

# North Korea's Transformation On Peaceful Reunification Marks Paradigm Shift In Asia



*John P. Ruehl - Source:  
Independent Media  
Institute*

*02-20-2024 ~ Abandoning peaceful reunification could escalate into a major conflict, or signify that the window for reunification is presently closed, prompting Pyongyang to explore alternative approaches.*

Late 2023 marked a notable transformation in North Korea's longstanding pursuit of peaceful reunification with South Korea after North Korean leader Kim Jong Un noted the failure of the policy [in his end-of-year speech](#). This sentiment was reiterated during [a January 15 meeting](#) of North Korea's Supreme People's Assembly (SPA), where the country's constitution was ordered to be rewritten to label South Korea as its "[principal adversary](#)."

Subsequently, public symbols promoting peaceful reunification in North Korea [were dismantled](#) and references to it [were deleted](#) on state media outlets. Additionally, [three inter-Korean cooperation organizations](#) —the Korean People's Cooperation Administration, Kumgangsan International Tourism Administration,

and the Committee for the Peaceful Reunification of the Fatherland—were abolished, accompanied by an [increase in North Korean missile tests](#).

Several North Korea experts, including former State Department official Robert L. Carlin and nuclear scientist Siegfried S. Hecker, have [sounded the alarm](#) about the growing potential for conflict. Armed with nuclear weapons and emboldened by challenges to U.S. power in [Ukraine and the Middle East](#), Pyongyang might see this as an opportune moment for large-scale aggression. However, the North Korean leadership may believe that abandoning reunification while avoiding war could bolster its autonomy by freeing it from the democratization constraints linked to the reunification process.

North Korea explored various avenues for peaceful reunification [in the decades following the Korean war](#), including Kim Il Sung's Three Principles of National Reunification [in 1972](#). [The 1980s](#) saw more substantive ideas emerge. North Korea's "Democratic Confederal Republic of Koryo," proposed two regional Korean governments under a confederal government. Subsequently, South Korea put forward its "Unification Formula for the Korean National Community," outlining a three-step model of reconciliation and cooperation, formation of a Korean commonwealth, and establishment of a unitary liberal democracy.

[In 1991](#), North Korea introduced the idea of a "low-stage federation" with regional autonomy, which received a positive reception from South Korea. By 2000, a Joint Declaration acknowledged common elements in both North and South Korea's proposals that fostered an environment conducive to the pursuit of unification.

However, relations between the Koreas began to break down in the 2000s, particularly after the North conducted its first nuclear test [in 2006](#), and have [sourer further](#) in recent years. [Citing](#) the "vicious cycle of contact and suspension, dialogue, and confrontation" and accusing South Korea of using reunification to collapse the North Korean government, Kim Jong Un's policy shift threatens to undo decades of work.

Apprehension about South Korea and the U.S. maintaining a firm stance on North Korea without concessions no doubt motivated Pyongyang to discontinue reunification efforts. The Biden Administration [reversed Trump's outreach policies](#) to North Korea, while [in 2022](#), South Korean President-elect Yoon Suk

Yeol declared it would designate North Korea as the country's "main enemy" following North Korean missile tests.

The U.S. and South Korea later launched the U.S.-ROK Nuclear Consultative Group (NCG) [in 2023](#) to strengthen deterrence and cooperation on nuclear and contingency planning, while Yoon stated [in December 2023](#) that a "nuclear-based, powerful Korea-U.S. alliance" would be formed to deter Pyongyang. Additionally, greater [military cooperation](#) under Biden among South Korea, the U.S., and Japan may have further incentivized North Korea.

Amid worsening relations with its adversaries, North Korea's foreign policy is [increasingly aligned](#) with its major partners. Russia and China, once occasional collaborators with the U.S. on North Korea issues, [have hindered U.S. measures](#) against Pyongyang as their own relations with Washington have worsened. Widespread sanctions on [China](#) and especially [Russia](#) in recent years have prompted them and other countries to work around the sanctions through increased mutual trade and assistance with North Korea.

