial independence) of the postcolonial sovereign nations still vulnerable to outside influence and control. According to (Horvath, 1972), this term has been associated with imperialism, semi-colonialism, and economic imperialism. In this light, neocolonialism is the continuation (or reimposition) of imperial rule by one state over another, referring to the dependence of former colonies, hence the name neocolonial dependence.

Like modern-day use of neoliberalism, widely expansive and applicable not only to political and economic affairs (Rodgers, 2018), neocolonialism's applicability expands to cultural norms and values. In this case, I will limit our discussions to only political and economic neo-

colonialism. So, from this set boundary of political and economic neocolonialism, the neocolonial dependence model is a theory of underdevelopment in which underdevelopment results from an unequal international capitalist system. This system makes it difficult for poorer nations to become self-reliant and independent resulting from domestic elites, acting as the imperial agents, to maintain the dependence by hindering progress.

The birth and popularity of the model among the postcolonial states were arguably highest during the 1960s when a series of unilateral violent events instigated by the former colonial and wealthy developed countries. As (Degli Esposti, 2024) notes, the Congolese prime minister's assassination (in 1960 with Belgian, UK, and US support), the 1956 Anglo-French attack on Egypt in response to the nationalization of the Suez Canal, the violent removal of the Iranian prime minister in 1953 and Guatemalan president in 1954 are some of the incidents which bolstered the neocolonial dependence narrative.

In this model, there is a global center (wealthy developed countries) and a global periphery (poor least developed countries), and the small elite ruling class benefits from the international capitalist system. They get to keep their benefits by maintaining connections with wealthy capitalist countries. These benefits include global power groups such as multinational corporations, aid programs, and certain international financial institutions. The prime neocolonial dependence model highlights the actions and policies of industrial capitalist countries and their influence over elite groups in less developed countries. The model's popularity came to a halt due to the severe economic hardships faced by the oil shocks in the 1970s and 1980s (Degli Esposti, 2024) along with the rise of neoliberal policies worldwide. This points to the explicit role of capital in development in both orthodox (neoliberal) and heterodox (neocolonial dependence) views and the implicit role of political

violence. The role of violence in capital accumulation is also evident from my following discussion in Chapter II.

So, my research question seeks to answer if political hostility is serving as a neocolonial dependence tool to maintain capital accumulation, that is the monopoly of trade in capital goods. From this research question comes two testable hypotheses.

- If political violence leads to capital accumulation in neoliberal neocolonial states, then there would be an increase in capital accumulation resulting from politically violent events.
- A neoliberal neocolonial state may have a rational motive to use political violence as passive capital control measures.

More clearly, I study the underlying relationship between the neoliberal neocolonial state and international capital market where political violence plays a role in maintaining the historic order.

To answer the research question by testing these two hypotheses, I discuss related literature in Chapter II followed by a brief Keynesian overview in Chapter III. I present the data and methodology in Chapters IV and V. Then, I move to present a detailed analysis in Chapter VI, in which I analyze and results and deductively establish the neocolonial motive. Lastly, I conclude with a summary of the findings and arguments along with a set of limitations in Chapter VII. Finally, I conclude with a detailed summary and a few limitations of the study. The references and additional materials are presented in Chapters IX and VIII.

II.

Related Literature

I start this part with the original (Lucas, 1990) paper, which raised the question in mainstream neoliberal economic discourse and has influenced a wide range of works in the last three decades. As already mentioned in Chapter I, Lucas considers a neocolonial monopoly control over the trade in capital goods as one of the four possible reasons for low capital mobility thus providing a theoretical foundation from a neoliberal lens. Although the praise Lucas gets from such contribution, he does not consider political hostility as a capital control tool, the closest he comes is to the concept of postcolonial institutions and capital market imperfections arising from political instability and perceived reliability of the borrower nations. Alongside that, Lucas does not provide enough empirical analysis (although he relies on mathematical reasoning) to back up the postcolonial narrative. On that note, I see (Alfaro et al., 2008) as an attempt to empirically test the Lucas paradox.

(Alfaro et al., 2008)'s analysis provides some useful insight from the establishment of institutional quality as the leading cause for the low capital mobility from the 1970 to 2000 period. They look to determine the causes of poor institutional quality and find the roles of government stability, internal conflict, democratic accountability, and bureaucratic quality as responsible for such. The study also attempts to refute a few relevant claims from Lucas. One would be that the frequent rebellion in colonial India contributed to high political risk and so low capital mobility until independence. In this process, the authors seem to have discarded the monopoly control over capital and excluded political hostility. This (Alfaro et al., 2008) also serves as an indicator of the absence of colonial explanation provided by (Lucas, 1990)

in the later works. Nonetheless, these factors affecting institutional quality seem to have a direct bearing on this thesis.



Figure 1 Ranking Most Frequent Terms

Figure 2 Most Frequent Words





Source: Author's analysis from (Research Rabbit, 2024) data.

Since the publication of the seminal work in 1990, on a bibliometric view, it has produced a significant body of later works amounting to more than two thousand research according to the citation-based literature mapping tool (Research Rabbit, 2024). From the available raw data from 2279 papers, including the titles, years, abstracts, digital object identifier links, etc., I get a sample of 1891 abstracts after performing a series of text preprocessing steps to clean and standardize the dataset. Considering Figure 1 and Figure 2, we see mainstream and very orthodox economic terms related to the international capital flow. These terms include FDI, growth, investment, and market among other generic economic terms. The closest it goes to

the colonial explanation of capital mobility is when we see using development and developing terms. These terms undoubtedly point to the developing and underdeveloped countries, in economic terms. Even though these terms do not necessarily relate to the proposed colonial explanation, they at least get to the geography since these countries are former colonized countries. This absence of colonies is also visible in the word cloud in Figure 3. Therefore, it appears that the significant body of work after (Lucas, 1990) related to low capital mobility to poor countries, significantly lacks one of his original proposed explanations, the colonial-imperial explanation. Despite the lack of the presence of such an explanation, I move ahead with the related papers not relying on the post-Lucas narrative.

As repeated over and over in history, the external influence from the neocolonial powers can make or break government stability in third-world countries where these powers often have a direct role not only in interstate but also in internal conflict. This example can be observed from the observation from (Schwartz, 2011)'s concept of military neoliberalism. In Schwartz's observation, the United States and its ally states were engaged in post-military intervention reconstruction to transform the targets' existing political economy into a neoliberal one. The examined Iraq and Afghanistan cases, from Obama and Bush administration policy documents, leads Schwartz to conclude that such actions lead to impoverishment of the intervened state.

I am skeptical about the characterization of such action as military neoliberalism since there is an existing military Keynesianism concept in which economic growth is attained only by more military spending. Then again, it relates very much to the research question although Schwartz does not explicitly consider the neocolonial motive behind such "military neoliberalism". (Shadmehr, 2019)'s note that political stability is one of the leading

explanations for the Lucas paradox, and probably more important for this study is capital flight, which considers domestic political and economic conditions in line with Lucas' capital market imperfections arising from country risk. However, Shadmehr resorts to mathematical game theoretical analysis about capital control which has a direct bearing on this thesis nonetheless he concludes that the capitalists in a politically unstable regime favor capital control because of their self-realized collective action problem. This conclusion seems too unrealistic (probably because of over-reliance on mathematical reasoning) and out of behavior for an investor. What Shadmehr assumes is a patriotic capitalist who will not invest out of the country even though the rate of return is higher. The Shadmehr capitalists would not invest outside of the country because the capital outflow would reduce the economic prospects of the home country and increase political instability, so they would prefer capital control. The assumption and conclusion both seem unrealistic since the opposite is true. For example, consider Bangladesh's example in Figure 4. Portfolio investment is the most volatile among the components of national capital accounts. Each period with significant political instability (1994, 2007-8, and 2014), saw huge capital outflow (evident from the negative values in Figure 4) despite tight direct capital control often seen in many third-world countries.



Figure 4 Bangladesh's Portfolio Investment, net (BoP, current US\$ Million)

Source: Author's illustration from (World Bank, 2010)

(Tabb, 2005)'s Marxist analysis of the implications of globalization and imperialism points to the contemporary period as some kind of imperial period of efforts to appropriate factor endowments from the rest of the world. Tabb explores the "coercive" global governance institutions such as the World Bank and IMF with agendas versus powerful nations' direct military interventions to appropriate resources. The global institution angle, although insightful, does not apply to this study but the military intervention angle is, especially about passive control through violence. Tabb's characterization of imperialism of modern times is closely, if not entirely, related to my central thesis, the neocolonial motive. This military view is indirectly related to one crucial observation from (Bichler & Nitzan, 2004). (Bichler & Nitzan, 2004)'s historical analysis of 1980s, 1990s, and 2000s globalization especially with respect to capital accumulation. In the authors' view, the continuation of difference in capital accumulation needs inflation and one way to drive inflation is through instability and crisis thus contributing to the neocolonial motive of the actors.

