Banking on Alternatives to Neoliberal Development

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It is a far from widely shared proposition that banks should have anything to do with any alternative to neoliberalism in the developing world, let alone that there should be any substantive break with capitalism's social relations of power, production and oppression. This is despite 25 per cent of all financial institutions globally remaining state-owned (and hence potentially more open to democratic control) and despite banks continuing to play a central role in developing and emerging capitalist societies. There has been a near systemic neglect of banking and financial alternatives in the field of development, most strikingly among radicals. Many scholars, activists, unions and social forces that take the question of alternative development seriously focus on workers' control of the productive apparatus. Yet neither in historical practice nor in theory is there much basis for this financial blind spot. From the experiences and experiments of 'less-than-liberal-capitalist' banking systems in societies as diverse as China, Cuba, Vietnam and Venezuela to the analytical works of Marxists like Rudolf Hilferding, V. I. Lenin, Makoto Itoh and Costas Lapavitsas, banking systems not fully subordinated to profit and competitive imperatives have been understood as integral to potentially socialist projects.

It is time to revive this debate, to unearth actually existing potential alternatives, and to strategise the anti-capitalist role that banking and finance can serve in alternative development. To this end this chapter seeks to make a modest contribution. It does so by suggesting that the struggle for the democratised control of banks is a necessary, if not sufficient, condition for any substantive anti-capitalist break with neoliberal financial capitalism. I argue this by first exploring what financial capital looks like in relation to development today, thus setting the basis of why finance must be confronted in any strategy of change. Second, I consider what needs to be done by drawing on some past and present examples suggestive of alternative democratic and sustainable banking alternatives. This is followed by a brief conclusion.

The Current Situation of Finance in Development

Speaking of developmental alternatives in banking and finance can be voluntaristic if prevailing structural features are not recognised. For present purposes three features stand out: the quantitative significance of *financial capital* (defined as both money capital and the institutions money capitalists control) to global capitalism, the centrality of *developing and emerging capitalisms* to world market stability, and the fact that *recurrent crises* have reinforced rather than undermined the power of financial capital.

First, for over three decades flows of money capital have grown quantitatively and reached an increasingly important position in the neoliberal world market. This rise occurred out of the capitalist crises of the 1970s. Private firms everywhere were suffering from waning profitability and the mounting power of organised labour. In response, neoliberal advocates challenged the material foundations of post-war working-class power, including state-owned enterprises, public services and unionisation as well as hitherto stricter restrictions on international flows of capital. The opening of the public sector and international borders gave rise to unprecedented opportunities for new private investment. As one indicator (others follow below), the global supervisory institution and sort of 'bank of central bankers', the Bank for International Settlements (BIS), reports that the daily turnover of global foreign exchange (that is, the conversion of one currency into another), which had topped a record $1.5 trillion in the late 1990s, was just shy of $4 trillion by 2010. Economist James Crotty of the Political Economy Research Institute reports that during this same time period, the financial share of corporate profits (that is, 'who benefits' from new financial opportunities) increased fourfold, or from 10 per cent in the 1980s to 40 per cent in the new millennium.

The quantitative expansion of the financial world market has been materially and institutionally supported by powerful international financial institutions (IFIs) such as the International Monetary Fund (IMF), World Bank and BIS, which are themselves institutions dependent on the support of the world's advanced capitalist states. Chief among all, the US Treasury has authored this financial expansion, not least through its role as a global lender of last resort willing to provide public resources to overcome financial crises, maintain open world markets, and underwrite continued US financial supremacy. The financial world market, while composed of ever-greater flows of capital, is therefore also defined by imperial relations and a hierarchy of states: the United States sits at the top followed by other advanced capitalisms, the rising powerhouse China, other important emerging capitalisms, and finally the rest of the world. In development studies, then, when we speak of financing development we must account for these societies' subordinate position within the hierarchy of states.