North Korea [came to rely on China](#) after the collapse of the Soviet Union but has strengthened its partnership with Russia since the start of the Ukraine war. South Korea's support for Ukraine saw Russia include it in its list of "[unfriendly countries](#)," easing Moscow's limitations on aiding North Korea's military. In return for [receiving](#) energy, food, and space and weapons technology, North Korea has supplied [missiles](#), [artillery](#), and other weapons to Russia.

Military assistance to North Korea meanwhile allows Russia to raise the security costs for the U.S., South Korea, and Japan, which Russia declared in January 2024 were [preparing for war with North Korea](#). Boosting North Korea's abilities may distract the U.S. from aiding Ukraine and complicate its efforts to [deter increasing Chinese activities](#) around Taiwan and the South China Sea.

Washington has also intensified attempts to sanction numerous countries to a level not seen in decades. The [increasing number](#) of countries attempting to [circumvent traditional networks](#) may have persuaded North Korea that it is no longer as susceptible to isolation from the global economy as it was in decades past. Utilizing Russia as a conduit, North Korea has already increased engagement with other sanctioned states [like Iran and Syria](#).

In recent decades, the waning of the prospect of Korea's reunification has also

paralleled a global trend. Country unification has become [increasingly rare](#) compared to state fragmentation. The last two major reunifications, Germany and Yemen, occurred in 1990, with the reunification of East and West Germany often cited as a model for Korea. But the absorption of the far smaller East Germany by the [far larger](#) West Germany contrasts to South Korea's population being [only double that of North Korea](#).

Familial links between North and South Korea have also dwindled significantly since 1953 and [income gaps](#) have widened. Bringing East Germany up to West German social standards has meanwhile cost [more than \\$2 trillion](#), with [lingering cultural differences between them](#)—challenges that will be even more pronounced in Korea. And in contrast to Germany's relative success, Yemen's reunification attempts since 1990 have been marred by [ongoing violence and instability](#).

Faced with these realities, [growing numbers](#) of South Koreans, [particularly younger generations](#), no longer want reunification with the North, trends that may solidify as the population difference between the two countries may reverse by the [end of the century](#).

Concerns remain that though North Korea may not actively pursue forceful unification, there is a potential for an escalation in destabilization tactics. [In 2010](#), a suspected North Korean missile sank the ROKS Cheonan, a South Korean naval vessel, killing 46 servicemen. [Months later](#), North Korean shelling of Yeonpyeong Island left two South Korean servicemen and two South Korean civilians dead. Although full-scale conflict was avoided, South Korea's government may now not show as much restraint, and North Korea has increased its shelling near Yeonpyeong Island in recent weeks.

With Washington distracted in Ukraine and the Middle East, it has become harder for it to effectively punish North Korea for missile launches and military posturing. But open conflict or serious escalation might be deemed too risky by Kim Jong Un. While Russia and China may welcome distractions from their own territorial ambitions, a flare-up in the Korean peninsula may be too close to home for Moscow and Beijing.

Recognizing the aversion of major powers to the instability associated with the collapse of a nuclear-armed North Korean government, Kim may choose to test the U.S. and South Korea without the allure of reunification as a bargaining chip.

Distracting Washington but steering clear of serious escalation would ensure his long-term rule and is an approach that both Moscow and Beijing could support.

Capitalizing on perceived greater leverage, Pyongyang [has reverted](#) to the [Cold War-era strategy](#) of playing Moscow and Beijing off one another. Following North Korea's foreign minister's visit to Moscow in January 2024, state media invited Putin to Pyongyang, dubbing him "[the Korean people's closest friend](#)," language usually reserved for China. But in contrast to the later stages of the Cold War, the [foreign policy alignment](#) of North Korea, Russia, and China against Washington has made confronting them more formidable.