(Hristov, 2021) mentions pro-capitalist violence. Hristov's conceptualization is based on the neoliberal development projects in Colombia, Mexico, and Honduras, and one key observation is that the domestic capital flow in the legal economy (not in the black economy) is, directly and indirectly, facilitated through violent means. The narrative and justification of colonial capital accumulation from Hristov is almost the same as mine but her focus is domestic and not international and not the capital-rich neoliberal states. Nonetheless, she provides an especially important observation from her finding that is one of the ways that the state-led pro-capitalist violence is strengthened through militarization. Unfortunately, the (Hristov, 2021) analysis is a direct domestic violent intervention that facilitates capital accumulation in middle and low-income countries but does not discuss the role of external actors and the international capital market. On the relationship between violence and capital

accumulation, (Smolski & Lorenzen, 2021) synthesizes Marxian, Foucauldian, and other decolonial views to provide a critical framework for capital accumulation through violence.

(Smolski & Lorenzen, 2021) notes the Marxian "primitive accumulation" through violent acts as the bedrock for capitalistic development and capitalistic expansion through violenceassisted resource and labor endowments and access to markets. The authors note the role of neocolonialism in normalizing and legitimizing violent acts against colonies, not just by actors but also by non-state actors. This finding is relevant to this study even though it goes beyond the state-level actors in analyzing violence-led capital accumulation. (Smolski & Lorenzen, 2021) also notes the collusion between the actors. This collusion observation is also immensely helpful for this study since the contemporary neocolonial states often serve as proxies for others. While some of them have significant global political power and others do not but still benefit from the actions of the ones with power.

(Elwert, 2018) examines the markets of violence, not the international but an individual society, in which high profitability derives from violent appropriations. Although my argument in this thesis is related to passive control through violent acts, Elwert's one statement is important for establishing the neocolonial motive and that is the continuation of a violence market relies on economic motives and rational profit-maximizing behavior. Now, on the role of state violence, (de Nardis, 2020) sees a connection between violence and the modern state. In De Nardis' view, the state maintains a monopoly over "legitimate violence" to exercise state power one of them is against another state through war. Whether legitimate or illegitimate and just or unjust the war the state launches are not necessary for this thesis but war to maintain the monopoly over trade in capital goods is. As (de Nardis, 2020) notes, the inherent relationship between the violence and formation of modern states, even more importantly modern neoliberal states should be studied. However, the development of

neoliberal thoughts, policy prescriptions, and mainstreaming, all took place after the Second World War, in the current world order. Considering this, the "formation" of states can be modified to "sustenance" or "survival" of the modern state. In this regard, the (Spruyt, 2009) observation of European state formation is crucial. Spruyt notes monopoly over violence as one of the key traits that make a legitimate state and portrays two generative factors for European states, first war, and second trade, both of which remain highly relevant for this study. Although I am not considering international trade in my analysis, the standard macroeconomic view of an open economy trades and capital flow as closely related and interrelated variables.

(Spruyt, 2009) note the nature of changing warfare gave rise to national standing armies which allowed expanding state borders and leading to a protection racket and king as the protection provider. Spruyt mentions, from secondary sources, the role of relative factor endowments (namely land, labor, and capital) and the coercive capital-intensive mobilization to force capital-rich area elites to enter the state. His economic generative factor relies on the shared interests between the monarchy and the mercantile groups. As kings provided better contracts and legal codes than feudal lords, the mercantile groups sided with the kingdom rather than feudalism. We must see the role of interest groups in state formation which remain relevant now as always as well as the role of groups, especially with economic power remains relevant. The best example could be Keynes' original contribution to macroeconomic theory, the speculative demand for money, and the role of investors in determining the peaks and troughs in the business cycle.

(Helleiner, 1994) examines the advanced industrial states that have been willing to liberalize capital controls more than trade barriers. Despite the protectionist trade policies from the

1970s to 1990s, these states succumbed to growing difficulties in financial control, international financial interest groups, and economic ideological change from Keynesian interventionist state to neoliberal free market state. Then again (Helleiner, 1994) does not say anything about hostile acts towards other capital-attractive states to conserve capital but it can be inferred from the profit motive noted by (Kabamba, 2019). (Kabamba, 2019)'s Marxian and Hegelian analysis of colonial profit-seeking shows the history of mass violence in Africa driven by profit-seeking motives. Very similar to the neocolonial view (see Chapter I), Kabamba notes the extractive colonial states' use of direct and indirect political rule over locals to maintain the extractive system serving colonial capital accumulation. He distinguished between colonial and domestic violence, where colonial violence served to maintain existing order, and domestic violence often served to maintain local authoritarian rulers. Although the observations are colonial, not postcolonial, they serve as the historical role of political violence in capital accumulation.

(El Barbary, 2020) studies the Egyptian case in which he seeks to reveal the concealed oppression that is resulting from the interaction between nationalism, legal order (which he calls neocolonial order), and neoliberalism. In his work, El Barbary's reason to see the legal order as neocolonial includes the legal well-armed, and protected facilitation of resource transfer to capital-accumulating private entities. Although his work has a direct bearing on the research question for this thesis (even has some great overlap in themes including hostility), his characterization of the violent actor is the legal system that has been transformed by neoliberalism. The violence it begets is to defend and sustain the accumulation process but only in a national setting. It, unfortunately, does not answer the state-level question, the inherent relationship between the state and the market (in this case the international market), I am trying to answer.

Also, (Ghosh, 2020) sees neoliberalism as neocolonialism but her reasoning lies in financialization. Aside from the international financial liberalization in Gosh's view as neocolonialism, she thinks neoliberalism has turned interstate relations into colonial-styled ones. This view is related to the research question but at the same time different. Where Ghosh's political view sees neoliberalism as a tool of neocolonialism, I see neoliberalism as the characteristic of modern market economy states, not as a tool but as the economic characteristic of the state. Where my research question differs from her view is that there is a neocolonial, a resource (capital) extracting, motive when it comes to international markets.

The reviewed literature makes it evident that the relationship between violence and capital accumulation was studied in individual domestic countries or country group settings during the colonial period. As is evident from the aftermath of (Lucas, 1990), the neocolonial or colonial analysis is nearly absent in the present literature. It is to be mentioned that in this current global neoliberal economic world and era of progressively stronger and more global institutions, the presence of directly resource-extracting colonial power is a rarity. In this aspect comes passive control through political hostility in the form of violence which is more common.

III. Keynesian Overview

A Keynesian view is necessary since capital plays a key role in the short-run aggregate demand of the economy. The modern open economy view is inherently Keynesian which also heavily influenced the development of the national income accounting model and its subsequent modifications incorporating the open economy aspects of modern post-war states and economic order. Therefore, to provide an open economy framework, I consider (Fleming, 1962; Mundell, 1963) model as their analysis provided the basis for contemporary analysis of international capital flow. (Mundell, 1963) provides a theoretical basis for capital flow for a small open economy, lays the foundation of the theoretical investigation of capital flow with an assumption of perfect mobility of capital and several other assumptions concerning returns to scale, wages, aggregate output, price level, taxes, savings, size of the economy, and additional assumptions about key macroeconomic variables in a very deterministic manner resorting to the widely adopted practice of ceteris paribus (everything else equal (Marshall, 1890)). Without going into criticism of the approach taken by (Mundell, 1963), we can consider its theoretical basis which gives that an expansionary monetary policy (reduced interest rates and increased money supply) leads to capital outflows, depreciation of the domestic currency, and improvement in trade balance under a flexible exchange rate regime.

(Fleming, 1962)'s analysis uses a simplistic demand-side Keynesian open economy framework and shows the key macroeconomic transmission mechanisms of monetary and fiscal policies through trade balance, interest rates, and capital flows under fixed or flexible exchange rate regimes. Similar to (Mundell, 1963), (Fleming, 1962) analyzes the relative effectiveness of monetary and fiscal policy under fixed versus floating exchange rate regimes and comes to a similar conclusion.

