



Public Banks in Canada: Building a Progressive Future

Ottawa, Ontario, Canada
October 14, 2022

Inputs From Conference Participants

Short presentations by experts and practitioners at the conference were followed by facilitator-led discussions amongst conference participants, with attendees being asked to address the following three questions: What should be the primary goals of public banks in Canada? How and by whom should public banks in Canada be governed? What are the best ways to develop a broader discussion about public banks in Canada?

The following is a summary of these inputs, followed by a “word cloud” and a “mind map” of what audience members had to say.

Q1. What should be the primary goals of public banks in Canada?

Discussions around the primary goals of public banks in Canada highlighted the transformative role they could play in equity and in key sectors. Conversations about equity emphasized the potential contributions of public banks to Indigenous, racial and gender justice, including reparations, reconciliation, Land Back and Indigenous sovereignty as well as addressing rural-urban inequalities. Sectoral discussions strongly emphasized housing, especially affordable, social and co-op housing, and related services like water and sanitation. Addressing climate change, green transitions, including renewable energy and green jobs, connectivity and social infrastructure, including education, healthcare and social and community services were also prioritized. Personal or retail banking services were another frequent mention.

A large series of principles that should guide this work were identified. Prominent were suggestions to think critically about and re-orient how we understand profitability and growth and what it would mean and look like to invest in the public purpose/good. Several comments suggested the reconsideration of how we define risk and the potential of reframing of ‘public risk’ connected to broader notions of public interest and purpose and the importance of public banks to quality public services.

An interesting theme that emerged in the discussions was the possibility that through public investment the cost of various key investments, housing and renewable energy as two key examples, could be massively reduced—made affordable in other words—as the higher costs of private finance both inflate the price tag for these vital investments/goods and make them less likely to be realized. Further, investing in the public or social interest may require concessional lending or the assumption of debt.

Q2. How and by whom should public banks in Canada be governed?

Discussions of governance highlighted the need for representation of those excluded from financial and social governance, including oppressed and repressed populations and geographical communities and civil society groups more generally. The process through which these new, or reformed, structures of governance would be established or emerge, was emphasized as essential as well as continuous.

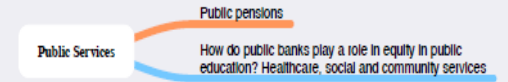
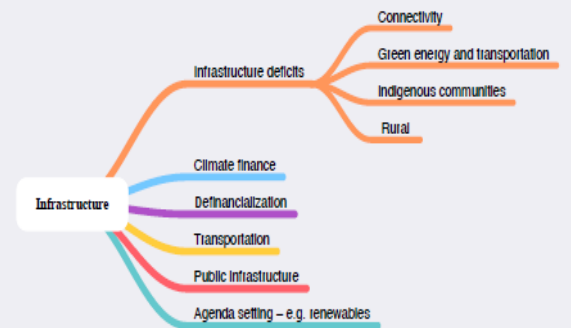
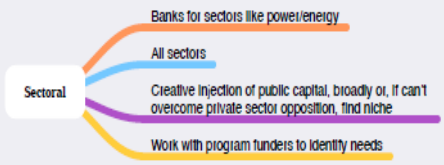
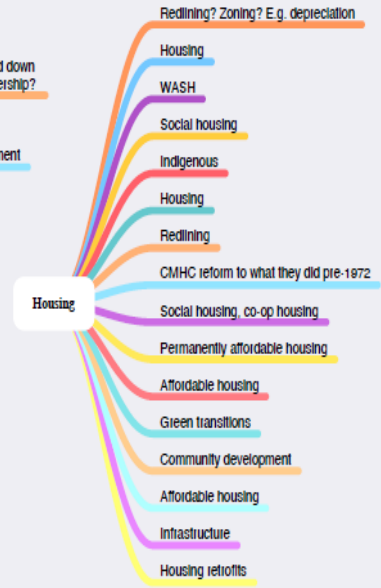
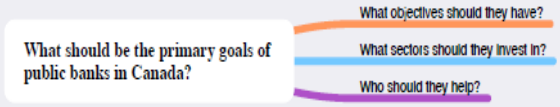
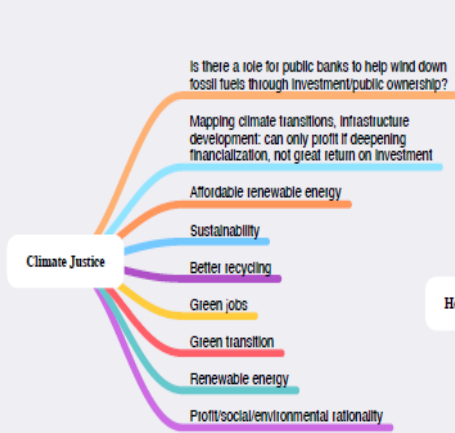
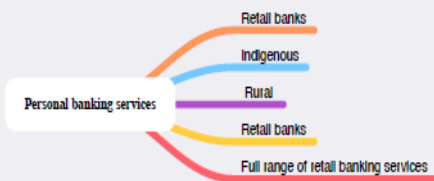
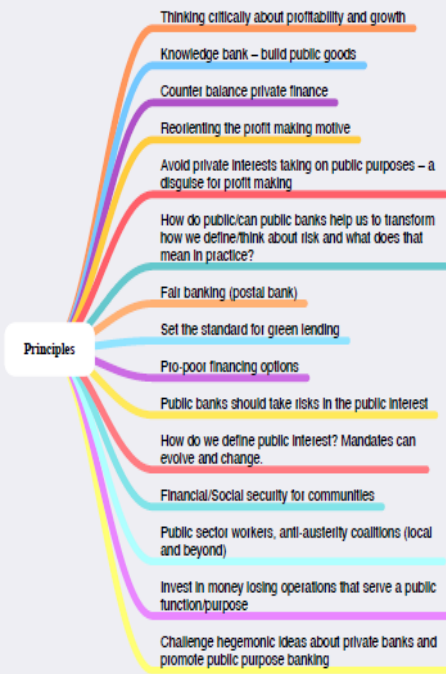
The scale or level of government was also a key item of conversation. Depending on their purpose, all levels of government, including sovereign Indigenous nations, were considered appropriate for the establishment of public banks and as important governance sites. Municipalities dominated these discussions, however, with important links made to the role and possibility of popular/direct participation and democracy at this scale.