[In 936](#), the Goryeo dynasty managed to reunify Korea after centuries of division. Today, North Korea's recent policy shift has halted Korea's current reunification process, shaping a new chapter in the peninsula's history. South Korea now faces the crucial decision of upholding its reunification policy and championing [pan-Korean nationalism](#), or abandoning these ideals and more permanently dividing the two countries. Seoul's decision to downsize and repurpose the Ministry of Unification [in mid-2023](#) offers some insight into the direction it is leaning.

Though the prospect of reunification could return, the joint admission of North and South Korea to the UN in 1991, while still committed to reunification, hints at the early stages of consideration of abandoning reunification as a policy. Committing to the policy reversal will fundamentally alter Asia's geopolitical landscape and reshape bilateral ties, and already appears to be bringing the threat of conflict closer.

Yet should North Korea's policy shift solidify, [abandoning reunification](#) "theoretically opens the way to diplomatic relations, mutual recognition, and even the establishment of embassies" between the two Koreas. Pyongyang, Seoul, and outside powers could transform the decision to abandon reunification from a crisis into an opportunity—provided collaboration, a commitment to diplomatic resolution, and an avoidance of escalation are recognized as a collective responsibility.

*By John P. Ruehl*

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# **Pakistan Election Aftermath: Coalition Government, Economic Challenges, And The Struggle For Substantive Solutions**



*The Parliament House ~ Islamabad*

*02-19-2024 ~ Pakistan's recent elections led to a PML-N and PPP coalition, overshadowed by economic challenges and a focus on personalities. However, the overarching question persists: can these parties provide a substantial alternative for the people?*

On February 8, 2024, Pakistan conducted its parliamentary elections with 44 political parties contesting for 265 seats in the National Assembly. This marked the 12th general election in the country since it gained independence 76 years



ago.

After the announcement of results on February 11, the Pakistan Muslim League-Nawaz (PML-N), under the leadership of Nawaz Sharif, and the Pakistan People's Party (PPP), led by Bilawal Bhutto-Zardari, joined hands to form a government. Both of these parties were not able to reach the majority mark. Nawaz Sharif put forth his younger brother, Shehbaz Sharif, as the nominee for the position of Prime Minister.

### *Parties and Regional Results*

Pakistan's National Assembly comprises 336 seats, and elections were conducted for 265 seats. The election for one seat was postponed after the death of a candidate, while the remaining seats (60 for women and 10 for minorities) were reserved for members of those groups and allocated based on the proportional representation of parties in the election results.

According to the Election Commission of Pakistan, the independents supported by now-jailed Imran Khan's party Pakistan Tehreek-e-Insaf (PTI) secured [93 seats in the National Assembly](#) . Pakistan Muslim League (Nawaz), headed by former Prime Minister Nawaz Sharif, attained 75 seats. The Pakistan People's Party led by former Foreign Minister Bilawal Bhutto Zardari obtained 54 seats. The Muttahida Qaumi Movement (MQM), a party based in Karachi, made a noteworthy comeback, winning 17 seats in the polls, and has pledged full support to PML-N. The remaining 26 seats were secured by others.

In the provincial elections, candidates from PML (N) won 138 seats in Punjab while independents backed by PTI won 116 seats. Additionally, the PPP secured 10 seats and later offered support to Nawaz Sharif's party. PTI-backed candidates won a majority in Khyber Pakhtunkhwa, securing 84 seats out of 113. In Sindh, the PPP obtained a majority by winning 83 seats out of 130, while Balochistan voted in a hung assembly.

Maryam Nawaz, the daughter of Nawaz Sharif, made history by being the first woman to be nominated as the Chief Minister of Punjab province in Pakistan.

### *What Led to PTI's Revival?*

These elections occurred against a backdrop of broad public dissatisfaction directed at the previous government headed by the PML (N) and PPP. The discontent stemmed from their inability to control the prices of essential

commodities and address the economic challenges faced by the majority of Pakistanis.

