The publication of this book is the most recent product of thirty years of thinking, talking, and writing about America’s rating agencies. When I started this work, I did not appreciate the degree to which rating would become such a major feature of the global financial system. If the shift from traditional bank lending to capital markets is the long-run trend, as I think it is, then many judgments in our financial system will likely increasingly occur in the Big Three, comprising Moody’s, S&P, and Fitch.

Most scholars have one opportunity to offer their views about some phenomenon that puzzles them. But to consider something over the long term, to observe change, to revise your thinking, is potentially a great benefit to understanding. Because I had the luck to investigate something that became increasingly important over time, and because these institutions have been involved in some of the most catastrophic events in financial markets and associated politics since the end of World War II, I hope readers will agree it made sense for me to write this new book on the agencies.

Working on this book happily took me back to New York City, staying at the now sadly defunct Larchmont Hotel on West 11th Street in the West Village. This time, I made extensive use of the Rose Main Reading Room at the New York Public Library at
Bryant Park. This served as a base for field work expeditions to the financial district and elsewhere. At the time, the library also provided a room for scholars, which I used for some of the meetings that informed this book.

Field work in New York, Paris, and London was supported by a British Academy/Leverhulme Small Research Grant, SG131031, for which I am thankful to the British Academy and Leverhulme Trust. Gary Fisher gave excellent advice on the application. Jackie Clarke helped make supporting funds available from the Department of Politics and International Studies at the University of Warwick. Jill Pavey helped me greatly in administering the grant.

At Moody’s, I would like to thank Ryan Mensing, Janet Holmes, Nigel Phipps, and Nicola Fleming. At Standard & Poor’s, I am most thankful to Catherine J. Mathis, Jayan Dhru, and James Wiemken for their time and insights. At Fitch, I was very lucky to meet with Ian Linnell in 2014 and 2020. Ian’s executive assistant, Joanne Ridge Sims, arranged all this with professionalism and courtesy, despite the pandemic complicating matters. Jermone Fons, formerly of Moody’s but then at Kroll Bond Rating Agency, talked to me at length. I met with Ann Rutledge of CreditSpectrum, also ex-Moody’s, several times in New York, to my great benefit. Bill Harrington, yet another former Moody’s staffer, shared his acute insights with me many times. I discussed some of the issues in this book with David Levey, who retired from Moody’s as Managing Director and Co-head of the Sovereign ratings unit in 2005. David had a central role in creating Moody’s country credit analysis methodology. As in the past, he was a font of insight and wisdom. In Paris, Raquel de Julian Artajo, Nadia El Gharbi, and Thierry Sessin-Caracci of ESMA (the European Securities and Markets Authority) kindly invited me to participate in a brown bag lunch at their offices.
I had long discussions with Bart Paudyn, Fumihito Gotoh, Giulia Mennillo, and Ginevra Marandola while thinking through some of the arguments made in this book. Bart visited the University of Warwick in 2011. Fumihito Gotoh, a former doctoral student of mine and now a colleague, who benefits from twenty-five years of credit research experience in Tokyo, wrote an article with me on rating in Japan. Dr. Gotoh also served as rapporteur at the workshop on the manuscript of this book held at the University of Warwick in January 2019. Giulia and I wrote an article on the regulation of rating. Dr. Mennillo’s book on rating is an excellent introduction to the political economy of rating agencies. Dr. Marandola and I wrote a book chapter together that draws on some thoughtful parallels she developed between credit rating and the world of restaurant ratings. Ginevra, who visited Warwick in 2012/2013, during her doctoral studies at the University of Rome Tor Vergata, drew my attention to the repeal of a key feature of Dodd-Frank, which is discussed in this book. Tobias Hoffarth, a graduate student at the University of Warwick, was an effective research assistant, helping gather information on rating regulation.

My colleague Matthew Clayton helped me in what proved to be two very important ways. When I was wondering about what idiom to adopt, he gave me sage advice that has made the text of this book stronger, and I hope, more interesting to others. He also suggested I organize the manuscript workshop that took place at Warwick in January 2019.

The manuscript workshop, which examined the first draft over several hours, included comments and questions by Paul Langley (Durham), Peter Burnham (Birmingham), and a host of Warwick colleagues, including Ben Clift, Chris Clarke, Nina Boy, Johannes Petry, Fumihito Gotoh, Iain Pirie, Ruben Kremers, and Fabian
Pape. I must thank Paul for sharing his story about my driving. This event turned out to be a key step in the development of the book, and I thank everyone who participated in different ways. I recommend a manuscript workshop to other authors—provided, of course, they have a thick skin.

In addition to the various published papers I have authored and coauthored in recent years, the thinking presented in this book developed through public lectures and academic talks given at the Graduate Institute Geneva, the Financial Crises as Global Challenges symposium in Hannover, at Carleton University, the University of Leeds, the University of Erfurt, the Justus Liebig University Giessen, the University of York, Copenhagen Business School, the University of Birmingham, the University of Sheffield, and the University of Lund.

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My son Henry and my spouse Nicole Lindstrom helped me in different ways. Henry made it clear there is more to life than writing books. They are no substitute for soccer, computer games, and bike rides. Following his advice, during the COVID-19 lockdown I purchased a bicycle and took my first ride since 1985. Nicole and I discussed some of the key issues investigated here, helping me make the manuscript stronger. For these things and much more I am very grateful to them both.

Owen F. Prior (b. 1928) and his son Simon D. Prior (1954–2013), my uncle and cousin respectively, were models of vocation and civic responsibility for me as I grew up in small-town New Zealand. The second and third generations in a family of physicians that now stretches to four, they brilliantly combined scientific understanding, compassion for others, humor, and a practical Kiwi approach to life. This book is dedicated to them.

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To the Brink of Destruction