

Root causes of the financial crisis and its alternatives

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INTRO



- > financialised capitalism, neo-liberalism
- > what are some important instruments that have remained taboo in the reforms
- How can alternatives tackle these mechanisms

1. free movement of capital

> institutionalised in treaties !

> used by all banks, investors, speculators
(! ? Where are your savings, pension fund money, insurance premium money ?)

→ freedom to decide to come & leave,
without any legal responsibility for
unemployment (shares !), inequality (tax
havens)

!! change

- “cap controls”: only for trade, basic transactions, etc. (happened until a few decades ago), anti-money laundering. Laws to localise locally earned money
- local money creation and spending, local banks for local activities (e.g. energy transition)
- (you)

2. Financial banks, asset managers and stock exchange are like normal companies !?

= are on the stock market = completely subject to profit making and fear of short term jitters/herd behaviour on the markets + speculators with hardly any speculation

= are allowed to go bankrupt (with some laws to save basic financial transactions)

= fin sector = extractive sector, not a services sector like any sector “to make money for shareholders” cf DNB vs ING: too much profits made with too much risks

Cf. profits in NL in 2017 by biggest banks Eur 10,6 bn, and their dividend (Eur 3.4 bn)

NB. Latest trick: not saving but investing

!! change

- Diverse fin sector
- democratically governed banks etc. e.g. cooperatives, sustainability financing, public banks, etc.
- non-listed financial sector
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3. Too complex

- ... to regulate
- ...to supervise internally & externally
- ... to disentangle from basic services

Cf bread = paying for fin sector: derivatives, shares (Issuing, trading) , M&A, loans, payment transaction fee

> made, and made to look, complex to keep out politicians, supervisors

!! change

- Boring banking
- Sustainable investments in small activities
- Local economies, commons, ...

4. How to change regulation/reforms

How to get the financial legislators, regulators & supervisors out of the neo-liberal / fin capitalist are deciding and thinking? Laws allow ! :

- Fin sector = extractive industry not serving society
- free market of financial services without competition policy → economies of scale, best service to the rich
- staff/managers well paid = no defection, continued support
- taking no responsibility for its impact, only whether profit is made

NB: big divide between the culture of the financial sector (money makes them think as above the law) and real life (like Alice in Wonderland)

!! Change

- Political activism & disobedience
- Tackle your representatives
- Democratiser : stop dominance of pol lobby, change regulatory process at all levels,
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Sparen of investeren?