Furthermore, the arrest of Imran Khan, his involvement in [multiple legal cases](#) , the prison sentences he received, and his party losing its election symbol added to the prevailing chaos. Nevertheless, the public perceived the targeting of Imran as an assault on democracy, mobilizing support and playing a significant role in the PTI's performance. Pakistanis expressed dissatisfaction with the military's role in politics, seeking change and a genuine democratic system. Imran Khan emerged as the preferred candidate to fulfill these aspirations.

### *Issues in the Election*

In Pakistan, a primary concern for voters centered around the burning issue of inflation, a critical factor that has significantly eroded real wages. A real wage is the income that an individual receives for their work, adjusted for inflation. The average real wage has seen a substantial decline in Pakistan, plummeting by [13 percent in the year 2023](#) alone, increasing financial strain on the people.

The industrial sector of the country is in a downturn, with the high costs of inputs acting as a major barrier. The manufacturing output of large industries witnessed a staggering [15 percent year-on-year contraction in June 2023](#), due to the high cost of doing business. Moreover, the broader economic scenario from July 2022 through June 2023 indicates an overall industrial decline of 10.26 percent, pointing towards the intensity of the challenges faced by the manufacturing sector.

The imposition of stringent austerity measures mandated by the [International Monetary Fund \(IMF\)](#) and the transition toward market-based prices have further constricted Pakistan's capacity to navigate economic challenges effectively. This shift in economic policy has not only impacted the purchasing power of citizens but has also intensified the economic hardships faced by businesses, particularly in the manufacturing domain which is the highest creator of employment opportunities.

Adding to the complexity is the absence of a comprehensive plan for reindustrialization, leaving the economy without a clear roadmap to revitalize its industrial base. The allocation of a substantial portion of the budget, approximately [\\$17 billion](#) , to subsidies that primarily benefit a privileged elite



increases the economic disparities within the country. Concurrently, the persistently high unemployment rate, currently standing at 8 percent, underlines the challenges faced by ordinary people.

Collectively, these issues underscored the intricate economic landscape in Pakistan, where concerns about inflation, industrial decline, austerity measures, and the distribution of resources played pivotal roles in shaping voters' perspectives and influencing their choices.

However, a notable positive outcome from the recent elections is the limited influence of religious parties, with their representation remaining below 10 seats. This suggests a preference among voters for a more secular and inclusive political landscape, emphasizing national interests over religious affiliations.

The recently held Pakistan election, considered one of its most significant, experienced a substantial voter turnout despite lingering doubts about its fairness. Before the polls, concerns were raised regarding the fairness of the Election Commission, which denied PTI its symbol and the consistent 'persecution' of Imran Khan. [Several petitions challenged](#) constituency results post-general elections, citing issues with Forms 45 and 47, crucial in Pakistan's electoral process. Form 45, recording votes at polling stations, includes vital details submitted to the Returning Officer for final results. Form 47 offers a provisional overview before official confirmation, consolidating Form 45 data. PTI raised concerns over their polling agents not being provided Form 45 and significant discrepancies between Form 47 results and detailed Form 45 information in several cases.

The appeals for unity from both political and military figures underscore the strained civil-military relationship. Unfortunately, none of the political parties presented a substantive alternative agenda. Critical issues have taken a back seat in the discussions. Instead, the focus had shifted disproportionately toward the personalities of Imran Khan and Nawaz Sharif, turning the entire electoral narrative into a contest of charisma.

Asif Ali Zardari is poised for a potential second term as president. Imran Khan has cautioned against the "misadventure" of establishing a [government based on "stolen votes,"](#) asserting that such electoral manipulation would not only disrespect citizens but also worsen the country's economic decline.

Uncertainties persist regarding tangible benefits for the people, including increased income for farmers and workers as promised, the prevention of government overthrow by the military, and potential surprises from Imran Khan. Amidst numerous questions, answers remain elusive, leaving the population to confront challenges while elites build their castles.

