

# CHINA CROSSROADS

Saturday, September 17<sup>th</sup>, 2022, 16:00 – 18:00

## Market Maker of First Resort: The People's Bank of China and the Rise of Market-Based Banking

**Robert Pauls**

Assistant Professor of International Studies  
Xi'an Jiaotong-Liverpool University (XJTLU)

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Delimuses and Magpie Bar | 363 Kangding Road  
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This talk will investigate the People's Bank of China's (PBC) role in transforming China's financial system. By analyzing regulatory and monetary policy in the context of the party-state's financial reform agenda and shadow banking-induced structural liquidity changes, it shows how the PBC has created a bond market from shadow banking. To this end, the PBC takes on the role of market maker, governing through markets by managing the liquidity of interbank collateral and expanding its own balance sheet. By developing a bond market, the PBC has restored control over credit creation and financial stability, however, at the price of inserting itself more tightly into political economic constraints created by the nexus of liquidity and growth.

[Robert Pauls](#) is Assistant Professor in the Department of International Studies at Xi'an Jiaotong-Liverpool University (XJTLU). Previously, he was Lecturer at the Faculty of East Asian Studies at Ruhr University Bochum in Germany, where he also received his PhD in 2015. His research interests are in Comparative and International Political Economy with a focus on China and East Asia. In his research, he seeks to bridge theoretical divides between political science and economics as well as comparative and international political economy. His current research focuses on transformations of China's financial system.

*[China Crossroads](#) hosts talks on all topics related to China, including business, foreign policy, and other areas as they relate to China, the idea being that China is both already a "crossroads" of the world and itself at a "crossroads" in terms of its future global influence. For more information, contact Frank Tsai at [editor@shanghai-review.org](mailto:editor@shanghai-review.org).*