Second, despite being subordinate, developing and emerging capitalisms have assumed greater importance in and responsibility for protecting the financial world market. Since the 1980s neoliberal advocates (domestic capital and technocrats in collaboration with foreign capital and IFIs) have championed pro-capital and market-oriented political and economic restructuring within emerging capitalisms. Consequently, these societies have become more important profit-making destinations for financial capital.[1] Between 1980 and 2010, for example, private financial flows to emerging and developing capitalisms have grown from about $15 billion to over $600 billion. Portfolio flows, the most volatile 'hot money' flows, likewise grew from negative $1.25 billion to over $240 billion. Governing elites and domestic capitalists in developing and emerging capitalisms have led a corresponding shift to debt-led growth strategies: external debt increased nearly ten-fold or from nearly $570 billion in 1980 to nearly $5.5 trillion in 2010. The cost of external debt servicing (tantamount to a transfer of value from south to north through interest payments) has grown from $89.4 billion in 1980 to $1.74 trillion in 2010.[1]

In the wake of the 2008–09 global crisis and with the quantitative easing programmes of the United States and the United Kingdom, money capital flowed into the emerging capitalisms where the cheap US credits could be invested at much higher rates of return. This 'carry trade' has led to the overindebtedness of domestic corporations – debts that carry huge exchange rate risks. Emerging capitalist governments, too, remain heavily indebted to foreign finance.

In many cases after the crisis the stimulus packages and corporate tax cuts did nothing to relieve public debt burdens. As quantitative easing tapered into 2014, foreign capital has also begun to slow financial flows to the emerging capitalisms, with highly destabilising effects. This reflects a typical pattern of North to South boom/bust funding since the 1990s. To help offset the damaging financial crises that have been increasingly recurrent since the 1990s, developing country governments have built up colossal war chests of foreign reserves as a form of self-insurance, which state authorities use at times of financial threats to appease globally mobile capital. The IMF reports that in emerging and developing countries, foreign reserves grew from about $162 billion in 1980 to about $7.4 trillion in 2012. The IMF too has increased its available resources to aid crisis and recovery by doubling country quotas from about $358 billion to about $715 billion in 2011. The South is inextricably linked to patterns of global accumulation and to the reproduction of global capitalism.

The last three decades of financial restructuring have also led towards the privatisation of state-owned banks alongside the concentration and centralisation of bank capital in fewer and larger institutions in the developing world. Whereas in the 1970s state ownership of banks in developing countries was commonly in the 60 to 70 per cent range, this has fallen to between 20 and 40 per cent. Whereas in the post-war period of state-led development, the banking sector would have dozens of banks that operated locally, regionally and at the national level, today banks have centralised operations into larger and more powerful units, with a few large and increasingly foreign banks controlling the lion's share of domestic assets. In 2012 the five largest global banks (Deutsche Bank, Mitsubishi UFJ Financial Group, the state-owned Industrial & Commercial Bank of China, HSBC Holdings, and Barclays) collectively controlled over $13.6 trillion in assets, which is nearly double the annual gross domestic product (GDP) of China and just shy of total US GDP. The banks' chief executive officers (CEOs) see developing countries as extremely lucrative spaces of accumulation.

None of this global explosion would have been possible without the restructuring and strengthening of the state's financial apparatus in emerging capitalisms to privilege market-oriented imperatives (Marois, 2012). Notably, the treasury has assumed a place of prominence in the state apparatus. Through the state treasury, governing elites and neoliberal technocrats have centralised and taken control of state power through financial means. At the same time, neoliberal advocates have restructured developing country central banks (the bank of domestic banks). Neoliberals have forced

[1] The data that follow are drawn from IMF online, World Economic Outlook (2012) and International Financial Statistics (2013).

through so-called central bank independence to ensure price stability and inflation targeting, which institutionally elevates the needs of financial capital over all other developmental considerations – from employment to planned investment – and insulates the central bank from democratic input. Central bank and governing authorities subsequently created other new state institutions to further support financial accumulation, including for example capital market boards, bank insurance funds, and specialised banking and financial regulatory institutions. The roles and responsibilities of these vary from case to case depending on the specific division of labour between the central bank, treasury and other governing institutions. Yet in most cases full or near complete independence from popular, let alone governmental demands, is the essential ingredient of international financial credibility nowadays.