*By Pranjali Pandey*

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*Source:* Globetrotter

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# **We Can Interpret How Cooperative Or Autocratic Mesoamerican Societies Were From Their Systems of Communication**



02-19-2024 ~ The modes of communication that a society uses can tell us a lot about its political structure. A research study [we published in 2022](#) revealed distinct modes of communication and administrative recordkeeping in autocratic and collective social governance among a sample of urban societies from pre-Hispanic Mesoamerica, where writing was initially developed for political purposes. Each society had its unique

communication system, but the patterns were clear enough to identify where a particular society belonged on the authoritarian-collective continuum.

We found that writing methods and computational communications technologies were more elaborate in societies with an autocratic model of governance, whether it was administrative recordkeeping or related to the calendar. In these autocratically organized societies, access to written information tended to be more restricted, focused on communications mostly privy to high-status individuals. On the contrary, in the more collective and cooperative societies, written texts were located in publicly accessible areas, and conveyed general information through symbols that were more broadly part of common knowledge and core shared values.

Teotihuacán in Central Mexico and Maya states, two better-known urban societies in pre-Hispanic Mesoamerica, serve as useful comparisons. Teotihuacán had a more collective organization, while the roughly contemporaneous Classic Maya civilization had many hallmarks of autocratic rulership, such as the institution of divine kingship. Teotihuacán glyphs, which were limited in number, had texts that were short and rare, and they generally were placed in public places and concerned shared themes, such as cosmology and fertility. In contrast, the Maya texts were frequently situated in restricted places, largely accessed by people of high status, and often concerned topics like the legitimation of authority and rulers.

These patterns are exemplified by the two calendric systems. The Classic Maya used a Long Count, which was a highly accurate and detailed system for counting temporal cycles both backward and forward, with the primary objective of situating kings, queens, and other powerful individuals within long cycles of time. The Long Count, which tracks time in a series of cycles was a privileged technology of timekeeping and required training and knowledge to understand, and therefore was largely the domain of people with high status.

On the other hand, the calendric cycle used at Teotihuacán was easily transferred and collectively recorded by a wide range of social sectors and served mostly to track annual cycles, most likely to situate seasonal rituals and mythic narratives. It was an “open access” system that was more accessible to a broader segment of society. When the Classic period Maya lords lost their power and dispersed, many of their more overtly political writing and calendric practices largely were lost or

simplified and writing of the subsequent Postclassic period shifted to emphasize ritual cycles and group actions over individualized ones. The shorter-term cycles of the Calendar Round were employed before and during Teotihuacán's history and had widespread application across the Mesoamerican world after the fall of that Central Mexico metropolis.

*By Gary M. Feinman and David M. Carballo*

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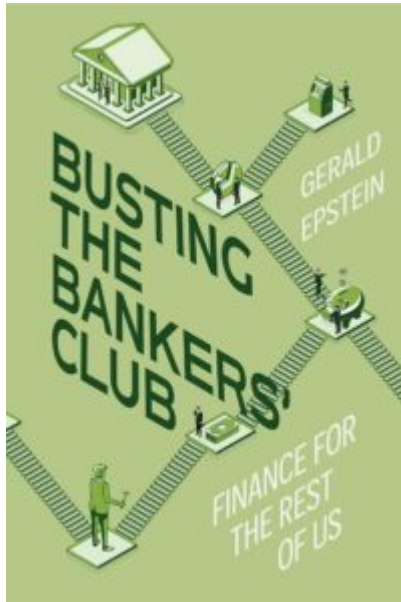
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*Source:* Human Bridges

*Credit Line:* This article was produced by [Human Bridges](#).

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# **To Democratize Finance, We Must Take The Banks Away From The Bankers**



02-18-2024 ~ Progressive economist Gerald Epstein explains how we can build a banking system that puts people over profit.

Our current banking and financial system has transformed politics in favor of the rich, debilitating democratic institutions, destroying the common good and hurting the poor in the process. In this context, the challenge we face is to end plutocracy and restore democracy.

