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Crossing Continents. A History of Standard Chartered Bank,

Edited by Duncan Campbell-Smith. Allen Lane (Penguin Books), Londres, 2021, 916 pp. [isbn 978-0-241-45873-0] (40£)

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BOOK REVIEW

Crossing Continents. A History of Standard Chartered Bank, edited by Duncan Campbell-Smith. Allen Lane (Penguin Books), Londres,2021,916 pp. [ISBN 978-0-241-45873-0] (40£)

This huge book of ultramarine banking history – India and China, for the Chartered Bank, born in 1853, South Africa for the Standard Bank created in 1862 – and London – with staffs fed by the good bourgeoisie of the City, building on their relationship with the Colonial Administration – tells the story of half a dozen banks, brought together over the years. It relied on archives, a thousand interviews with leaders, and memories of executives active for three decades. It rivalled the HSBC story written by Frank King in 1987–1991.

As early as the 1840s, interest groups in London, Liverpool, and Glasgow wanted to create a specialised bank that would support trade with Asia. It would allow free traders to take advantage of the prospects in the Indo-Pacific area, widened by the breakthrough of steamers and by the fall of the East India Company in 1858, which liberated 'market forces'. The *Chartered Bank of India, China & Australia (*CB) obtained its 'charter' from the state in 1853. It settled in the expanding British Empire: Calcutta, Bombay, also Shanghai, then Singapore and Hong Kong in 1859. Circuits of bills of exchange were established internationally, while credit networks were structured around each merchant city; the telegraph and mailbox provided the necessary links.

The rise of the South African economy, wool exports and the British presence, particularly in Port Elisabeth and Cape Town, justified the creation of the *Standard Bank of British South Africa* (SB) in 1862, which involved Londoners and businessmen from Port Elisabeth. The explosion of the mining economy opened growing opportunities in the years 1870–1890. SB juxtaposed itself a pioneering business of corporate banking and that of retail banking, thanks to the recruitment of expatriates from the United Kingdom.

The two banks were part of the 'global system' built by the British economy in both Asian and African areas. CB deployed a network of relay agencies in several Southeast Asian countries. Indigenous managers were recruited as employees or cashiers; local clientele grew, not in India, but elsewhere, as that of compradores in China; the sale of English goods was financed there (from Lancashire or Yorkshire in particular), as well as purchases of tea, wheat, rice (Rangoon), Malaysian tin, rubber, then also Shell oil. It benefitted from every local productive system and the take-off of a globalised economy. It managed a mass of trade bills and bills of lading related to maritime transport across the East-West banking area, in a spider-web expressing the vigour of a form of economic and financial imperialism of the United Kingdom and the City. For its part, SB, with 80 branches in 1900, prospered as the economy of southern Africa diversified, driven mainly by mining development. It also forced it to slide its pole of action from Cape Town to the hinterland (Johannesburg in 1886), closer to the mining companies and to the affairs of Cecil Rhodes. It financed half of the gold trade and becomes the banking lever of the Rand and the Transvaal.

The book allows to understand the multiple trajectories of the construction of an ultramarine capitalism from the City, within the framework of the 'first globalization' and the second colonisation. An empire of business and banking had been formed; several management administrations, in the London headquarters and in the main overseas agencies, had acquired a fine knowledge of the business communities in the port cities and on the various trading places. CB and SB thus embodied the power of British economic imperialism, alongside HBSC for the Far East. And the book richly feeds the memory of the present enterprise with depth and breadth, reconstructing two parallel but inscribed paths on the same map of the ultramarine economic expansion of the English Power.

In India, the historical heart of CB, local capitalism was developing vigorously, and forms of economic nationalism were crystallising, which meant changing the way business communities interacted, while adapting to the partition of the subcontinent. This dualism between local customers and British companies marked this transition from 'imperial' to international. The Middle East was an example: CB compensated for the loss of the Chinese market by buying in 1956 the British Bank of the Middle East, born in 1889 under the name of Imperial Bank of Persia. For its part, the Eastern Bank, controlled by the Sassoon trading group and Barclays-Dominion, Colonial & Overseas (BDCO), benefitted from the booming oil economy, but suffered heavy losses in India and bordered on insolvency, which offered CB the opportunity to acquire it in 1956 while preserving its name.

The postcolonial issue also affected SB. Bosses in South Africa pleaded for a transfer of power from London to Cape Town, while London management promoted a 'dual' bank by pursuing a growth strategy throughout Southern Africa (Rhodesia) and eastern countries, notably by supporting the trading of a dynamic agribusiness and by taking advantage of loyalty to the sterling zone. A compromise was defined, first with the establishment of a South African board of directors and a broad management autonomy, the headquarters sliding to Johannesburg in 1959, to consider the coldness of the new Afrikaner power. The split-off was inevitable, in March 1962: the subsidiary took over 700 of the 900 African branches, in an independence vis-à-vis the legacy of the 'imperial bank' model. The economic elites of South Africa no longer wanted to be in the fold of the City even if their ties with it remained thick, as about the De Beers group. Elsewhere in the other five countries where it was active in Africa, Partner BBWA was absorbed in 1965, hence the birth of the Standard Bank of West Africa in 1966. It then worked by stirring the Eurodollars that have become the reference currency for many exchanges, especially between Africa and the world economy, while the hold of British firms was fraying.

A revolution in the world of the former imperial banks arose in 1969 when SB and CB merged into Standard & Chartered Group (SC), initially with two London headquarters and two SB and CB subsidiaries – before the merger of international activities in 1971, from now on the group's pivot – then a complete merger of all London teams in 1974. The globalised bank prevailed over the imperial bank, even though its history was given SC a cultural and relational heritage in Asia. Such a strategy made possible to establish itself as a retail and corporate bank and to insert the economy of these countries into its globalised system. The new business model was increasingly based on wholesale banking and the interbank relay function (correspondent banking) that valued the flow of money between major international markets and customers from countries that were part of an 'open growth' driven by the liberalisation of financial transactions. It changed its geo-economic concepts and its corporate culture, evolving from an expatriate/local employee verticalist model to a management system based on geographical and sectoral areas where the capital of managerial skills played through a strong mix of elites. It thus succeeded in transforming its identity and its brand image, from a 'dominant' establishment of British culture to a pluricultural firm rooted in the Indo-Pacific area, and in taking part to the development of the Middle East.

Such a book embodies perfectly the geoeconomical challenges faced by companies active at the scale of the British Empire when it had collapsed: the whole strategic and philosophical models had to be revolutionised. The replacement of British expatriates for the management of subsidiaries abroad, the embeddedness of that latter within the local capitalism, the opening of commercial and thus banking flows between the ex-colonies and the whole trade world, and moreover the growing competition from banks set-up by regional actors (India, Africa, South-Africa, etc.) shook the 'imperial' mindsets. Standard Chartered had therefore to assimilate globalisation and its effects on 'regional banking areas'. And even today, like HSBC, it must face the desire of Chinese investors to yearn for the control of such key actors of finance in Asia.

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