Further, these state financial institutions actively sign memorandums of understanding with other countries' bank regulators enabling the interpenetration of bank capital and cross-border regulation premised on international best practices (typically modelled after US and European standards). The point is that the quantitative growth in the financial world market and prosperity of financial capital have not transcended the state apparatus. Instead, financial capital has ascended in power alongside and thanks to more muscular state financial apparatuses in both the advanced and emerging capitalisms.

Third, contrary to what we might expect, the increasingly recurrent and costly financial crises over the last three decades have reinforced rather than reversed the power of financial capital globally. In Mexico the 1994–95 crisis cost 20 per cent of GDP, Brazil's 1994 crisis cost 13 per cent, Thailand's 1997 crisis cost 44 per cent, Russia's 1998 crisis 6 per cent, Argentina's 2001 crisis 10 per cent, and Turkey's 2001 crisis 30 per cent. These are but the tip of the iceberg, with IMF researchers recording more than 120 banking crises globally since 1980. On average (and before the Great Recession) the IMF reports that these crises cost just over 13 per cent of GDP to rescue and resolve, with only about 18 per cent of these public costs ever being recovered. Because state authorities socialise the costs of financial crisis and recovery through the state apparatus, which results in austerity measures and taxes being diverted to financial capital, the costs of crisis and recovery are borne disproportionately by the general working populace, to the benefit of financial capital.

Yet far from leading to an academic rethink or substantive political break in neoliberalism, such crises have led developing country state authorities to further bolster the financial state apparatus by building new institutions and accumulating more foreign reserves, as noted. This has been absolutely vital to the survival of the financial world market, as responsibility for systemic persistence is diffused internationally as developing country authorities take responsibility for protecting their corner of the world market. Domestically, authorities also took charge of rationalising the failed financial sectors around new market imperatives and so-called international best practices, ensuring, as always, creditworthiness and their attractiveness as an investment destination.

This also holds true in the advanced capitalisms. Since the unfolding of the US-based subprime crisis, state authorities in advanced capitalisms (notably the United States) have mobilised some $13 trillion to resurrect the global financial system and created the new Financial Stability Board in 2009. Yet no substantive structural changes have been demanded from financial capital. Instead we have entered the 'age of austerity' wherein public resources are gutted and sovereign debt limits abandoned to ensure financial capital endures despite worsening global inequality and growing numbers of desperately poor and overworked people.

Consequently, neoliberalism – defined in class terms as capital's systematic attack on the capacity of organised labour and the popular classes to resist market-oriented structural adjustment since the 1980s – persists today. Since the 1990s neoliberalism has taken on an increasingly finance-led form, as financial capitalists have attained the capacity to institutionally push the costs of financial crises onto the state apparatus and, by extension, onto workers in general. This, as I argue elsewhere, suggests we have entered into a phase of capital accumulation defined by the fusion of the interests of domestic and foreign financial capital in the state apparatus, as the institutionalised priorities and overarching social logic guiding the actions of state managers and government elites, often to the detriment of labour (Marois, 2012). The quantitative rise in financial flows, the importance of emerging capitalisms to the financial world market, and that crises have deepened not weakened finance capitalism illustrate some of the barriers to be faced.

