

who were “weak” caved into their demands. This problem is aggravated by the fact that we have little information about these governors that might underpin their placement in these psychological or dispositional categories. In fact, the sparsity of such information is repeatedly cited by Gailmard as a fundamental problem confronting the crown as it attempted to evaluate the performance of these governors. The general lack of information on the early years of colonial history is an advantage for Gailmard because it allows the author to fill in the gaps with elements drawn from the model itself. As a result, there are few disconfirming cases. However, as he notes, the crown itself often did not try very hard to gather the kind of information that would have (theoretically) driven their relations with the colonial governors. As a description of the crown’s behavior toward the American colonies, Gailmard repeatedly cites the phrase “wise and salutary neglect” (see the Index for a few of those instances). In sum, the crown’s episodic and often uncoordinated interest in colonial affairs does not seem sufficiently substantial for the author’s model. However, even if the model ultimately falls to the floor, Gailmard has made a substantial contribution toward the comparative study of the politics surrounding the crown governance of the individual colonies in British North America and should be warmly applauded for that accomplishment.

Bucking the Buck: US Financial Sanctions & the International Backlash against the Dollar. By

Daniel McDowell. New York: Oxford University Press, 2023. 238p.
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For at least a hot minute in April 2025, the United States government put the dollar’s status as the global reserve currency at risk. After the Trump administration announced prohibitively high tariffs on most other countries and jurisdictions, equity markets plummeted across the globe. Ordinarily, such a moment of financial volatility—even in 2008, when the crisis originated in the United States—triggers a “flight to quality” in which capital rushes into the U.S. bond market. This is a big reason why the U.S. dollar has persevered as the global reserve currency over the decades: the market for U.S. Treasuries is the largest, deepest, and most liquid in the world.

That did not happen in April 2025—U.S. interest rates increased enough to spook Donald Trump into pausing some of his tariff threats. Why might this time have been different? It could take years to ascertain the multiple causal factors, but Daniel McDowell’s *Bucking the Buck* sketches out a very plausible answer. Namely, Trump’s repeated brandishing of tariffs and sanctions generated

sufficient political risk for foreign investors to sell their dollar-denominated assets.

McDowell argues that while there are myriad economic reasons for countries to hold dollars, the growing U.S. appetite for financial sanctions increases the political risk of dollar assets for the rest of the world. As the book explains, the United States exerts unilateral control over all key dimensions of global capital markets. Increasingly, its government has chosen to use financial sanctions as the policy option of first resort. The U.S. has this ability due to what Henry Farrell and Abraham Newman describe as “weaponized interdependence” in their 2019 article for *International Security*. Even longtime adversaries of the United States, like North Korea and Iran, have been disoriented by the depth and power of U.S. financial statecraft.

McDowell’s argument is simplicity itself. For countries that are likely targets of U.S. economic sanctions, the risk of holding dollars or using dollars for cross-border exchange is readily apparent. These countries have strong geopolitical incentives to diversify away from the greenback. McDowell posits that these states will pursue “anti-dollar” policies so as to reduce their vulnerability to further economic pressure from the United States.

Anti-dollar measures can take several forms. Beginning in the 2010s, high-ranking officials in Russia, Türkiye, and Venezuela started loudly complaining about U.S. financial coercion. Actions soon followed rhetoric. One step in the diversification process was swapping official holdings of dollars into gold. This diluted the chokepoint effect by reducing the official reserves that could be targeted by the United States. It also weakened the panopticon effect because the U.S. Treasury cannot observe movements of gold as clearly as it can observe dollar transactions.

Countries that were targeted for U.S. financial sanctions took additional measures as well. *Bucking the Buck* traces how these three governments also tried to shift away from the dollar as a payments and trade settlement currency. Russia, for example, began to denominate trade in rubles, euros, rupees, and renminbi as a means to reduce dependence on the dollar. They had moderate success in such efforts after 2014; Venezuela and Türkiye attempted something similar but were far less successful in their diversification efforts.

Finally, countries targeted by U.S. sanctions have also sought currency swaps from other central banks as a means of reducing reliance on the Federal Reserve. The People’s Bank of China was particularly active in offering currency swaps in the decade or so following the 2008 financial crisis. McDowell demonstrates that sanctioned jurisdictions were significantly more likely to secure such swaps.

