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0521563550 - The Trading Crowd: An Ethnography of the Shanghai Stock Market

Ellen Hertz

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In 1992, there was an explosion of “stock fever” in Shanghai. “From the moment I set foot in Shanghai until my last day there, people from all walks of life wanted to talk to me about the market,” Ellen Hertz writes. Her study sets the stock market and its players in the context of Shanghai society, and it probes the dominant role played by the state, which has yielded a stock market very different from those of the West. A trained anthropologist, she explains the way in which investors and officials constructed a “moral storyline” to make sense of this great structural innovation, identifying a struggle between three groups of actors – the big investors, the little investors, and the state – to control the market.

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the Shanghai Stock Market*

ELLEN HERTZ

University of Lausanne



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For my families

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Preface

This book is about the Shanghai stock market. It describes the market as it appeared at its earliest stage of development in 1992, a stage which the Shanghainese themselves characterized as “immature.” Since that time, significant changes have taken place in the size and complexity of this market. Some but not all of those changes have been documented in the final chapter to this book. If this account is centered on the market’s first tentative steps, it is because the ethnographic material which I collected at that moment provides invaluable insights into the deep structure of this new institution and of the society in which it operates.

For Chinese government regulators and Western or Japanese securities firms with toeholds in this market, this is not the ideal public relations pamphlet. I cannot apologize for that fact, though I can say that a genuinely ethnographic account of the New York or Tokyo stock exchanges might not be more flattering. I do wish to emphasize, however, that none of the peculiarities or problems which I discuss can be laid at the doorstep of individuals or even of single institutions. Indeed, it is difficult to find a more savvy and interesting bunch of people than the Shanghainese – government officials and small-time investors alike – who gave so generously of their time to help me come to this understanding of their stock market. The Shanghai market’s particular character stems not from its immaturity or from lack of experience on the part of its participants but from its insertion within a complex and quite particular political economic system. If this account conveys even a portion of that complexity, then I will have done what I set out to do.

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Abbreviations

<i>BS</i>	<i>Baltimore Sun</i>
CCP	Chinese Communist Party
<i>FEER</i>	<i>Far Eastern Economic Review</i>
<i>IHT</i>	<i>International Herald Tribune</i>
KMT (GMD)	Kuomintang (Guomindang), the Chinese Nationalist Party
<i>NYT</i>	<i>New York Times</i>
PCMP	Petty capitalist mode of production
SASS	Shanghai Academy of Social Sciences
<i>SHZQ</i>	<i>Shanghai Zhengquan (Shanghai Securities News)</i>
SSE	Shanghai Securities Exchange
TMP	Tributary mode of production
<i>TN</i>	<i>The Nation</i>

Conversion rate

Chinese *yuan (renminbi)* to US dollars

Official rate: 5.50:\$1.00 (February 1992)
5.65:\$1.00 (December 1992)

Black market rate: 6.90:\$1.00 (February 1992)
8.70:\$1.00 (December 1992)