What Has Been Done, What Is To Be Done? Banking on Alternatives

The power of financial capital simply cannot be avoided. Moreover, the centrality of banking and the financial system to all aspects of capitalist accumulation, exchange relations and contemporary social reproduction means that changes here will affect all workers everywhere. Thus, the struggle for democratised social control over banking and finance has the unique potential to connect all resistances to neoliberalism and transcend capitalism. This begins by overcoming immediate working-class barriers. The transition to neoliberalism is replete with the financial conditionalities of loans, taken to bridge bouts of instability, aimed at undermining the public ethos of public services in preparation for privatisation *cum* accumulation by dispossession.

Continuing struggles to protect public services or to gain and sustain workers' collective control today name the lack of supportive financing as a serious problem. The democratised social control of banking and financing eliminates such barriers posed by the power of private financial capital over society. This immediately raises the question of 'What is to be done?' which is as much a historical and practical question as it is a strategic one. I broach this by illustrating some necessarily imperfect past and present examples of banking alternatives and by highlighting some strategic lessons for collective action.

Bertolt Brecht's play *The Days of the Commune* aptly captures the primordial fears of Europe's bourgeoisie in his character de Ploeuc, the director of the Central Bank of France and sly adversary of the nascent Paris Commune. While energetically defending the sanctity of the Bank's independence to the Communards, behind closed doors, de Ploeuc admits that if the 'vaults are taken', what he understands as the 'nerve centre' of everything, then the 'Communards will have won, whatever else happens'.

Marx, too, well understood from the Paris Commune that the proletariat couldn't simply adopt the capitalist state ready-made for socialist purposes. Rather, what is *objectively* capitalist must be laid to waste and replaced by egalitarian socialist structures crafted (that is, institutionalised) in the interests of the workers. Indeed, this was the stated intent when the Bolsheviks nationalised the private Russian banks in December 1917. It was none other than Lenin who staunchly advocated bank nationalisation, writing that the financial apparatus 'must not, and should not, be smashed' but be '*subordinated* to the proletarian Soviets'. He continues:

> Capitalism has created an accounting apparatus in the shape of the banks …. *Without big banks socialism would be impossible*. The big banks are the 'state apparatus' which we need to bring about socialism, and which we *take ready-made* from capitalism; our task here is merely to *lop off* what *capitalistically mutilates* this excellent apparatus, to make it *even bigger*, even more democratic, even more comprehensive. Quantity will be transformed into quality.
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> (Lenin, 2011: 106; emphasis in original)

Lenin, following Hilferding, did not equate banks with capital itself. Banks are posed as rather more historically malleable institutions which, should they be politically subordinated, could perform important accounting and regulatory duties in the new workers' economy. In line with Marx, banks were not *objectively* capitalist but historically and politically *subjected* to capitalist imperatives. This formulation opens bank operations up to historical rather than transhistorical determinations.

There are also historical precedents that illustrate alternative logics to what predominates now. Yet in presenting these I would caution that these examples are very much illustrative of specific cases requiring further in-depth study. I find no benefit in suggesting that any of these banks existed outside of the generalised post-war thrust towards capitalism in peripheral societies. As we see, many potential alternatives have become subordinated to neoliberal competitive imperatives, albeit in highly modified ways. Still, recognising the obvious today is not to relinquish the historical potential accorded to 'revolutionary' banking for socialist and anti-imperialist struggles.

There are many variations of alternative banking institutions among developing capitalisms. In its post-National Revolution period of state-led capitalist transition, the first Turkish government (formed out of the defunct Ottoman Empire) created state-owned banks in the 1920s and 1930s with institutionalised social developmental missions attached to, for example, funding agriculture, cooperatives and small traders. These banks were understood as equally anti-imperialist given the Ottoman Empire's experiences with the 'odious' debt administration of the European-owned Ottoman Bank, which had controlled state finances.

Some decades later, the post-revolutionary People's Republic of China (1949) mobilised the People's Bank of China (PBC, est. 1948) to fund communist development plans. The PBC functioned under the Ministry of Finance and was the lone bank in China until 1978. The PBC served as a central bank, collected revenues from other state-owned enterprises (SOEs), and channelled investment funds into different sectors and infrastructure projects.

