Contexto Internacional
vol. 42(3) Sep/Dec 2020
http://doi.org/10.1590/S0102-8529.2019420300009

Book Review

Collusion: How Central Bankers Rigged the World

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Prins, Nomi. 2018. *Collusion: How Central Bankers Rigged the World*. New York: Nation Books, 384pp.

Following the economic crisis of 2008, which impacted on global politics and international finance, hundreds of books and studies have been published on the subject, all of them focusing on specific themes such as the United States' banking system (Mishkin 2018), the conditions that fostered the 2012 Euro crisis (Varoufakis 2016) or personal accounts of Wall Street insiders (Rickards 2012).

However, few works have invoked theoretical elements of Economics and International Relations and applied them to the practical analysis of a crisis that all over the world transformed the relationships between banks, states, national governments and society.

Nomi Prins, former director of banks Goldman Sachs, Bear Stearns and Lehman Brothers and a journalist with five published books on international economic relations, has broken this dearth by writing her book *Collusion: How Central Bankers Rigged The World*, where she brings conceptual innovations in geopolitics and geoeconomics to help us to understand the very specific role of central banks since the formation of the pre-crisis bubble of 2008 until its global contagion.

The author assumes that a global collusion of central bankers orchestrated the creation and circulation of fictitious or artisanal money through quantitative easing instruments that influenced political decisions and changes in Mexico, Brazil, China, Japan and the European Union.

With a dynamic narrative, sometimes exhaustive because of the excessive data on stock exchange indicators and currencies' volatilities, Prins divides the book into six chapters, starting with an introduction which places the United States Federal Reserve System (Fed) and the International Monetary Fund (IMF) as the leading artisans of virtual money and manipulators of the global collusion of central bankers.

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Using a post-positivist theoretical approach similar, from an International Relations perspective, to that of Smith, Booth and Zalewski (1996), and critical of the monetarism of the Chicago School, the author begins Chapter One, about Mexico, with a provocative but enlightening subtitle: 'There's No Wall Against the US Financial Crises.' She discusses the hypothesis that the constant devaluation of the Mexican currency was induced by Fed pressure on the Mexican central bank, specifically through the personal relationships of two characters, Agustín Carstens and Guillermo Ortiz, with Ben Bernanke, the former Fed chairman, referred to by the author as 'Helicopter Ben.'

Personal relationships have an even more profound emphasis in the narrative of Chapter Two, on Brazil, whose subtitle is: 'National Politics Meets the Federal Reserve Meets China.' Focusing on Henrique Meirelles, Prins discusses his work and his professional and political ties since the Lula da Silva administration, from his time as central banker until his last position as Finance Minister of Michel Temer government.

According to Prins, based on her reading of, and consultation with, Brazilian economists and academics, Meirelles was responsible for the aggravation of the fiscal and budgetary crises of Brazil and its states: she mentions the cases of Rio Grande do Sul and Espírito Santo. It is also evident that in the attempt to place the United States and China as the main actors in defining the political and monetary directions of Meirelles and the Central Bank of Brazil (a phenomenon that until then, only the economic psychology of Yao and Lou (2009) had focused) the influence of external agents in the monetary decision making was critical.

On China, the subject of Chapter Three, the subtitle 'Dragon Rising' invokes the dragons perceived only after Donald Trump's inauguration: the benefits that Beijing will have with the Washington's protectionist and isolationist agenda. Prins shows that China encouraged manipulation of the artificial yuan both to counterbalance the US dollar and to serve as the basis for *pari passu* transactions with the Russian ruble, Chinese yuan and Brazilian real, and, consequently, with those countries' governments.

In Chapter Four, which in our view should be placed first, thereby pursuing the author's hypothesis on the collusion of central bankers chronologically, Prins gives a long explanation of Japan, its 'Conjured-Money Incubator' and how Abenomics, the economic policy of Japanese Prime Minister Shinzo Abe, influenced the creation of quantitative easing and was in turn influenced by IMF pressure applied as a counterbalance to the emerging Chinese geopolitics.

In the next two chapters Prins divides her material on the European Union into discussions of the geoeconomics of the Euro and of Brussels geopolitics, focusing more in the former than on the latter. Chapter 5 focuses on Jean-Claude Trichet, president of the European Central Bank from 2003 to 2011, and the Chapter 6 on Mario Draghi ('Super Mario' in the words of the author), president of the bank since 2011.

Within the European case, Prins (2018) begins to pave the way for discussions of issues that we consider the most relevant in the book and come only in the final chapter, the Conclusion, sub-titled 'The End is Just the Beginning': the role of the Fed as a generator of global crises through the collusion created with other banks and central bankers, above even the US Government.

In Prins' words, she foresees the prospect of a new global crisis, this one with traces of financial geoeconomics and fomented by multiple geopolitical episodes, such as the migration crises and political instability in the Americas and Asia, Brexit in the European Union, and the return of trade, financial and monetary protectionism in the United States of Trump and from the Fed itself.

This is a book, not yet translated into Portuguese and other foreign languages, that puts the personal relationships of key actors of the central banks of the world's largest economies as creators (or 'artisans,' according to Prins) of the main systemic crises of contemporary capitalism. We agree with this assertion: the author points out, for example, how the personal relationships of the main Chinese leaders with the IMF chairwoman were fundamental to China turning itself from a mistrust-producing actor into one of the IMF's main partners.

With language similar to that of current authors in International Relations, such as Stuenkel (2018) and Weber (2013), this book is relevant to understanding the central banks' performance in foreign, monetary and fiscal policies, and has been praised by International Relations scholars and economists.

Within current debates on International Relations, Prins and her work are therefore very active in post-positivism discussions, in the sense of questioning the historical and even consensual bases of interstate and interinstitutional relations: she approaches embracing an empirical constructivism, and views events from the perspective of the post-Western world (Stuenkel 2018), including elements of anti-globalism or, at least, of advocacy of the slowing down of globalization, including financial globalization.

Prins is thus part of an equally intriguing and recent field of study: the role of the Central Banks in domestic politics and international relations, and how their chairmen – artisans of money – perform the role of true financial diplomats and policy makers in the global collusion, or concert, of the nations. Her book therefore presents itself as an important handbook for students and scholars of Geoeconomics and International Economic Relations, as well as a reference work for professionals in International Relations and Economics.

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Received on 2 February 2019, and approved for publication on 19 May 2020.