

Public banks

Public banks are not new. Owned by the public in different ways and scales, they channel public resources through a publicly owned bank to meet public good priorities. The Bank of Canada was a large-scale example. Since 2015 interest in public banking has seen an upsurge of activity at different levels of application. In the United States a public banking movement is gaining traction. Inspired by North Dakota farmers organizing against predatory lending a century ago, people are organizing in diverse settings to establish public banks. Activists point to the consistently profitable and stabilizing impacts of the Bank of North Dakota (the only public bank in the USA) and using its success to buttress a central demand that cities and states withdraw their deposits from private banks and put them to use for the common good through public banks.

The resources that can be generated are huge. For example, between 2005 and 2015, the City of New York paid more than \$2 billion in fees to Wall Street money managers of pension funds alone. A growing number of public bank campaigns are challenging global bank and pension funds investments in fossil fuels, private prisons, weapons research, and arms manufacturing. Still in its early days, a broad based public bank coalition in New York City is working to change this drain on the public good and repurpose local government funds and pension savings to be targeted at securing the common good.

Below a very dynamic panel discussion outlines the rationale for a NYC public bank, its benefits and the organizing they have underway to make it happen.

7.16 Watch “A Public Bank for Public Good!” (25:06)

<p>A Public Bank for Public Good!</p> 
<p>The Laura Flanders Show. “A Public Bank for Public Good!” video, 25:06, uploaded by the creator to YouTube, June 12, 2018. https://www.youtube.com/watch?v=eQiUpXMYyG0 _https://www.youtube.com/watch?v=eQiUpXMYyG0</p>

7.17 Read “KfW’s Significant Contribution to the Energy Transition.” (1 minute)

KfW Group. “KfW’s Significant Contribution to the Energy Transition,” press release, February 6, 2018.
https://www.kfw.de/KfW-Group/Newsroom/Latest-News/Pressemitteilungen-Details_455616.html

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A sterling example of public banking is KfW in Germany. Distributed across Germany's regions and owned by the nation, KfW is a key vehicle for financing massive projects and it has a strategic remit to invest in key public priorities. Energy conservation and renewable energy investments are two key national priorities. Of the total investment in renewable energy in 2015-16, 47% of the total was through KfW. They are also the key financier engaged in converting the entire German building stock to a high standard of energy efficiency.