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978-0-521-81142-2 - Banking in Modern China: Entrepreneurs, Professional Managers, and the Development of Chinese Banks, 1897–1937

Linsun Cheng

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## Banking in Modern China

This is the first book to document in English the evolution of modern Chinese banking, from the establishment in 1897 of the first Chinese bank along a Western model to the abrupt interruption of professional banking by the Japanese invasion in 1937. Drawing from original documents of major Chinese banks, Linsun Cheng explains how and why the banks were able, despite a succession of foreign and domestic crises, to grow into viable and self-sustaining institutions in China. Rich with new, unpublished historical details, this book offers an original, comprehensive narrative of the origins and growth of professional banks.

Cheng traces the development of the principal banks (concentrated naturally in China's financial capital, Shanghai) and the activities of prominent bankers who influenced the direction of their development and management. The book explores the reforms that major Chinese banks introduced to their business practices and the management methods they used to compete with their foreign and domestic counterparts. Cheng offers revisionist interpretations of several accepted and overly simplistic ideas about the role of Chinese banks, including the idea that the rapid expansion of banks rested solely on their speculation on government bonds; that the failure of economic construction during the Nanjing decade (1927–1937) was mainly the result of a corrupt banking establishment; and that the banks' success was an aberrant phenomenon at a time when China was beset with economic crises. The actual picture was far more complex.

This book provides a critical missing piece in the literature on China's economic history and modernization in the prewar period. Cheng also recounts early experiences with Chinese banking reform that resonate today as useful lessons to Chinese policymakers assessing options for financial reform.

Linsun Cheng is Associate Professor in the Department of History at the University of Massachusetts–Dartmouth. Cheng has been the recipient of several prestigious research fellowships, including the Asian Development Grant from the Henry Luce Foundation.

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LINSUN CHENG

*University of Massachusetts–Dartmouth*



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*To AIFANG & SIYU*

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