From their theoretical foundation, Mundell-Fleming (Fleming, 1962; Mundell, 1963) model dictates that a small open economy (SOE) will receive huge capital inflow from a neighboring large open economy (LOE) if the interest rate of the SOE is higher under ceteris paribus conditions. LOEs are characterized by their economic power to influence world prices and SOEs with their inability. If the LOE has a higher interest rate than the SOE, then there will be a huge capital outflow from the SOE to the LOE. The positive interest rate differential in an economy will be offset by the influx of capital from the outside economy. It will lead to an excess of capital in the high-interest rate economy and, thereafter, a drop-in interest rate until the rate is equal across both the economies. The negative interest rate differential in an economy will be met with efflux of capital, so a scarcity of capital and an increase in interest rate until both countries' rates are equal.

To complement the narrative of significant and extreme capital accumulation in the global economy, I take a visual approach based on 1991, the fall of the global communist bloc, to 2019, the year before the economic pitfalls from the COVID-19 pandemic. The Global distribution of national income (from Figure 5 and Figure 7) in 1991, after the fall of the Soviet Union and the global communist bloc, shows high national income (on a per capita basis) among North American, Western European, and certain Arab countries rich in natural resources. The global north, as seen from the visualizations, is inevitably rich in terms of national income and has been at 2019 (Figure 6 and Figure 8), roughly after the three decades from 1991, a little has changed. The right-skewed distribution of national income has retained its shape over the three decades. Nonetheless, the high concentration around low values in 1991 (Figure 7) have somewhat dispersed after three decades (Figure 8). Explaining the differences in national income across countries and the growth of national income, orthodox neoliberal economic theories rely on the role of capital accumulation.



Figure 7 1991's Distribution of National Income



Figure 8 2019's Distribution of National Income



Source: Authors illustration. Values represented in 2017 constant USD. For full data, see Appendix A. Lighter color represents higher per capita GDP.

Like the national income's change in the globe in the last three decades, we see the accumulation of capital stock has changed little. Similar to the national income, the rich countries also have a high capital level (adjusting for the population in both cases) and the distribution is highly unequal with the most number of countries having very low levels of capital (Figure 9 and Figure 10). Now, the question remains, even if countries want to have high international capital inflow, why should capital flow from a rich economy to a poor economy?

So, in Figure 9 and Figure 10, the capital should flow from the darker regions to the lighter regions if the rate of return on the invested capital is higher than the darker capital-rich region



Figure 11 1991's Distribution of Capital Stock



Figure 12 2019's Distribution of Capital Stock



Source: Authors illustration. Values represented in 2017 constant USD. For full data, see Appendix A. Lighter color represents higher capital stock per capita.

Now, from an international political economic perspective concerning capital, the SOEs could be seen as part of the demand side whereas the LOEs could be on the supply side of the international capital markets. SOEs are on the demand side because they do not have global market power, largely due to the low national production level. This low production level is explained by low levels of capital. Recalling Lucas' "egalitarian prediction" (in chapter I) of these countries, they can be placed on the demand side of the global market since they are in the process of capital accumulation to increase the national production to be as well-off as other capital-rich economies. LOEs are on the supply side of the global capital market since they have a monopoly of trade in capital goods (Lucas, 1990). A market monopoly is defined by the existence of a single supplier or a cartel of suppliers working in unison.

IV.

Data

First, I utilize the International Crisis Behavior Project (ICBP) by (Brecher et al., 2023; Brecher & Wilkenfeld, 1997) since it has a record of 496 international crises and 1,100 crisis actors during the 1918-2019 period, the dataset is particularly important in this context since it has observations from both colonial and post-colonial eras. However, it must be noted that the useful sample should contain data after 1991 since the post-1991 world best represents the neoliberal globalized world, free from world war or the aftermath of one and large global communist bloc. So, our sample for analysis ranges from 1991 to 2019, a modern postcolonial world. The dataset records crisis as "the specific act, event or situational change which leads decision-makers to perceive a threat to basic values, time pressure for response and heightened probability of involvement in military hostilities" (Brecher et al., 2023). It is the definition of crisis that spans from verbal, political, economic, violent, or non-violent, indirect violent, and external change to internal verbal or physical challenge to regimes or elites in a country.

Second, the Penn World Table (PWT) by (Feenstra et al., 2015) maintain historical macroeconomic data including investment, capital stock, and capital consumption data from the 1950s to the present day. The visual approach provided leverages this data source. At the same time, World Bank Development Indicators (WBDI) (World Bank, 2010) serves as a detailed macroeconomic data source based on official statistics provided by the state authorities. The WBDI includes foreign direct investment (FDI, inflow, and outflow), foreign portfolio investment data, and external debt, three major components for an open economy's macroeconomic capital accounts.

Variable	Definition	Obs	Mean	Std. dev.	Min	Max	Source
ln_f di	Natural Logarithmic transformation of Foreign direct investment, net inflows (BoP, current US\$)	5095	19.89	2.82	2.30	27.32	WBDI
ln_portfoinv	Natural Logarithmic transformation of Portfolio investment, net (BoP, current US\$)	1988	19.02	3.53	6.07	26.38	WBDI
ln_exdebtstock	Natural Logarithmic transformation of External debt stocks, total (DOD, current US\$)	3468	22.32	1.97	15.53	28.38	WBDI
crisis	Year of Perception of Crisis Trigger, Binary Variable	6003	0.02	0.15	0.00	1.00	ICBP
ln_gdp	Natural Logarithmic transformation of GDP (current US\$)	5692	23.55	2.43	16.05	30.69	WBDI
ln_laborforce	Natural Logarithmic transformation of Labor force, total	5335	14.85	1.85	10.42	20.48	WBDI
ln_grosskform	Natural Logarithmic transformation of Gross capital formation (current US\$)	4635	22.52	2.37	14.49	29.45	WBDI
ln_grossdosave	Natural Logarithmic transformation of Gross domestic savings (current US\$)	4185	22.63	2.57	10.65	29.47	WBDI

Table 1 Description and Summary of Variables

For the fixed effects regression models (see Chapter V, equations V. 1, V. 2, V. 3), I use four key variables from WBDI and ICBP datasets. The three key macroeconomic variables are natural logarithmic transformed version of net inflows of foreign direct investment ($ln_f di$), net portfolio investment of balance of payments ($ln_portfoinv$), and total external debt

stock (*ln_exdebtstock*). These three variables serve as the dependent variables in regression equations V. 1, V. 2, and V. 3. *crisis* is a dummy (binary) variable that takes the value of 1 if there is a state-level foreign policy crisis, zero otherwise. GDP, Labor Force, Gross Capital Formation, and Gross Domestic Savings remain useful macroeconomic variables since the research problem in question is inherently macroeconomic.

Due to the natural logarithmic transformation of the variables, we see significantly fewer variations in data from the summary table (Table 1). That is why the maximum FDI, portfolio, and debt stock level in the table is 27.32 (minimum 2.3), 26.38 (minimum 6.07), and 28.38 (minimum 15.53) respectively. There is also significantly less variation in GDP values because of the natural logarithm transformations. Such transformations are standard practices to reduce excessive variations in data. Also, it should be noted that there are 188 crisis events in the dataset (from 1991 to 2019), but it takes 6003 observations in the table because of zero values in no event years and countries.

Methodology

For this analysis, I have already presented with descriptive statistics and a visual approach in Chapter III which provides the basis of the analysis in the subsequent chapters (including this). Nonetheless, I consider a mixed, quantitative empirical analysis and deductive logical reasoning, approach to answer the research question and the associated hypothesis. In the process, I rely on economic and political statistics which are described in Chapter IV. For the deductive approach, the simple formal model is outlined in Chapter VI.

