

Leon Wanskeben, *The rise of central banks. State power in financial capitalism*, Harvard University Press, Cambridge MA, 2022.

Leon Wanskeben offers us a comprehensive fresco of how the central banks' role changes over time in the face of the neoliberal revolution. Globalization, shaped by the rules of neoliberalism, helps central banks improve their function and autonomy vis-à-vis the state by increasing their political authority. The more the economy is taken away from democratic choices, the more new-rising actors assume that political role. Indeed, there is no such thing as a world without politics. What democracy loses, economic institutions gain.

The author's thesis follows this interpretive line: according to him, "the specific question of my research became how central banks have redrawn their connections with financial sectors for the purposes of policymaking".

However, the author highlights how the increased influence of central banks does not follow a predetermined policy strategy. The new influence of central banks is being used to give economic answers to economic problems. This is the example of the Fed when it "went on to innovative quantitative easing (QE) as the most experimental, expansive monetary policy practice in history." In this case, the Fed's policy was to act with the economic tools at its disposal. When it comes to macroeconomic issues, it is the central bank talking. However, the central bank's role always remains confined within the economic sphere. "Central banks mattered as managers of the international currency order, but they were not the key movers and centres of power in this regime".

As it is well known, with the end of the Bretton Woods system and the outbreak of the inflationary spiral in 1970, Western countries sought a new economic pathway to replace the seemingly exhausted Keynesianism. Indeed, the problems of inflation paved the way for a season of experimentation "to figure out how they could gain output legitimacy for inflation control".

A policy strategy needs to be added, which these financial institutions are not required to formulate and have. The central bank lacks the vision that a political government is legitimately required to have. In fact, with the emergence of the neoliberal and/or ordoliberal "super-state", the bottom-up principle of political action is dispensed with in favour of a top-down one. However, this approach breaks down social cohesion, which is fundamental in overcoming a systemic economic crisis.

Thus, the political role of the central bank takes on greater power. However, this role remains confined to the realm of economic choices.

For example, in times of crisis, the prestige of the central bank's monetary policy increases because other policies of intervention and action to intervene (along with fiscal policy broadly understood) are not allowed. The economy must adapt, for example, to monetary policy and not vice versa. The author reminds us: "Central banks became the advocates and executors of hard-money policies. Their positions then remained unchallenged in the subsequent decades as globalization, deindustrialization, and the seemingly inevitable wave of deregulations entrenched the dominance of capital over labour" and over collective policy choices of a democratic-led nature.

As the author reminds us, the apogee of confidence in central bank policies cracked with the 2008 crisis. With the end of the long wave of "fictitious" well-being, the problems came to the surface: monetary and interest-rate policies benefited only the élite controlling capital to the detriment of the middle class.

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