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PUBLISHED

September 16, 2018

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On November 6th, the citizens of Los Angeles will have a chance to decide if their city should pave the path towards creating the first municipal public bank in the country. No doubt, a ‘yes’ vote for **Charter Amendment B** will be significant for the city, as it will put the immense power of banking in the hands of accountable officials bound by a mission of social good — a radical shift from the status quo of giving that business to Wall St.

Today, the privilege of financing city services is reserved for private speculators. As a result, the City of Los Angeles pays exorbitant costs to big banks and private investors that is siphoned away from the city’s tax fund annually. According to the city’s **2017 CAFR report**, the city paid \$170 million in banking fees and \$1.1 billion in interest last year — money that could have been recycled into public coffers for reinvestment if Los Angeles had a public bank instead.

This means that if the public bank ballot measure passes, it will have profound effects on the city, not only developmentally but financially, making this measure particularly important for Angelinos.

But, if you’re not in Los Angeles, or generally apathetic towards municipal affairs, should you still care? Is this just one of the many measures that come and go over the years? Is it just some boring banking initiative that’s irrelevant to our daily lives? Is it just some local Los Angeles issue that doesn’t matter if you don’t live in Los Angeles?

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In truth, this is much bigger than banking and it's much bigger than Los Angeles. As a result, it's one of the most important ballot measures in history.

The public banking measure in Los Angeles would empower the citizens of the city with a level of influence on the world rarely afforded to local ballot measures. Here are 4 reasons why it is a huge deal for everyone.

It Intersects With Many Other Causes You Probably Care About

“Banking” does not operate in a vacuum. If the economy is a circulatory system, with money circulating through businesses, organizations, individuals and public coffers, then banks are the *heartbeat* — or ground zero of the economy, which injects money into the system through loans and currency creation, emanating to all the sectors of society. Therefore, the culture and design of the banking system has far reaching multiplier and ripple effects on the entirety of the economy and hence our everyday lives.

This means that the banking industry owes a massive responsibility to the commons, and by extension should be brought under its stewardship. Otherwise, a banking system beholden to the private profit motive will be inherently extractive and unstable by nature — as it currently is.

A municipal bank, by contrast, will still underwrite loans responsibly in order to return a profit — but the benefactors of that profit will be the commons in the form of public

reinvestment. In time, it may even pay out dividends into the general fund, as the consistently **profitable** public Bank of North Dakota does for its state coffers.

If constructed correctly, a public bank will be designed as a “People’s Bank” — not only public, but triple bottom line. This means that rather than quarterly profits taking precedence over all else, profits are sought after but tempered by social and environmental considerations; in other words, it will be a bank designed to improve society.

As a result, such a bank can tailor its activities towards providing active solutions to policy needs in whatever capacity it’s capable, including **aiding in disaster recovery**.

For example, while the invisible hand of private developers tends to inherently favor luxury real estate development which puts upward pressure on home prices, leading to gentrification, and a tighter supply of affordable housing and in turn less money in working families’ pockets each month and rising homelessness, a public bank by contrast would aim to find solutions to affordable housing as directed by its social good and community development mandate. This means it will be incentivized to provide competitive funding for such housing while lowering its costs.

This then will have very real, everyday effects on communities of color and the working class in general, as the pressure to move due to the unaffordability of housing will be mitigated, providing much needed financial relief to vulnerable communities.

A public bank will also provide an upgraded means to develop green energy. Just as a concerted banking policy towards affordable housing can result in an economics that favors its development, so too would a green energy development policy produce an economics that hastens the green revolution.

Germany provides an excellent example that US cities can emulate. Their **Sparkassen banking system**, which are a network of regional public banks that resemble the upcoming LA municipal model, comprises only **41% of German banks in total, yet are**

responsible for over 72.5% of Germany's renewable energy infrastructure. As a result of this program, Germany has been called "the world's first major renewable energy economy." If they can do it, so can we.

Crucially, all this can be done while *saving money*. Since each of these projects, even if financed for lower than private market rates, would nonetheless produce profits for the city. This means that public banking provides a rare case of being able to have our cake and eat it too.

That's what makes it **triple bottom line**: social development, sustainability and profit. In turn, that's what makes it capable of helping to solve some of the most pressing economic issues of our time, and that means a "yes" vote for the bank is in reality a "yes" vote for much more.

It's Revolutionary

If Los Angeles succeeds in creating a municipal public bank, it will quite literally be history in the making, as it will be the first of its kind in the country.

To do so will project a shining example to the rest of the nation and to the world of the fact that popular resistance can produce systemic shifts in the power dynamics of society. Money is power, and the ability to create it and determine its directional flow even more so. Bringing that power into transparent democratic oversight changes everything.

Whereas the regulations and fines slapped onto Wall St. simply tinker with the current system, building new banks owned by and accountable to the people is nothing less than transforming the system itself.

The significance of such a project coming to fruition in the Trump era at the apex of deregulation and a pro-Wall St. political climate will officially mark the dialectical response of people power that will usher in the twilight of neoliberalism and its discontents.

It's indeed true that this system, especially if proliferated, will mark a radical shift from what we currently have. But while the word "radical" might conjure images of extremist utopian experiments with no ground in practical reality, in the case of public banking, it's a radical idea backed by empirical evidence.