Aside from the deductive approach, I deploy three major regression equations. The first regression equation (Equation V. 1) aims to measure the impact of international crisis on capital account components. In the model, the dependent variable $ln_f di$ is a non-negative continuous variable. β_0 is the intercept term, β_1 is the coefficient for the dependent variable (*crisis*), while ϵ is the error term capturing the unobserved randomness in the model. $ln_g dp$, $ln_l aborforce$, $ln_g rossk form$, and $ln_g ross doms ave$ act as control variables not only in the equation V. 1, but also in V. 2 and V. 3. In equations V. 2 and V. 3, ln portfolioinv and ln exdebt stock are the dependent variables.

$$ln_f di = \beta_0 + \beta_1 crisis + \beta_2 ln_g dp + \beta_3 ln_l aborforce + \beta_4 ln_g rosskform \qquad V.1 + \beta_5 ln_g rossdoms ave + \sum_{i=1}^n \beta_{5+i} country_i + \sum_{j=1}^m \beta_{5+n+j} year_j + \epsilon$$

$$ln_portfoinv = \beta_0 + \beta_1 crisis + \beta_2 ln_gdp + \beta_3 ln_laborforce + \beta_4 ln_grosskform \qquad V.2 + \beta_5 ln_grossdomsave + \sum_{i=1}^{n} \beta_{5+i} country_i + \sum_{j=1}^{m} \beta_{5+n+j} year_j + \epsilon$$

$ln_exdebtstock$

$$= \beta_{0} + \beta_{1} crisis + \beta_{2} ln_{g} dp + \beta_{3} ln_{l} aborforce + \beta_{4} ln_{g} rossk form + \beta_{5} ln_{g} rossdoms ave + \sum_{i=1}^{n} \beta_{5+i} country_{i} + \sum_{j=1}^{m} \beta_{5+n+j} year_{j} + \epsilon$$

Here, in the three equations, *country* and *year* are the fixed effects. The first rationale for using fixed effects stems from the unobserved heterogeneity across my global sample. The sample is different across institutional quality, legal systems, geography, and cultures. These factors can have a significant role which may not be fully captured by the variables in the models. The country-specific fixed effects allow for such time-invariant unobserved heterogeneity by incorporating the fixed effects variable. In ordinary least square format such as the ones in equations V. 1, V. 2, V. 3, this fixed effect actually works similarly to a dummy or binary variable.

The dummy variable takes a fixed value for the country's observations and removes the unobserved heterogeneity from the observed independent variables in the model. This also extends to time issues such as a significant event in a particular year or a range of years that are limited to these years. The examples include economic crises, policy change or adoption, and new technological advancements serving as shifts to all the variables in the model. By incorporating time-fixed effects, we can also remove such potential year-specific effects. Besides the standard use of country fixed effects as a remedy for confounding factors in my models, they can help identify the FDI and portfolio investment attractiveness, and external debt susceptiveness with the help of differences in fixed effects.

VI.

Analysis

To estimate the role of political violence in capital accumulation, I estimate the three regression equations outlined in Chapter V. In Table 2, *crisis* our main variable is not statistically significant across the models. In the FDI model, the coefficient is -0.0684 where the standard error is 0.120, -0.123 with 0.335 standard error in the portfolio model, and 0.0223 with 0.0671 standard error in the external debt stock model. Aside from the lack of statistical significance, the signs of the coefficient are expected, negative impacts on FDI inflow and portfolio investments while positive impacts on external debt stock. Since the rest of the variables serve as the control variables, they provide statistical support to increase the accuracy and validity of the target variable's findings. The control variables are included to account for confounding factors with risks to impact the dependent variable by isolating the impact of the main variable, in this case *crisis*.

	Global Foreign Direct Investment Model	Global Portfolio Investment Model	Global External Debt Stock Model
crisis	-0.0684	-0.123	0.0223
	(0.120)	(0.335)	(0.0671)
ln_gdp	0.450	1.732	0.993
	(0.103)	(0.281)	(0.0572)
ln_laborforce	0.101	-1.090	-1.490
	(0.147)	(0.385)	(0.0999)
ln_grosskform	0.681	-0.499	-0.205

Table 2 Fixed Effects Regression Results

	(0.0754)	(0.179)	(0.0422)
ln_grossdomsave	-0.0298	0.185	-0.0118
	(0.0375)	(0.110)	(0.0187)
_cons	-7.089	-0.627	24.21
	(2.027)	(5.304)	(1.423)
Ν	3697	1550	2420
r2	0.856	0.843	0.937

Source: Author's calculation.

Note: Standard errors are in parentheses. Year and Country fixed effects have been removed from this table (See VIII.B and VIII.C). p < 0.05, p < 0.01, p < 0.001

Portfolio investments are purchases of financial assets with the expectation of earning capital gains but do not represent control and ownership of firms. They are also the most liquid and mobile investment, dependent on market conditions. This can provide some explanation as to why the parameter estimates of *crisis* variable is nearly double in the portfolio model than in the FDI model. The positive impact from *crisis* on external debt, stock indicates that the countries' external debt stock grows when faced with a crisis. Also, the three models perform decently in explaining the variation in the dependent variable from the variations in independent variables. This is evidenced by the R-squared values of the models, 0.856, 0.843, and 0.937, respectively.

What is a crucial finding from this is the sentiment of investors of an economy in our formal model (chapter III), the investors' sensitivity to political risk. Now, faced with such knowledge and pattern of a significant actor in markets, domestic and international, what should a capital-rich neoliberal neocolonial state face capital pull? The state, by its domestic neoliberal status, may resort to such hostility or ramp up already existing one. This hostility resulting in capital outflow leads to reliance on foreign debt as seen from the regression

results. This result directly contradicts what (Shadmehr, 2019)'s analogy suggests of a patriotic investor. The parameter estimates of *crisis* from the three models combine to make about 0.2 percent worsening in capital accounts of the economy. If Shahmehr's analogy was right, we would have probably seen negligible effect across the global panel.

Now, the question comes where the capital accumulates when it flies out. The question can be best answered by the recent developments in 2023 and 2024. Amidst heightened tension in the Middle Eastern region from October 2023 following Hamas' attack on Israeli military and civilians and Israel's response with the war on Gaza, the source of the attack, Israeli launched an airstrike on Iranian Consulate in Damascus, the capital of Syria, in April 1st, 2024 (Haid, 2024). Iran responded with hundreds of missiles and drones aiming targets inside Israel 13 days later. US dollar against the Japanese yen shot up to a 34-year high as the demand for safe-haven currency increased (Mikolajczak & Chavez-Dreyfuss, 2024). This example is not to be confused with the research question of this thesis rather is intended to be a portrayal of the global flow of capital, more precisely where capital flows. This rise in the exchange rate is due to high demand for the USD as investors across the globe flocked to move their investments to the US. This not only happened with USD but also with CHF, the Swiss currency famous for maintaining a relatively stable exchange rate. This excess demand for these currencies provides proof of the flow of capital towards these destinations. The global violent events clearly show a tendency to move from capital-poor countries to capital-rich countries and, more importantly, haven countries. This is evident from the country fixed effects results in Table 5 where capital-poor countries such as South Sudan, Iran, Nepal, Bangladesh, and India have negative coefficients while capital-rich safe haven countries like Singapore, Hongkong, Ireland, Malta, and Luxemburg have positive coefficient. These indicate to these countries the level of capital and likelihood of increasing and decreasing

from violent events. This provides the proof, although not in a statistically significant way, for my first hypothesis,

• If political violence leads to capital accumulation in neoliberal neocolonial states, then there would be an increase in capital accumulation resulting from politically violent events.

To test the neocolonial capital extracting rationale motive deductively, a simple formal political model of neocolonial capital control can be considered. According to (Wong, 2014), formal models of politics are composed of concepts and propositions where concepts are used to formulate propositions representing some level of abstraction. Downsian models of politics are one of the first examples of formal theory in politics (Wong, 2014). I outline the underlying assumptions of my formal in the following paragraphs. In the model, there are two political-economic agents in a global capital market, an LOE and an SOE. Both the agents have economic motives concerning capital and national production which they want to achieve by political actions. Both agents are neoliberal, that is the government does not intervene in their domestic economy thus having no direct capital control measures in place, such as restrictions or sanctions. However, they are free to intervene in each other's politics and economy. Either there is no transnational institution to protect and bar each other from their interventions or is sufficiently weak to have no impact at all. As I already outlined the global view in this chapter, the LOE has a significantly higher level of capital than the SOE. The capital is also highly mobile. Their national output determines their national well-being in the form of national income.

The national output derives from deploying capital. To keep the model simple, we assume labor has no or negligible role in national output in this model. Also, we consider one group of domestic actors in LOEs and SOEs, the investors (LOE group and SOE group) who

ultimately decide where to deploy their capital. The combined amount of capital among both countries is fixed. The political and economic objective of the SOE is to attract more capital to increase national production since it has a low level of capital and national production. The political and economic objective of the LOE is to maintain the capital level in the economy so that the national production level is unharmed. The investors are sensitive to political risk in the forms of threat, instability, and any kind of hostility. The last and probably the most important assumption for this model would be that the capital-rich LOE has significant political power compared to the capital-poor SOE, just as in economic terms.

I outline the payoffs from the government actions in the formal model in Table 3. In the model, SOE can take two actions, capital attraction or no capital attraction. The LOE can take two actions, capital protections and no capital protections. When both do not take any action, no capital attraction and no capital control, there is no change in capital levels. When LOE deploys capital protection policies, LOE gets the capital whether SOE attracts capital or not because of LOEs significant political power. SOE gets capital when it attracts capital and LOE does not engage in capital protection behavior.