Around the same time, the Vietnamese were mired in an anti-imperialist war against the French. To help fund the war of resistance the Democratic Republic of Vietnam established the State Bank in 1951. Much like the PBC, the State Bank issued money and managed payment services while providing credits and funds to administer the state budget. With the pushing-out of the French in 1954 the government transformed the State Bank into a funding institution for domestic trade, industry, handicrafts, cooperatives, agriculture, and other SOEs and organisations. After 1959 the post-revolutionary Cuban authorities also nationalised the banks. The February 1961 Law No. 930 then centralised the central banking and commercial banking functions within the Banco Nacional de Cuba. The Socialist Federal Republic of Yugoslavia differed insofar as it initiated a system of competitive worker self-management and banking. At a national level, the National Bank of Yugoslavia employed a system of credit limits and preferential interest rates to promote certain sectors. Yet competition determined much in the allocation of credits to worker cooperatives, undermining many socialist aspirations.

However imperfect, these historically diverse institutional arrangements each pooled domestic money so as to channel resources into developmental priorities in nationally differentiated ways which, if not fully independent, were not fully subordinate to global capitalist and imperialist tendencies. The point is that these banks are suggestive of a socially malleable social content.

There remain potentially important and substantial state-owned banking options in many developing and emerging capitalisms. For example, the World Bank reported in 2010 that Argentina and Brazil had 44 per cent, Costa Rica 54 per cent, and Venezuela over 33 per cent of bank assets under state control.[2] Outside of Latin America, Russia reported 41 per cent, Turkey nearly 32 per cent, Egypt around 50 per cent, and Indonesia over 38 per cent state-owned. In Africa, Sierra Leone state bank ownership is nearly 38 per cent and in Burundi it is nearly 49 per cent. In India and China more than 75 per cent of all bank assets are majority state controlled. This is only a sample of what quantitatively exists, which illustrates no lack of potential state banking alternatives despite three decades of neoliberalism.[2]

To be sure, the institutional frameworks, material foundations, daily operations and normative orientations vary dramatically between countries and among banking institutions even within countries. Moreover, all state banks exist within the capitalist and deeply 'financialised' world market today and alongside domestic political priorities, all of which exert structural and conjunctural political limits on each country's governing elites, financial authorities, individual state bank management and frontline workers. This is not to be forgotten or set aside. Yet radical scholars have largely bypassed such a potentially powerful material and institutional basis of social power. Resist healthcare privatisation, yes! Push back against the sell-off of water, a must! The fate of state banks and bank workers? Relative to their central location in capitalist accumulation and development processes, surprisingly little has been said.[3]

It is worth pausing to explore some contemporary variations among state-owned banks in emerging capitalisms. Since the late 1970s the Chinese Communist Party initiated market-oriented changes in its banking sector. While these were initially framed as strengthening socialism, over time social forces in the Communist Party have mobilised the state banks to support China's particular capitalist transformation. This has entailed creating a number of massive, more specialised banks like the Agricultural Bank of China, the China Construction Bank, the Bank of China, and the Industrial

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[2] State control will vary in each case, with some being fully state-owned and others majority state-owned but with private and foreign share participations.

[3] For example, radical left assessments of privatisation and development typically do not include any discussion of state bank privatisations (for example, Bayliss and Fine, 2008; McDonald and Ruiters, 2012). Additionally, while Marxists have called for some form of bank nationalisation, especially since the 2008-09 crisis, this is often made at the level of general strategy (Harvey, 2010; Albo, 2012). With the exception of Marois (2012), it is remarkable that there are practically no contemporary case studies of state banks or bank workers undertaken within the Marxian tradition.

and Commercial Bank of China. The opening of China's new specialised banks meant SOEs would finance operations through retained earnings and from the state banks directly, with authorities reasoning that repayable interest charges would encourage greater efficiency in the factories. In 1994 the authorities created three more specialised banks, the Agricultural Development Bank of China, the China Development Bank and the Export-Import Bank of China, to further fund market development. Many of China's state banks have now been opened to foreign ownership participations but the state retains majority control. This has brought newly institutionalised profit and efficiency imperatives such that these state banks act increasingly as if they were private profit-seeking banks.