While naysayers cling to dogmas and abstract ideas of public sector inefficiency, the Bank of North Dakota and the Sparkassen of Germany continue to be profitable and useful to their communities. By emulating the best of what already works while innovating their own solutions based on the local needs and will of their community, the architects of Los Angeles' bank can partake in this radical idea prudently and effectively.

It's the Solution We've Been Hoping For

The financial collapse of 2008 was a wake up call. It definitively proved the inherent instability of a system beholden to a banking oligarchy engaging in casino-like speculation that plays Russian roulette with common people's homes, pensions and jobs. Luckily for the big banks, the public sector opted for bailouts under stewardship of a treasury secretary who was a former CEO of a major Wall St. bank.

Banks that are "too big to fail" know that they will be bailed out if anything goes wrong. As a result, there is little stopping them from engaging in hubris-fueled gambles that would never be justified otherwise. This moral hazard is now only exacerbated by further deregulation whose end result can't be anything other than another inevitable bust.

The drama of bank failures, bailouts, collapsing markets and skyrocketing unemployment induced a new consciousness into the masses, especially as many of the bankers responsible for the collapse **continued to reap in massive bonuses**. Occupy Wall St. emerged on the scene, introducing the narrative of the 99%. People marched in anger and visceral discontent. They were dissatisfied, but where was the paradigm shift?

Some called to jail the bankers, and many still argue that the perpetrators of the fraudulent speculation that led to the collapse should face retribution, **as they did in Iceland**. It should be understood however that the bankers were playing into exactly what the system is designed to do. Replace the bankers without replacing the system, and an entirely new round of the same behavior would likely resume.

Considering Wall St.'s massive influence on Washington, it is simply highly unlikely that the solutions to this problem are found there.

Therefore, the power to change the system is at the *local* level. Instead of waiting for a top-down transfer of power from bank oligarchs to the people, the solution in reality lies in building a new banking system from scratch *ourselves*, from the bottom up. That way, by moving power from unaccountable profiteers to accountable public servants at the local level, we pull the rug from under the oligarchy and bring about a practical solution through creation rather than destruction.

The money will go from private to public, from big to small, from centralized to localized, from amoral to moral, from speculative to prudent. As a result, the **next financial crash** will be tempered and beyond that, we may build a system that greatly reduces, if not eliminates the boom-bust cycle itself, forever alleviating the populace from the dispensable uncertainties of economic volatility.

The banking system has already failed. The Banking Question was never resolved. The old, failed way was simply resurrected. A new era is now emerging where that which is failed may be pushed into the oblivion of its inevitable fate — to be replaced by something saner, wiser, more ethical and more rational.

If you marched, or even sympathized with those that marched against the big banks, if you lost your job as a result of the recession, if you've ever believed that we need something different — then the moment you've been waiting for is finally within the horizon. If the historic Public Bank of Los Angeles emerges, the first instance of a

systemic solution will have sprouted from the seeds of the grassroots, and the implications of where that can lead are simply history-making in scale.

Even for those that don't generally focus on municipal affairs, Charter Amendment B is different in scale and in scope, warranting your serious consideration. It's not only a local ballot for a local issue. It's a local ballot for a national, and arguably even global one.

It Could Cause a Chain Reaction

When it comes to implementing new laws and institutions, being the first is always hardest. The ponderous cynics, donning blinders of limitations of imagination fail to find inspiration when new ideas are unsupported by social proof. Yet the first city that manages to overcome this hurdle may open the floodgates, because once even a single city makes serious headway in creating a Public Bank, the likelihood of more cities deciding to try it for themselves increases significantly.

Just as proponents of Public Banking in general point to the Bank of North Dakota and Sparkassen to say, "if they can do it, why can't we?" so too will cities across the US likely say the same of the trailblazing Los Angeles municipal bank. It will provide hope, inspiration and validation that it came to be from a popular vote, that it reflects the Will of the People.

That's why this vote is about so much more than Los Angeles. It's about Los Angeles being a leader for the rest of California and the rest of the nation as a whole.

If the point is to change the system, to bring about a paradigm shift in banking and in economics itself, LA isn't going to do it by itself. Luckily, it's not in a vacuum. If the people mobilize to secure the "yes" vote, they will have opened the first hole in the dam that is Wall St. hegemony over our society. In time, that hole will rapidly expand and the

floodgates of change will pour open. In the midst of revolutionary fervor, cities “going public” may well come to be in vogue, and public banks may well spread like wildfire.

Now imagine if that happened. Imagine cities and regions everywhere creating local, ethical public banks, so that it becomes the norm rather than the exception. Not only will untold gargantuan funds be transferred from Wall St. to Main Streets all over, but the system as a whole will have quite literally undergone a paradigm shift.

Los Angeles voters, you have a very important election coming up, one that could have ripple effects into the annals of history. This vote is more than about your responsibility to yourselves and to your city. Even though it’s just a municipal measure, it’s truly a responsibility towards the state, the nation, and possibly even humanity itself.

Rarely does the constituency of a city have such profound weight of power in their hands to alter the history of the world. On November 6th Charter Amendment B will give the people of Los Angeles that power.

If you wanted a revolution, here you have it, now go get it.

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