Table 3 Payoff Table of Capital Control and Attraction

		SC	DE
		Capital Attraction	No Capital attraction
	Capital Protection	LOE gets capital	LOE gets capital
LOE	No Capital Protection	SOE gets capital	No change

In this model, I consider the pull factors of capital, the SOE trying to attract capital. This capital attraction would result in pulling capital from LOE and injecting it into the SOE economy. In this scenario, the rational action from the SOE would be to restrict capital but the underlying assumption of the formal model is that both the states are neoliberal where

LOE has significantly more political power. Due to the neoliberal nature of the state, the state cannot intervene in the economy to restrict capital outflow, but the state must do so in other ways. In this case, the possible actions, if they could not be direct (full-fledged colonial expansion and resource extraction), could very well be indirect. In this model, the LOE state is in essence stuck in a positive feedback loop. The accumulated capital must be protected and increased to maintain the performance and issue satisfaction of the electorate in LOE. Thus, I see the neocolonial motive for capital control stemming from the transformation of key political services, in advanced and developed economies, being services to the economy.

One very relevant view, especially of the economy from politics, is from (Earle et al., 2016) who argues that modern politics have transformed to primarily serve the economy, at least in the UK where their book is centered around. I accept this argument as a fact since it is clear from recent events how the role of inflation, unemployment, austerity, and public goods among other economic phenomena dominate contemporary politics in the developed and advanced economies. Also, the argument based on the authors' observation from the UK serves as a starting point to see the transformation of former colonial states' (with unusually elevated levels of capital accumulation) politics. This behavior of the state is understandable since the economic behavior of the state is to provide as much welfare as possible for its citizens.

If the economy serves as one of the key issues if not the key issue in politics, the elites, as the economic planners, in a developed democracy where preference formation among the electorate is unhampered have clear-cut incentives to serve the economy in the political processes. High national production is one of the necessary conditions for the high well-being of the citizenry. So, drawing from the observation made by (Earle et al., 2016), the actors in the political process and in state power would rationally work to maintain or increase national

production. What drives the state to provide more and more capital inflow to the economy is the resource constraint. As an economic agent faces economic resource constraints, a political actor faces such constraints in the form of institutions. The State as a political actor in the domestic political economy, especially in the modern neoliberal age, has little room to maneuver.

Aside from the crisis Keynesianism, highly active roles in periods of severe economic distress such as the global financial crisis and COVID-19 pandemic, the neoliberal state cannot and does not intervene in the economy. The best way it can shape the domestic market is to change its own behavior without intervening in the market. Politically, the state cannot go beyond constitutional and legal constraints, limiting many coercive, tyrannical, and arbitrary actions, in domestic politics. However, the state enjoys significant leeway in the international market and politics. What the state cannot conduct in itself can be conducted in other states. The best examples are espionage in international territory and military intervention in arbitrary targets. Any global institution providing checks and balances is very few and much weaker since these institutions have to rely on the member states for the execution of directives. So, the scope and ability without accountability is much higher in the international arena for any LOE than domestically.

What I see from these results is the role of stability in the global capital centers and instability in the periphery. Capital does not move itself. Investors play the sole role (in reality and in my model) in determining the location and allocation of their capital. The neoliberal state absent from the market does not dictate where to invest but still is shaping the market through such acts and events. The market-shaping role of the neoliberal state in this regard seems to be implemented through the role of a neocolonial herding dog. The sheep herd, which is the investors with capital, will reach far out in the land, in this case, the global periphery, in

search of greener pastures with better and more delicious grass. The duty and role of the shepherd is to make sure that the sheep herd does not go too far out of sight and always returns to the shed. The crisis events in the capital's poor periphery serve as the herding dogs to round up the sheep listening to the whistles of the shepherd, the state. So, the market-shaping role of the state has traveled from intervention in the domestic economy and polity to other economies and polities. By doing so, the state has transformed this intervention into a passive form of market-shaping tool for capital control.

Now, where do we see the rational motive for capital control through political violence? First, I establish that it is possible to direct capital through political violence and capital flies from unstable regions to stable regions, more accurately safe havens for capital investments. Now, in the latter discussion, I establish the underlying conditions for the rational motive to do so. The simple formal model dictates that LOE would control capital if it is bound by its role of servicing the economy and maintaining the national production level along with other major economic concerns such as controlled inflation and high employment. The LOE is bound by the transformation of its politics to service the economy and so has a rational motive to take actions to maintain the neocolonial control over capital.

To extend the discussion, the concept of a fiscal-miliary state should be introduced for this discussion. The fiscal-military state's economic sustainability depends on the sustenance of its military. The historical example comes from the colonial history of the world where the competing hegemons relied on their military forces for revenue. Unsurprisingly, the United States, the current world hegemon's, military presence around the world especially near the Suez Canal, Panama Canal, and South China Sea indicates not only the importance of safety for such high-volume trade routes but also the importance of "service to the economy" observation what we see from (Earle et al., 2016). In this case, not only domestic politics but also international politics have transformed to service the economy.

This service to economy observation can be applied to (Bichler & Nitzan, 2004)'s observation of instability and capital accumulation. If the neocolonial state deems it necessary to accumulate or sustain the existing level of capital, it will require inflation and instability. As it is evident that hostility is one of the keyways to induce instability, the neocolonial state would have a motive to use such a tool in service to the economy. This relates to (Smolski & Lorenzen, 2021)'s primitive accumulation through violent acts. If, according to their view, violence provides primitive accumulation which serves as the bedrock for capitalistic development and expansion, a neocolonial state would obviously resort to such measures to continue capital accumulation. Not only this view but also the collusion between the actors. The post-communist and also post-Second World War lacks significant conflict between competing colonial and neocolonial powers, but the colonial states continue to reap the benefits from the actions of the hegemon. When the US threatens one country and there is a capital flight, not only the US benefits but also Switzerland and Ireland. This is where the authors' collusion view comes into play.

Probably now comes the role of liberalization and who benefits from these political violent events. The role of advanced industrial states were more willing to liberalize capital controls than trade barriers (Helleiner, 1994) and have peddled such neoliberal policies which liberalized capital controls across the globe and propagated export promotion policies. This liberalization has significantly increased global capital mobility along with more responsiveness to violent events and so with more and more accumulation of capital in the neo-colonial states. Even with capitalistic development, the problem for advanced economies becomes the sustenance of the concentration and accumulation of capital.

War helped create the modern accumulated capital, war seems to be keeping the model capital accumulated. (Spruyt, 2009)'s generative factors for modern European state, war, and

trade, seems highly relevant especially in the light of the notion if we expect state-forming forces to exist after the formation of the state. If war and trade gave birth to modern states, their role now seems like nursing entities that are sustaining the modern states.

VII.

Conclusion

Based on the original Lucas Paradox from (Lucas, 1990), this thesis attempts to answer if modern capital-rich neoliberal states are using political hostility in the form of political violence as passive capital control tools. To answer this research question, I resort to two related hypotheses, first, if political violence leads to capital accumulation in neoliberal neocolonial states, then there would be an increase in capital resulting from politically violent events, and second, a neoliberal neocolonial state may have rational motive to use political violence as passive capital control measures.

In this study the underlying relationship between the neoliberal neocolonial state and international capital market where political violence plays a role in maintaining the historic order, I resort to the International Crisis Behavior Dataset and World Bank Development Indicator's data from 1991 to 2019 (Brecher et al., 2023; World Bank, 2010). The statistical modeling with fixed effects approach provides a negative impact of crisis events on foreign direct investment and foreign portfolio investment while a positive relationship on external debt stock. The parameter estimates, although not statistically significant, and fixed effects estimate help establish that there is an increase in capital in the neoliberal neocolonial states resulting from the political violent events. Next, I establish that there is a rational motive for the neoliberal neocolonial state to use political violence as a form of capital control.

Aside from the statistical insignificance issue, I consider the developed formal model as my main mode of reasoning. In an attempt to obtain a stylized fact from the formal model, I have already imposed a handful of assumptions such as neoliberal setting, perfect capital mobility, little to no role of international institutions, high LOE and low capital SOE, and LOEs as

maintaining capital and national production unharmed. These could be considered as too simplistic assumptions as almost all economic assumptions are in search of stylized facts. Nonetheless, the thesis serves as an intellectual exercise to investigate the role of political violence in shaping the international capital flow and in turn the global political economy.

VIII.

