

Against the bankocracy: how a socialized banking system could function?

Thursday 16 July 2020, by [POUTOU Philippe](#), [TOUSSAINT Éric](#) (Date first published: 30 June 2020).

Éric Toussaint : Karl Marx wrote a famous text in which he stated: “If you want to know what the dictatorship of the proletariat looks like? It is the Paris Commune”, showing that his perception of the dictatorship of the proletariat was not an authoritarian form of administration but a very democratic form of self-administration.

Ten years after the Paris Commune, Marx pinpoints the Communards’ main flaw: [they left the Banque de France \(the French central bank\) alone](#). It stood on their territory but they didn’t touch it. If they had seized the dosh in the Banque de France’s coffers, they could have financed the spread of their uprising. First, they could have defeated the Versaillais. They could have financed other projects in France but they just left it alone and the local branches allowed Thiers to finance the attack against the Paris Commune with it. Total insanity.

Remember that one of Cuba’s first measures, after the victory of the revolutionary uprising of the people was to appoint Che Guevara as president of the Central Bank of Cuba.

And the last example I’ll give is that of the Bolcheviks, after taking power in October-November 1917, their first decree was the distribution of land to the peasants, second they decreed the peace and third the expropriation of banks and the cancellation of the peasant’s debts.

For more information : some historical examples of decisive action concerning banks
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So if the Left is up to the job, and works with the trade unions, we can find allies among bank employees, and when the time for expropriation and transfer to the public sector comes, it would work.

Philippe Poutou : When we discuss banks and their expropriation, I’m convinced this is something most people would find less shocking compared with the expropriation of a capitalist or of a company. What brings even more credit to what we are saying is that if the banking sector is under public control, under citizens’ control, we know the money is there and if we want the banking system to serve the economy, that actually meets people’s needs and not just basic socialist propaganda, but simply help small farmers, shopkeepers, artisans, small companies, showing that a banking system can be useful, grant loans at zero interest or low interest rates. This is consistent, and we can claim that the economy is taking a new road and serving people and society, with the banking sector becoming useful for all.

Éric Toussaint : People have to understand: to take control of finance at municipal level, the power of major banks has to be broken at the national level by expropriation because if this does not occur you will never be able to take control of your local BNP Paribas, Crédit Agricole, Société Générale (= the main private banks in France).

Philippe Poutou : In earlier times we discussed cooperatives, workers' self-management, at least we discussed economic issues. It was real. Revolutionaries knew what they were talking about, what issues had to be raised. This was their strength, the notion that they could fashion the economy, and so had to reason in concrete terms. We on the other hand have perhaps become so used to postponing the revolution, to thinking of it as something remote, or even something in which we cannot believe any longer that we no longer consider this kind of problem. What you are saying about banks, this might be what we need. And today the coronavirus crisis shakes us up, forcing us to think and find a way of discussing those issues. This is why I'm saying that the issue of banks is where we can find answers.

Éric Toussaint : We have to raise the issue of the State because supposing you do organic farming next to a nuclear plant you cannot stop the nuclear plant without a decision made at national level by a popular government that decides to close nuclear plants.

Philippe Poutou : In this respect an important tool is conducting audits that make it possible to know how things work, where they come from, who is involved. And as soon as you have audits, you can also adapt your responses.

Éric Toussaint : An idea that has emerged rather recently, it is over the last decade or so that the question of audits with citizens' participation started to emerge and gain ground, because, in the logic of 20th century thinking, we thought "workers' control". The proportion of workers in society was such that indeed controlling society could be thought of in terms of workers' control. Now, we are aware that workers' control is essential in a factory with workers, but if we think of society at large, how many people can have a clear idea of what workers' control means?

If you mention workers' control to the bank employee, he'll tell you, he is not concerned, he is not a worker. Citizens who hold small jobs, unemployed people, young people, etc. they do not respond to the notion of workers' control either. This is why we use the words citizens' control, which is of course a key element.

Translated by Christine Pagnoulle and Mike Krolkowski

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He is the author of Debt System (Haymarket books, Chicago, 2019), *Bankocracy* (2015); *The Life and Crimes of an Exemplary Man* (2014); Glance in the Rear View Mirror. Neoliberal Ideology From its Origins to the Present, Haymarket books, Chicago, 2012 ([see here](#)), etc.

See his bibliography: https://en.wikipedia.org/wiki/%C3%89ric_Toussaint

He co-authored World debt figures 2015 with Pierre Gottiniaux, Daniel Munevar and Antonio Sanabria (2015); and with Damien Millet *Debt, the IMF, and the World Bank: Sixty Questions, Sixty Answers*, Monthly Review Books, New York, 2010. He was the scientific coordinator of the [Greek Truth Commission on Public Debt](#) from April 2015 to November 2015.

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