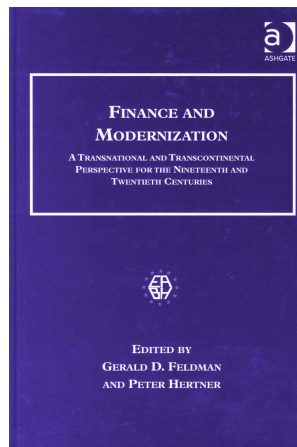


Finance and Modernization. A Transnational and Transcontinental Perspective for the Nineteenth and Twentieth Centuries



This volume presents the revised papers given at a conference of the European Association for Banking and Financial History (EABH) e.V. in Vienna in May 2005 to celebrate the 150th anniversary of the Österreichische Creditanstalt. It was hosted by the Bank Austria Creditanstalt, which is the successor institution to the Österreichische Creditanstalt. The theme of the conference and of this volume, 'Finance and Modernisation', seemed particularly appropriate for this occasion since it centres on a set of historical developments and problems typified in important ways by the long history of Österreichische Creditanstalt and its successor organisations but that also opens the way to compare and contrast experiences throughout Central and Western Europe and on other continents.

It is obvious that banks are the crossroads of capitalist economies. In a very elementary way, they may be said to serve as intermediaries between those who have money to invest and those who are seeking credit for their economic activities. They are also major transmitters of information and seek profit from their knowledge. As economies become industrialised and modernized, banks change their roles. They become bigger because of the size of demand as is reflected in the growth of their customers, and they become more involved in industrial and commercial matters. They also become more diversified and serve a variety of markets. Hence the differing roles and functions of private banks, savings banks, cooperatives, merchant banks and big deposit banks. The banks of Central and Eastern Europe were especially important in the development of universal banks, that is, banks that mixed investment and commercial banking. In fact, in the case of the Creditanstalt, a bank could also serve as an industrial concern, not only providing credit to industrial and commercial enterprises, but actually running enterprises itself. In any case, what the history of the development of financial institutions demonstrates is that it is a story of continuous innovation. Banks adapt to the needs of an industrialising economy but, at the same time, industrialisation influences the manner in which banking systems grow and the structures which they adopt.