Appendices

A. List of Countries, Their Per Capita Real GDP, and Capital

Stock

Country	Per Capita Real G constant USD	DP at 2017	Per Capita Capital Stock at 2017 constant USD	
	Year ear 1991	Year 2019	Year 1991	Year 2019
Albania	3329.26	13035.22	31577.79	77998.63
Algeria	8278.71	11279.07	35120.28	53748.86
Angola	5959.84	6866.35	39859.70	40210.41
Antigua and Barbuda	11204.70	16413.91	40261.50	111173.83
Argentina	14933.50	21708.88	49220.77	71323.05
Armenia	4718.28	15337.15	11964.46	33018.13
Aruba	26950.96	28832.60	66235.41	163375.36
Australia	32258.21	51933.81	157962.47	232180.04
Austria	36869.63	53685.51	184782.48	296515.62
Azerbaijan	7564.95	14359.13	7630.69	25747.28
Bahamas	28743.96	31491.24	53246.06	175443.76
Bahrain	41487.44	51023.03	178254.25	273712.54
Bangladesh	1438.36	4615.27	2969.72	16467.28

Table 4 Data of Per Capita GDP and Capital Stock

	1	1	1	
Barbados	10046.18	11974.44	64702.66	104600.61
Belarus	9693.79	21276.45	24372.16	60427.56
Belgium	32377.08	46488.20	157751.33	268457.69
Belize	4955.43	6127.04	15954.99	23212.84
Benin	1474.58	3183.94	4954.80	6858.82
Bermuda	35817.76	50977.14	105199.84	155513.14
Bhutan	2617.53	11626.68	12342.57	75730.43
Bolivia	4441.47	8278.88	9307.52	17453.13
Bolivia (Plurinational State of)	4441.47	8278.88	9307.52	17453.13
Bosnia and Herzegovina	1736.41	13437.93	2646.15	37624.48
Botswana	8530.45	15381.43	17475.94	70367.99
Brazil	10358.03	14349.62	39144.73	60119.45
British Virgin Islands	15226.85	36524.01	27532.63	130872.26
Brunei Darussalam	74349.66	64835.36	253353.59	432244.87
Bulgaria	10066.88	21243.13	13049.84	61913.39
Burkina Faso	991.02	1983.81	1670.36	4031.67
Burundi	1133.37	779.04	1568.41	1474.21
Cabo Verde	2693.70	7089.75	11931.18	31377.92
Cambodia	1089.92	4488.66	1628.19	11887.90
Cameroon	2918.90	3626.09	7252.51	9082.19
Canada	34001.84	49843.77	136319.75	225080.48
Cayman Islands	68580.83	69404.54	116898.32	216167.18

Central African Republic	1304.67	874.97	8549.54	5609.94
Chad	949.29	1548.91	1499.73	2861.87
Chile	9686.66	23299.79	32082.71	104395.84
China	2869.99	14590.50	4167.53	70644.44
Colombia	8022.66	13859.73	23775.73	41251.52
Comoros	3072.73	3457.71	21339.57	14173.45
Costa Rica	8919.82	18495.11	14500.46	42885.76
Côte d'Ivoire	2895.08	4827.49	7316.84	9443.37
Croatia	15400.65	27583.28	68240.67	131390.10
Cyprus	14952.55	23353.81	122347.36	159992.06
Czech Republic	19233.30	37459.88	146939.18	197200.02
Democratic Republic of the Congo	1473.27	1006.94	4320.47	2979.28
Denmark	36632.92	53533.09	173881.10	254146.67
Djibouti	1583.08	4448.81	1936.29	10239.35
Dominica	7188.21	10724.09	18715.38	36456.29
Dominican Republic	5855.13	17977.41	24333.64	71390.59
Ecuador	8135.10	11194.07	45011.74	62152.57
Egypt	6397.12	12147.07	4830.01	15578.08
El Salvador	4407.19	8471.84	11039.96	27918.14
Equatorial Guinea	2874.93	18322.88	3696.64	71620.59
Estonia	14100.30	33754.67	61840.22	151852.67
Eswatini	4853.26	8265.13	18400.34	24700.48

Ethiopia	682.51	2188.04	1340.38	5511.47
Fiji	7774.91	13113.18	15437.70	29381.63
Finland	28400.56	44918.45	148137.32	226462.55
France	32611.94	44003.96	173183.79	248214.06
Gabon	18691.18	14273.33	74493.44	54248.18
Gambia	2172.52	2208.95	3134.18	4513.96
Georgia	9839.12	17071.57	45354.12	70998.54
Germany	37011.11	51918.57	154384.78	236667.70
Ghana	2351.76	5310.91	8650.50	12902.74
Greece	22493.18	27000.96	157602.47	214981.89
Grenada	7468.07	13599.62	23617.15	50267.27
Guatemala	5325.37	8198.07	16919.34	25473.16
Guinea	1470.43	2546.76	1268.94	4284.20
Guinea-Bissau	1779.94	1911.23	4312.50	2972.41
Guyana	3154.16	13015.29		
Haiti	2145.89	1636.14	7165.81	13854.74
Honduras	3734.16	5388.89	13008.75	22090.15
Hungary	14910.93	29536.57	70287.47	139956.63
Iceland	29604.69	48909.62	202449.99	242074.20
India	1797.32	6639.89	6110.44	24783.68
Indonesia	4560.12	11520.26	16981.61	64317.20
Iran	8844.89	11570.48	50655.76	75086.36
Iran (Islamic Republic of)	8844.89	11570.48	50655.76	75086.36

Iraq	2931.46	10966.47	23339.97	27086.40
Ireland	29631.31	95795.18	120707.88	364714.63
Israel	22066.07	37998.56	74211.15	128156.51
Italy	35986.54	41316.79	194440.04	288171.25
Jamaica	7790.23	8756.93	41260.98	51481.05
Japan	32202.66	40151.61	129664.95	188330.57
Jordan	8283.92	10057.69	24169.08	33117.07
Kazakhstan	12536.26	27699.04	40267.24	56253.78
Kenya	3225.70	4466.29	6614.07	9895.87
Kuwait	30661.44	52255.52	134664.43	205856.66
Kyrgyzstan	5579.35	6274.90	10318.80	12641.49
Lao People's DR	1948.06	7789.46	3137.10	26257.57
Laos	1948.06	7789.46	3137.10	26257.57
Latvia	15332.49	29397.72	131594.17	217909.50
Lebanon	10902.35	17400.66	63770.37	99221.76
Lesotho	1245.69	2880.89	4068.85	12030.36
Liberia	935.42	1285.18	5893.56	4739.34
Lithuania	15073.16	32946.49	54100.09	124508.93
Luxembourg	58059.43	91232.11	232410.85	385149.38
Madagascar	1693.96	1633.12	3208.34	3352.65
Malawi	838.83	1174.89	1211.20	1193.01
Malaysia	10237.23	25033.00	32629.84	100130.93
Maldives	9605.86	21922.35	14852.47	115244.95

	1	1	1	1
Mali	430.51	2296.20	817.08	3447.73
Malta	14706.81	34311.26	42820.43	118945.69
Mauritania	4374.00	5215.05	22934.21	21935.06
Mauritius	8618.42	23896.81	22449.56	73740.21
Mexico	14787.06	19251.28	59477.45	82857.06
Mongolia	4146.22	11327.39	34912.87	51502.74
Montenegro	14648.21	21442.76	33404.44	71088.44
Morocco	3973.93	8001.23	16916.58	39876.18
Mozambique	467.29	1267.73	1284.18	3777.37
Myanmar	642.67	5265.04	422.63	15197.70
Namibia	6325.16	9700.23	14435.40	30786.66
Nepal	1475.50	3586.65	3117.66	11654.32
Netherlands	36248.20	55392.22	171866.87	254210.55
New Zealand	23672.28	39434.65	74285.43	121997.11
Nicaragua	3131.52	5002.01	13973.41	18794.33
Niger	934.38	1177.43	7440.96	5200.14
Nigeria	3108.77	4956.83	21161.93	14274.46
North Macedonia	9716.27	16246.98	32479.23	60834.19
Norway	47150.78	70628.71	184896.42	305688.82
Oman	29282.07	31532.11	79444.40	166496.99
Pakistan	2891.62	4836.65	5924.28	7506.67
Panama	11352.32	30512.47	23712.61	120729.62
Paraguay	7900.92	13450.64	25942.92	41514.08