Brazil has had a rather different, and initially decentralised, experience with state-owned banks. For example, in 1990 there were some 35 different state (provincial) publicly owned banks. Two decades later only a few large nationwide state banks remain alongside five smaller ones. The large state-owned commercial banks, including the Banco do Brasil (est. 1808), the Caixa Econômica Federal (est. 1861), and the Banco do Estado do Rio Grande do Sul (Banrisul), maintain extensive retail commercial operations but also provide federal government services such as social benefit and unemployment payments. The large Brazilian development bank, Banco Nacional de Desenvolvimento Economico e Social (BNDES, est. 1952) has gone through different operational phases, from initially promoting national capitalist development to being subsumed under military rule after 1964, to facilitating privatization and neoliberal transformation after the mid-1980s (as Mexican authorities did with its nationalised banks after 1982), to supporting new developmentalism since 2003.

Venezuela offers a sharper example of social forces trying to carve out an alternative out of current circumstances (albeit still subject to capitalist imperatives). On 31 July 2008, the Chavez government nationalised the Bank of Venezuela from the Spanish-owned Santander Group. Rather than rescuing the banks to rescue capitalism (the form advocated by the World Bank), the political intent was to subordinate the once private bank's operations to national developmental strategies and to strengthen the Bolivarian revolutionary process by bolstering the public financial sector. Shortly thereafter a corruption scandal in late 2008 led the government to extend state ownership, with the liquidation and takeover of eight smaller private banks. Four of these were merged into the state-owned bank Banfoandes to craft a new, powerful, state investment bank, the Banco Bicentario (controlling about 20 per cent of deposits). The bank now supports alternative productive processes, and in particular more accessible housing credits. The state banks also fund the central government budgeting process by purchasing state bonds, and have institutionalised requirements to lend to the public sector. Social and political forces understand the government's move into banking as necessary to mitigate the power of financial capital in Venezuela and as a way to mobilise domestic resources in the service of the Bolivarian revolutionary process.

Several points need to be drawn out here. First, while diverse and often contradictory, there are historical and contemporary examples of sufficiently anti-imperialist and/or anti-neoliberal alternative banking arrangements to lay to rest the popular myths that (a) there are no alternatives to private banks and (b) socialism doesn't need banks. Second, leftist social forces should take note that there remains substantial material and institutional state banking capacity today. This potential stronghold should not be lightly relinquished. Third, and contrary to most heterodox accounts, state bank ownership can by no means be taken as a sufficient condition in determining whether a state bank offers an alternative to neoliberalism. State-owned banks can and do act as if they were private profit-seeking entities, given the neoliberal will to do so. That is, state banks have no transcendental logic outside of prevailing economic and political imperatives. As both a methodological and strategic issue, state banks are historically specific institutions of prevailing class and power relations, and are thus open to politically organised change. Hilferding made this point in his seminal work *Finance Capital* (1910).

We must remember that bank workers are not, by default, antagonistic to socialist forces. Many of these working people struggle under the neoliberal intensification of labour, flexibilisation, privatisation and so on. Painting over a potential ally, and one located in the most powerful economic sector, is a strategic mistake. Indeed, there are notable, if sporadic, examples of bank workers collectively organising and mobilising within emerging capitalisms and elsewhere. For example in Turkey, where bank workers lack the legal right to strike, many state bank workers resisted closures and privatisations during the 2000–01 banking crisis through work-to-rule actions and even by occupying a state bank's headquarters. More recently in 2013, Bank-Sen, a radical bank workers' union, launched an anti-privatisation campaign to halt the further sell-off of Turkey's state banks. Other countries have more militant bank worker unions. Over the last decade Brazilian bank workers have repeatedly shut down state and private banks, most recently in September 2011 and September 2012, in defence of decent wages and working conditions. Argentinean bank workers followed suit and struck in December 2012.