Accountability and transparency, both regarded as complex, were key issues especially given the opaque world of private finance and PPPs. Discussions suggested an important role for meaningful public and community participation in monitoring both, as well as in decision making more generally. It was suggested that via a broad political process, civil society could provide the social pressure for public financial institutions to fulfill the public purpose. The need for the representation of gendered, racialized and Indigenous peoples in governance structures was also highlighted. Together these discussions underscored the widespread sentiment that the realization of public banks working for the public interest in Canada will necessitate a broad and sustained political struggle.

Q3. What are the best ways to develop a broader discussion about public banks in Canada?

Discussions of how to achieve these goals focused on the need for an organized popular campaign, widespread public and popular education and clear definitions and messaging, using popular media to disseminate knowledge. Emphasis was placed on the need to showcase problems with the commercial banks, the benefits of public banks working for the public interest, and concrete examples of successful alternatives. Listening to constituencies and the need for further research were also flagged.

The Nordic model and successful community/worker banks (e.g. Banco Popular) were noted as important, and diverse, examples. Generative links were made between a variety of existing public banking institutions across scale, sector, geographical location and modalities of investment. The role of credit unions, as a common and tangible example from which to build public familiarity and knowledge about public banks, was a frequent topic of discussion, as were co-ops, postal banking, and the provision of retail banking services by public banks.



Representation (by whom)

- Inclusion, non-discrimination, interdisciplinary governance panel (sociologists, historians etc.)
- Governed by community
- Representation in governance
- Consistency in representation and role of different levels of government in participation and decision making
- Does greater equity lead to change? E.g. lending etc.?
- Role for private sector? Structure towards SMEs
- Governance must depend on community survival
- Governance: require that at least 40% of Board/ Governors are women and at least 30% people of colour
- Local-NGO community leadership
- Polycentricity? Nested institutions
- Strong participation in decision making e.g. equity
- Leverage – e.g. 50/50 networks/alliances/guarantees
- Civil society group representation – decided by group, not top down
- Indigenous sovereignty, reparations, Land Back
- Public needs to be include in the conversation – how make it accessible?
- Public input in the (CIB) review process
- Governance – direct/participatory democracy

Accountability

- Public banks need external and internal watchdogs to keep them on mission
- Accountability based on inclusion and equity
- Accountable, transparent, equitable
- How do we get into board rooms of public institutions?
- Money (profit) and social objectives
- Complex accountability and social goals

How and by whom should public banks in Canada be governed?

- What levels of government?
- What role for civil society?
- What role for indigenous communities?

Policies and Services

- Solidarity bonds and services
- Cross subsidization – networks
- Mandate credit committee – given by government
- No recall on funds?
- Finance differently according to projects
- Invest local and green

Process

- New institutions or reform existing ones?
- Reform implies legislative, legal institutional and ideological change
- Structure of existing institution boards an obstacles: dominated by the private sector
- Boards have binding mandates
- Process to establish objectives?
- To have a democratic governance and purpose
- Mechanism for policy coherence
- Transparency
- Local/community decision making
- Local/community decision making
- Civil society provides social pressure to fulfill public purpose
- Meaningful engagement

Scale

- All levels of government
- Municipalities
- Level of government at which bank(s) exist – municipal public bank for example?
- Canada – federal, provincial (makes the most sense), municipal