	1	1	1	1
Peru	5013.55	12165.32	15615.10	43729.90
Philippines	4061.39	8454.18	11381.95	23917.32
Poland	10137.90	31982.27	23013.48	76067.53
Portugal	22666.83	32003.95	139847.60	253290.04
Qatar	72497.29	108428.04	162942.57	570253.65
Republic of Korea	13782.94	42367.23	46804.09	206171.89
Republic of Moldova	13609.53	14955.20	36660.71	35409.18
Republic of the Congo	4583.57	3474.59	18015.43	24762.99
Romania	10836.76	28038.04	32685.62	88404.92
Russia	20961.42	28140.17	120904.99	123613.88
Rwanda	736.21	2293.57	807.54	3851.88
São Tomé and Príncipe	2648.60	4091.35	10163.79	16370.07
Saudi Arabia	47561.42	46040.48	81880.17	185139.25
Senegal	2211.03	3381.15	6258.09	9633.09
Serbia	13900.75	17710.99	66413.14	76834.26
Seychelles	12578.26	24973.11	72261.11	159539.05
Sierra Leone	1886.63	1760.20	1983.71	1948.72
Singapore	33790.17	84929.28	122569.00	351451.35
Slovakia	11028.43	28068.73	68253.05	127230.53
Slovenia	17441.48	33834.76	130499.26	217282.25
South Africa	9188.59	12616.44	36456.66	48397.34
Spain	27777.72	40231.71	141891.05	238565.67

Sri Lanka	4011.06	13037.98	8861.32	37389.35
St. Vincent and the Grenadines	5195.96	11112.81	26866.47	80877.59
Sudan	2077.17	4220.55	3690.22	6811.72
Suriname	10555.77	13369.96	46937.24	88890.41
Sweden	33080.38	51761.83	189157.02	232875.02
Switzerland	58754.16	75596.02	231673.54	328072.09
Syria	7785.70	6098.24	15855.54	19991.59
Tajikistan	4461.78	4390.17	97360.37	35873.07
Tanzania	1087.06	2335.13	2536.62	6512.48
Thailand	7342.07	17242.46	24050.00	63271.98
Togo	1456.81	2116.80	6411.43	5542.70
Trinidad and Tobago	11092.88	23484.91	21015.12	49013.29
Tunisia	5564.75	10739.03	16405.59	26963.78
Türkiye	11812.06	27159.87	29661.56	117085.68
Turkmenistan	11493.85	25166.03	46647.35	134814.29
Turks and Caicos Islands	9408.71	14345.40	20439.61	88115.13
Uganda	816.31	2121.42	1051.24	4141.56
Ukraine	15895.98	12936.52	163071.11	144012.95
UAE	93835.69	70344.13	823157.73	483567.83
UK	29245.03	45135.56	136445.54	212746.55
USA	39828.60	62693.88	153927.19	210547.15
Uruguay	10327.32	21046.50	46908.92	93521.81

Uzbekistan	5503.48	11778.44	6075.60	35990.39
Venezuela	624.44	230.26	7049.81	6956.52
Viet Nam	1656.27	7743.57	1757.51	20513.86
Yemen	2185.04	1270.18	9906.55	17131.34
Zambia	2027.42	3062.05	20137.26	15513.14
Zimbabwe	2107.96	2780.53	3687.10	3890.88

B. Country Fixed Effects

Table 5 Foreign Direct Investment Model Country Fixed Effects

Country	Coefficient	Country	Coefficient	Country	Coefficient
Algeria	-3.67601	Guinea- Bissau	-0.32689	Saudi Arabia	-2.70492
Angola	-0.32172	Guyana	1.301553	Senegal	-1.12591
Argentina	-1.14372	Haiti	-2.62301	Serbia	-0.02064
Armenia	-0.39033	Honduras	-0.35876	Sierra Leone	0.434023
Australia	-1.07972	Hong Kong	0.911783	Singapore	0.896234
Austria	-1.50857	Hungary	0.594465	Slovak Republic	-0.77484
Azerbaijan	0.280546	Iceland	-0.33901	Slovenia	-1.27653
Bahamas	-0.44556	India	-2.72582	Solomon Islands	0.203837
Bahrain	0.037746	Indonesia	-1.97293	South Africa	-2.28596
Bangladesh	-3.22291	Iran	-3.55623	South Sudan	-4.63232
Barbados	0.459439	Iraq	-2.41721	Spain	-1.21208

Belarus	-1.62642	Ireland	0.737158	Sri Lanka	-1.56406
Belgium	0.52896	Israel	-0.87564	Sudan	-0.99118
Belize	0.547563	Italy	-2.57875	Sweden	-0.7976
Benin	-1.7331	Jamaica	-0.03444	Switzerland	-0.86213
Bhutan	-2.13458	Japan	-4.67735	Tajikistan	-0.37242
Bolivia	-0.20426	Jordan	-0.78915	Tanzania	-0.94573
Bosnia and Herzegovina	-0.64449	Kazakhstan	-0.13501	Thailand	-1.30302
Botswana	-0.95273	Kenya	-2.3383	Togo	-0.73449
Brazil	-1.36318	Korea, Rep.	-2.64287	Tunisia	-0.77844
Brunei Darussalam	-0.29403	Kuwait	-2.81834	Türkiye	-2.17205
Bulgaria	-0.18467	Kyrgyz Republic	-0.30505	Turkmenistan	0.019971
Burkina Faso	-2.10846	Lao PDR	-0.72269	Uganda	-0.53601
Burundi	-0.75694	Latvia	-0.35857	Ukraine	-1.13229
Cabo Verde	0.364678	Lebanon	0.381187	United Arab Emirates	-1.24563
Cambodia	0.316895	Libya	-1.27687	United Kingdom	-0.97209
Cameroon	-1.74248	Lithuania	-0.48915	United States	-2.13666
Canada	-1.29402	Luxembourg	1.855499	Uruguay	-0.64157
Central African Republic	-1.23461	Macao SAR, China	-0.40874	Uzbekistan	-1.72382
Chad	-0.07805	Madagascar	-0.96029	Vanuatu	1.10114
Chile	-0.22535	Malaysia	-0.78433	Venezuela, RB	-1.49225

China	-1.81819	Mali	-0.86281	Viet Nam	-0.68011
Colombia	-0.81641	Malta	1.904969	Zambia	-0.59104
Comoros	-1.32293	Mauritania	-0.37569	Zimbabwe	-1.63522
Congo, Dem. Rep.	-0.62788	Mauritius	-0.90466		
Congo, Rep.	0.014555	Mexico	-1.33343		
Costa Rica	0.124697	Moldova	-0.03918		
Cote d'Ivoire	-1.20762	Mongolia	0.005234		
Croatia	-0.71362	Montenegro	0.799941		
Cyprus	1.386123	Morocco	-1.29321		
Czechia	-0.62143	Namibia	0.1534		
Denmark	-1.11051	Nepal	-3.47847		
Djibouti	1.351917	Netherlands	0.476005		
Dominican Repub	-0.52704	New Caledonia	0.38875		
Ecuador	-1.50248	New Zealand	-0.93263		
Egypt	-1.22583	Nicaragua	-0.0273		
El Salvador	-0.95992	Niger	-1.0118		
Equatorial Guinea	-0.26933	North Macedonia	-0.53051		
Estonia	0.341445	Norway	-0.94469		
Eswatini	-0.07034	Oman	-1.38902		
Ethiopia	-1.38505	Pakistan	-2.00766		
Fiji	0.244635	Panama	0.107591		
Finland	-0.61438	Papua New Guinea	-0.19465		

France	-1.66303	Paraguay	-1.21224	
French Polynesia	-2.15405	Peru	-0.56851	
Gabon	-0.43773	Philippines	-1.54847	
Gambia	0.413961	Poland	-1.00553	
Georgia	0.269611	Portugal	-0.83826	
Germany	-1.97229	Qatar	-1.15795	
Ghana	-0.5741	Romania	-1.08456	
Greece	-2.40032	Russian Federation	-1.93149	
Guatemala	-1.01912	Rwanda	-1.14141	
Guinea	-1.45203	Samoa	-1.25095	

Table 6 Foreign Portfolio Investment Model Country Fixed Effects

Country	Coefficient	Country	Coefficient	Country	Coefficient
Algeria	-6.72436	Indonesia	3.072716	Suriname	-3.51307
Angola	0.525056	Iraq	1.672473	Sweden	1.448805
Argentina	1.839651	Ireland	1.298528	Switzerland	1.588762
Armenia	-1.05679	Israel	0.197961	Tajikistan	-1.53309
Australia	1.196515	Italy	2.216935	Tanzania	-3.97686
Austria	1.196309	Jamaica	1.198568	Thailand	2.066018
Azerbaijan	-0.88261	Japan	2.472218	Тодо	1.365885
Bahamas	-3.14259	Jordan	1.304177	Tunisia	-1.54139
Bahrain	1.465806	Kazakhstan	2.307423	Türkiye	1.6558
Bangladesh	0.254339	Kenya	0.58587	Uganda	1.381132