The question, of course, is whether these anti-dollar efforts amount to all that much in the way of increasing

sanctioned countries' financial autonomy. This is where McDowell takes great care to distinguish between effort and outcome. Russia succeeded in developing a domestic payments and settlement system independent of SWIFT and was able to diversify away from the dollar in its exports. It had less success doing so on the import side. Venezuela and Türkiye were even less successful in distancing themselves from the dollar. Furthermore, McDowell's statistical and experimental findings reveal that only countries already sanctioned by the United States took anti-dollar efforts. Countries and businesses that might be ripe candidates for U.S. sanctions were not statistically more likely to adopt any preventive anti-dollar measures.

Bucking the Buck concludes with an assessment of how likely it is that the euro and the renminbi could rival the dollar's status. McDowell's evaluation echoes his earlier conclusions: an increase in effort does not necessarily mean an immediate increase in the odds of success. "Governments and firms that wish to extricate their cross-border economic relations from the dollar's grip inevitable struggle to find a replacement," he notes (p. 126). McDowell warns, however, that over time the accretion of these steps will eventually threaten the dollar's status as the top reserve currency.

One of the biggest strengths of *Bucking the Buck* is its accessibility. Even global political economy scholars are sometimes confused by the intricacies of payment and settlement systems. It is not easy for scholars to distill this material in a way that is accessible to students. It is a credit to McDowell that *Bucking the Buck* could and should be assigned to undergraduates without any concern that students would be unable to comprehend the financial statecraft under discussion.

McDowell's theoretical and empirical contributions are also worthy of note. On the theoretical side, *Bucking the Buck* is the doppelgänger to recent work on how U.S. leadership ostensibly bolsters U.S. hegemony in capital markets. Carla Norrlof, for example, argued in her 2010 book, *America's Global Advantage*, that U.S. military power undergirds its financial hegemony. Economists have similarly posited that U.S. foreign policy leadership strengthens the dollar's status as a reserve currency. McDowell's arguments suggest a counter-narrative: "US foreign policy can bolster or jeopardize the international attractiveness of the dollar. Washington's choices may at times *undermine* political support for the currency" (p. 14). Empirically, the book suggests that lower-profile sanctions cases turbocharged the most significant anti-dollar policies. In particular, the Trump administration's April 2018 sanctions on Russia and August 2020 sanctions on Hong Kong caused a noticeable acceleration of Russian and Chinese anti-dollar policies.

The book's weaknesses are twofold. The more immediate problem is that, as McDowell readily acknowledges, much of the empirical evidence shows correlation and not necessarily causation. Another telling omission is that

McDowell fails to assess the prospect of countries engaging in collective action to bolster their anti-dollar policies. Perhaps that is because such cooperation seemed wildly implausible even a few years ago. In 2025, however, such questions are worth considering.

Bucking the Buck could be to the global political economy literature what the work on "soft balancing" was to the security literature twenty years ago. At the time, soft balancing seemed inconsequential, but in retrospect, it presaged a shift towards great power competition. While the anti-dollar moves discussed in McDowell's *Bucking the Buck* might not seem significant in the short run, the U.S. bond market's 2025 volatility signal greater turbulence to come.

Silicon Valley Bank: The Rise and Fall of a Community Bank for Tech. By Xuan-Thao Nguyen. Cambridge, UK: Cambridge University Press, 2024. 281p.

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Xuan-Thao Nguyen has found a genuine unicorn in the land of "unicorns": a bank that serviced the billion-dollar startups of Silicon Valley and yet was beloved by its customers and the surrounding community. Perhaps this is a story that could only be told in that unusual setting south of San Francisco, with its long history of creating companies that surprised, delighted and, of late, often angered the world at large. In this book, Nguyen asks how this same region could also give rise to *the* Silicon Valley Bank (SVB), a singularly successful and popular financial institution in a country where, she explains, all bankers knew one big thing: their "customers hate them" (p. 1). Somehow, SVB overcame the longstanding hostility in America to "finance" and won an unprecedented level of allegiance from startup founders, venture capitalists, and even nonprofit organizations trying to level up opportunity in a region with deep socio-political tensions and economic inequality. Yet, despite a 40-year record of almost uninterrupted success, SVB was brought down seemingly overnight by that same environment, as its wealthy and successful client base turned on it in a 2023 bank run that sent shock waves all the way back to Congress and regulators in Washington DC.

For Nguyen, an intellectual property and finance scholar who has long been puzzled by the unwillingness of banks to lend to startup companies, SVB is the exception that proves the rule. The explanation of SVB's rise to power and profit, gleaned from her thick descriptive narrative, is that its founders discovered an arbitrage opportunity: there was money to be made by filling a gap left by those large, lumbering, conservative, and widely