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OESTERREICHISCHE NATIONALBANK
EUROSYSTEM

Where is the money? Financial networks and the geography of credit development

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Oesterreichische Nationalbank, Vienna

Workshop jointly organised by the University of Vienna (Department of Economic and Social History) and the Paris School of Economics. This project has received funding from the European Union's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement No 898910.

The financial crisis of 2007–2008 mercilessly exposed both the importance of financial interconnectedness across the globe and our still insufficient understanding of it, spurring a surge in scholarly research devoted to this issue (Glasserman and Young 2016). Less conspicuously but not less importantly, technological progress, structural change and processes of economic integration and disintegration are also constantly reshaping banking networks at a local and a global level, with potentially significant consequences on growth and inequality (Berger and DeYoung 2001; Degryse and Ongena 2005; Degryse et al. 2009; Hasan et al. 2009; De Haan and Sturm 2017; Bernini and Brighi 2018).

Financial historians have always been aware of the crucial role played by credit networks – in the form of multibranch banking systems, interbank correspondent networks and links between banks and non-bank financial intermediaries – for the development and resilience of modern markets. Suffice here to mention the literature investigating the relationship between the traditional unit banking structure of the United States and the historical fragility of American banking markets (Bordo et al. 1996; Calomiris and Carlson 2017). There are however many aspects of banking networks that deserve further attention. A first challenge is the quantitative analysis of networks. We still don't have enough datasets and quantitative studies analysing the behaviour and evolution of banking networks, despite increasing efforts to fill this gap (e.g. ERC Grant GloCoBank No 883758; Marie Skłodowska-Curie Grant EUROCBH No 898910). This lack of data, in turn, prevents us from studying the features of competition and complementarity between partly overlapping credit networks, the interactions between these networks and local economic development as well as the role of banking interconnectedness in the spread or containment of financial crises.

The managerial aspects of building, running and supervising banking networks have also been so far unduly neglected. This is evident, for instance, in the literature on the emergence of central banking, which touches upon but does not provide a comprehensive and comparative picture either of the role played in local markets by the branches of the future central banks, or of the inner workings of these branch networks and their functional links with other kinds of banking networks (Ziegler 1989; Nishimura 1995; Castañeda 2001; Mitchener and Ohnuki 2009; Jobst 2010; Bazot 2014; Jobst and Kernbauer 2016; Ugolini 2016; Klovland and Øksendal 2017; Knodell 2017). Finally, even more overlooked is the political dimension of banking networks. The creation of new nation states during the nineteenth century was for instance associated with that of national banking networks supporting economic integration but also giving rise to both competition and cooperation between regional business elites, while at the same time fostering a growing sense of belonging to a common political and economic space (Chiaruttini 2020). Similarly, European integration and globalisation have been accompanied by growing banking interconnections as well as by tensions over their governance and by the political challenges faced by sovereign

states entangled in the web of international finance.

The aim of this workshop is therefore to encourage debate on these issues and in particular on:

- the decisional processes underlining the creation, development and shrinkage of credit networks, also considering the role of political factors and political agents;
- the managerial challenges related to larger and more integrated banking networks;
- the characters of competition and/or complementary between partly overlapping credit networks;
- the mutual influence between local credit networks and regional economic integration, including the evolution of regional inequalities;
- the role of credit networks during crises, either as channels of contagion or as stabilising factors contributing to market resilience;
- the role of central banks in the development of credit networks serving both the public and private sector;
- the relationship between, on the one hand, the expansion of transregional and transnational credit markets and, on the other, the emergence and consolidation of new national and international political spaces;
- the variety of methodological and disciplinary approaches to the topic of financial networks;
- the use of Historical Geographical Information Systems (HGIS) technology to treat data on credit networks.

We welcome proposals on these or similar topics from economic and business historians, as well as from relevant disciplines such as political science and economic geography. We particularly encourage submissions from early career researchers since we aim to provide a forum to discuss both advanced and more preliminary results in a collegial environment including senior and junior scholars.

The keynote speech will be given by Professor Catherine Schenk (University of Oxford).

Please send proposals for papers (300 word abstract plus a brief biography for each speaker) to maria.chiaruttini@univie.ac.at by 31 July 2022. Acceptances will be communicated by 15 August 2022.

We plan to cover travel and accommodation (1 night) expenses for all participants.

Scientific committee: Maria Stella Chiaruttini and Clemens Jobst (University of Vienna), Marianna Astore (Marie-Curie Fellow, Paris School of Economics)

Submission deadline: 31 July 2022

Notification of acceptance: 15 August 2022

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