Barbados	-1.17579	Korea, Rep.	1.996267	Ukraine	1.802901
Belarus	-0.56073	Kuwait	2.004382	United Kingdom	2.745651
Belgium	1.673052	Kyrgyz Republic	0.510563	United States	1.495464
Belize	-6.36774	Latvia	0.760556	Uruguay	0.458651
Benin	0.714211	Lebanon	1.944822	Uzbekistan	-2.9599
Bhutan	1.00754	Libya	-0.10102	Vanuatu	-2.256
Bolivia	1.194683	Lithuania	0.347351	Venezuela, RB	1.9767
Bosnia and Herzegovina	0.076866	Luxembourg	1.777913	Viet Nam	1.012635
Botswana	0.234334	Macao SAR, China	0.358214	Zambia	1.086254
Brazil	2.80668	Madagascar	-1.88426	Zimbabwe	0.189395
Brunei Darussalam	-1.05575	Malaysia	1.797838		
Bulgaria	1.357371	Mali	1.110078		
Burkina Faso	1.602363	Malta	1.85459		
Cabo Verde	-0.88112	Mauritania	-3.73876		
Cambodia	-0.12769	Mauritius	0.185275		
Cameroon	-0.45338	Mexico	1.295193		
Canada	1.638203	Moldova	0.086037		
Chile	2.271831	Mongolia	1.020756		
China	4.280631	Montenegro	-2.41049		
Colombia	0.735539	Morocco	-0.85689		
Comoros	-6.43697	Namibia	1.391254		

Congo, Dem. Rep.	2.57289	Netherlands	1.803973	
Congo, Rep.	-1.66926	New Caledonia	-2.83528	
Costa Rica	-0.61959	New Zealand	0.691498	
Cote d'Ivoire	-0.90359	Nicaragua	0.190774	
Croatia	0.547129	Niger	-0.18901	
Cyprus	0.129155	North Macedonia	-0.55309	
Czechia	0.736005	Norway	1.303186	
Denmark	1.01653	Oman	-1.22739	
Djibouti	-4.89424	Pakistan	1.174806	
Dominican Republic	-0.62418	Panama	1.3183	
Ecuador	1.653759	Papua New Guinea	1.544134	
Egypt	2.19133	Paraguay	-3.09137	
El Salvador	0.738566	Peru	1.243598	
Estonia	0.32935	Philippines	2.436885	
Eswatini	-1.49917	Poland	1.28146	
Fiji	-1.69498	Portugal	1.685461	
Finland	0.183213	Qatar	1.394279	
France	2.169321	Romania	0.652533	
French Polynesia	-2.42989	Russian Federation	2.499743	
Gabon	-3.20511	Rwanda	0.888249	
Georgia	-1.17028	Samoa	-2.42005	

Germany	2.676363	Saudi Arabia	1.761559	
Greece	2.266734	Senegal	0.41352	
Guatemala	-0.06857	Serbia	0.498648	
Guinea	0.514434	Singapore	2.407474	
Guinea- Bissau	-0.30761	Slovak Republic	0.78568	
Guyana	0.189717	Slovenia	0.165923	
Honduras	-0.12423	Solomon Islands	-3.11665	
Hong Kong	2.38752	South Africa	2.506146	
Hungary	1.110886	Spain	1.790996	
Iceland	-0.16633	Sri Lanka	0.035139	
India	3.726465	Sudan	-2.46524	

Table 7 External Debt Stock Model Fixed Effects

External Debt Stock Model				
Country	Coefficient	Country	Coefficient	
Algeria	2.556734	Moldova	0.254707	
Angola	3.39676	Mongolia	0.300837	
Argentina	4.709524	Montenegro	-1.5556	
Armenia	0.491942	Morocco	3.588292	
Azerbaijan	1.105664	Nepal	2.265764	
Bangladesh	5.63192	Nicaragua	1.693776	
Belarus	1.958276	Niger	1.928704	
Belize	-3.93211	North Macedonia	-0.42686	

Benin	0.841162	Pakistan	5.828258
Bhutan	-2.1399	Panama	1.20849
Bolivia	1.98982	Papua New Guinea	1.160253
Bosnia and Herzegovina	0.343719	Paraguay	1.12189
Botswana	-2.18991	Peru	4.030795
Brazil	6.856617	Philippines	5.495168
Bulgaria	2.442069	Romania	3.514798
Burkina Faso	2.269436	Russian Federation	6.879846
Burundi	0.8903	Rwanda	1.096341
Cabo Verde	-2.65712	Samoa	-4.84426
Cambodia	2.486461	Senegal	1.48326
Cameroon	2.695211	Serbia	2.08367
Central African Republic	0.118975	Sierra Leone	0.94194
Chad	1.193136	Solomon Islands	-3.60468
China	9.785007	South Africa	4.281128
Colombia	4.404929	Sri Lanka	3.325622
Comoros	-3.79207	Sudan	3.537273
Congo, Dem. Rep.	4.591659	Tajikistan	0.71995
Congo, Rep.	1.016929	Tanzania	4.339524
Costa Rica	0.550701	Thailand	5.773956
Cote d'Ivoire	2.953347	Togo	0.505341
Djibouti	-3.05468	Tunisia	2.171677
Dominican Repub	1.515712	Türkiye	5.359976

Ecuador	2.800421	Turkmenistan	-0.10374	
Egypt, Arab Rep.	4.637943	Uganda	3.009703	
El Salvador	0.962203	Ukraine	4.835559	
Eswatini	-3.21167	Uzbekistan	2.6708	
Ethiopia	5.277493	Vanuatu	-4.97889	
Fiji	-3.15887	Venezuela, RB	3.97015	
Gabon	-1.37	Viet Nam	5.891884	
Gambia	-1.60912	Zambia	2.262872	
Georgia	0.919433	Zimbabwe	2.229099	
Ghana	3.668313			
Guatemala	1.778679			
Guinea	1.644324			
Guinea-Bissau	-1.32469			
Guyana	-0.7447			
Haiti	0.971841			
Honduras	1.480629			
India	9.083372			
Indonesia	7.652806			
Iran, Islamic R	2.990274			
Iraq	2.116877			
Jamaica	0.601149			
Jordan	1.172737			
Kazakhstan	3.526251			

Kenya	3.774256	
Kyrgyz Republic	0.847743	
Lao PDR	1.732729	
Lebanon	1.186465	
Madagascar	3.049875	
Mali	2.076417	
Mauritania	-0.22147	
Mauritius	-1.09444	
Mexico	5.981086	

C. Year Fixed Effects

Table 8 All Three Models' Year Fixed Effects

Foreign Direct Investment Model		Foreign Portfolio Investment Model		External Debt Stock Model	
year	Coefficient	year	Coefficient	year	Coefficient
1992	0.217695	1992	0.429462	1992	0.163751
1993	0.102024	1993	0.375151	1993	0.236823
1994	0.331347	1994	0.061626	1994	0.3386
1995	0.50433	1995	0.519059	1995	0.346144
1996	0.977498	1996	0.724041	1996	0.379598
1997	1.114826	1997	0.657091	1997	0.443171
1998	1.19439	1998	1.056413	1998	0.531052
1999	1.312232	1999	1.077113	1999	0.559926
2000	1.122278	2000	0.90505	2000	0.561906

2001	1.046545	2001	0.972401	2001	0.631323
2002	1.128175	2002	0.937512	2002	0.685323
2003	1.266236	2003	0.767059	2003	0.676782
2004	1.370725	2004	0.835873	2004	0.604645
2005	1.629841	2005	1.009229	2005	0.47251
2006	1.694693	2006	1.288127	2006	0.456578
2007	1.591677	2007	1.078323	2007	0.463546
2008	1.358149	2008	1.186896	2008	0.566222
2009	1.372454	2009	1.218893	2009	0.652999
2010	1.461902	2010	1.104162	2010	0.652993
2011	1.364047	2011	0.95305	2011	0.713016
2012	1.323262	2012	0.853139	2012	0.802153
2013	1.151555	2013	1.166983	2013	0.860936
2014	1.2447	2014	1.085057	2014	0.963406
2015	1.276703	2015	1.243091	2015	1.064743
2016	1.253387	2016	1.168965	2016	1.148723
2017	1.175855	2017	0.717788	2017	1.168307
2018	1.276231	2018	0.966559	2018	1.225514
2019	0.539644	2019	0.216877	2019	0.559505

IX.

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