Europe has also witnessed a rise in bank worker activism. In Greece in response to forced austerity and the restructuring of their banks, bank workers held strikes in mid-2012. Cypriot bank workers held a strike in April 2013, fearing the impact of their banking crisis on jobs and pensions. During this same time Spain saw its first strike by bank workers (in a newly nationalised bank) since the 1990s. Still, perhaps the most militant of all are the Indian bank worker unions. Following a number of strikes in recent years, around 1 million bank workers walked out of their workplaces for two days in February 2013, effectively shutting down the country's banking sector. What these examples show is that bank workers can and do assert their collective rights and will.

Drawing on this analysis, but also on recent studies identifying diverse public alternatives to privatisation (see McDonald, Chapter 11) and my own research, I see six necessary if not sufficient strategies for alternative banking and the breaking of neoliberalism:

* The posing of radically democratised social banking as a complex and integral process that must neither necessarily precede nor follow broader strategies of socialist transformation.
* The organisation of workers within banks (both state and private): any substantive change will have to have popular support from within the banks rather than simply being imposed top-down.
* The substantive linking of bank workers to other private and public sector workers' unions as well as to non-governmental organisations and civil society: perhaps more than in any other sector, the successful transformation of banking will depend on broad-based social support and solidarity.
* The move towards a coordinated, multi-sector resistance against all bank privatisations understood as a common, if intermediate, socialist goal.
* The strategising of resistance to privatisation resistance beyond merely legislative or constitutional-based strategies to one that systematically pushes for socialised banking foundations.
* The collective formulation of end goals that transcend banking as a public utility under government control, Rather, a progressive financial system must be formally subordinated to democratic and collective ownership in the pursuit of social developmental goals shaped by bank workers in collaboration with other collective sectoral demands.

Conclusion

Change, in the context of moving beyond neoliberal capitalism, must involve a collective struggle to dispossess financial capital of its accumulated power, wealth and institutions. Change must also involve a concurrent popular restructuring process of the banking and financial apparatus operations around socially efficient, equitable and solidaristic foundations. In this understanding I accept, not uncritically or unrealistically, that banks are needed to effectively manage social resources and facilitate socialist social reproduction. To this end the banks themselves will need to be reconfigured as semi-autonomous worker collectives. Such a strategy of transformation, in the short term, promises relief from contemporary imperial financial relations perpetuated through the US, EU, IMF and World Bank nexus of material and institutional financial power.

In the long term, alternative banking provides extra-market means to reverse all forms of historic inequalities generated by capitalist profit and competitive imperatives. This includes having the capacity to reverse the transferring of wealth from the poor rural areas to the already wealthy urban centre, to effectively fund green and gendered strategies of social development, and to support democratic developmental aspirations without fear of reprisal from financial capital. All this, as a matter of necessity, must be articulated within an internationalist solidarity framework for facilitating trade and financial relations among socialist societies.

Still, as we know, people make history but never in the conditions of their own choosing. The conditions we must face today include the overwhelming power of financial capital. There are nodes, pockets, and potentially significant material and institutional bases of for progressive social developmental alternatives to private banking and financial capitalism. But these nodes have so far been too isolated and too neglected. There is an urgent need to place the struggle over banking and the agency of bank workers at the heart of anti-neoliberal, anti-capitalist, and anti-imperialist strategies.

This will mean, in addition to preserving existing public banks, directly confronting financial capital, taking democratic control of the banking institutions and resources they control, and reorienting these to democratic and collective interests. Clearly any such strategy of radical change must be prepared for the savage responses of financial capital to any remotely popular or democratic challenge. The enormity of this challenge only substantiates its necessity.

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