It is this challenge that world-renowned progressive economist Gerald Epstein brilliantly elucidates in his pathbreaking book [Busting the Bankers' Club: Finance for the Rest of Us](#) and which he discusses in this exclusive interview for *Truthout*.

One possible way to accomplish this dual feat is by creating an alternative banking system that democratizes finance. In fact, the movement for public banking — a system where banks are owned by the people rather than the wealthy elite — is gaining momentum in many parts of the country. Just this month, a blueprint for the implementation of a public bank in the state of [New Jersey](#) was submitted to Gov. Phil Murphy.

In the interview that follows, which builds on our previous conversations about how “[SEC’s Approval of Bitcoin Markets May Set the Stage for Financial Disaster](#)” and how “[A Growing Number of Economists Are Joining the Fight to Rein In the Big Banks](#),” Epstein addresses the issue of democratic finance, including the advantages that it offers as well as the challenges that it faces in a society where money dominates politics. Epstein is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts Amherst.

*C.J. Polychroniou: Jerry, in your recently published book Busting the Bankers’*

*Club you highlight the need for changes to the current financial system that go beyond regulation. As you write, “we need banks without bankers.” You propose public banking as the best way toward creating “a financial system that works for all of us.” What are the advantages of public banking, or having banks without bankers?*

*Gerald Epstein:* There are numerous advantages to having more public banks in our financial ecosystem. But before I discuss these advantages, let me explain what I mean by public banking or “banks without bankers.” Many public banking advocates and activists define “public banks” as banks that are owned by governments — federal, regional, state or local — and that are tasked with serving a public mission.

This is a fine definition but when I use it, I mean something a bit broader: I include government-owned financial institutions, but I also include any financial institution for which maximizing profit is not the main goal. These banks must have a main mission that entails pursuing social goals such as community economic development, the promotion of environmental justice or promotion of cooperative economics. These banks might be purely government owned, but they might also be public-private partnerships. The key is that the “mission orientation,” not profit, has to be dominant.

As [Thomas Marois](#) has shown, there has been a resurgence in the creation and use of public banks around the world. There has also been a strong [public banking movement in the United States](#), especially since the great financial crisis and the Occupy movement. As my former graduate student Esra Nur Ugurlu and I discovered when we did a [survey of public banking activists](#), they pursue a number of goals in their attempts to establish public banking institutions: to provide affordable banking services to underserved communities, to invest in key social goods such as affordable housing, to provide more credit for cooperatives and small business, to promote environmental sustainability and fight against climate change.

The potential contributions of public banking to help solve these problems are many. First of all, private banks avoid making investments in these areas because they are perceived to be too risky or not profitable enough. It will largely take financial institutions with a public mission and mandate to make significant progress on many of these challenges.



Second, public banks can provide an alternative to overcharging, speculative mega banks such as JPMorgan Chase and Bank of America. This will help society and the government to be less dependent on these “too big to fail” institutions and, in fact, can make it somewhat easier to just let them go by the wayside.

Third, by leveraging the financial power of the state, and by avoiding having to pay high returns to shareholders or massive salaries to bankers, these public financial institutions can provide basic financial services more cheaply.

Finally, because these public financial institutions will typically not face pressures from shareholders and highly paid management and traders to pursue maximum profits and bonuses, these institutions will take on less speculative and risky investments and be a stabilizing force in financial markets. Further, the governance structures of public banks are typically much more democratic and broadly representative than that of private for-profit banks. Most public banking initiatives have stakeholder and community representation on their boards of directors and/or advisory boards.

*What are the challenges facing public banking, and what progress has been made so far towards public banking and finance?*

Public banks come in various sizes and locations, and have various structures, procedures and functions. Public banking activists Ugurlu and I interviewed described a number of challenges they faced in their attempts to set up public banks. But one thing they almost all have in common is that they face serious pushback from the major private banking institutions and their allies, that is, from the “Bankers’ Club.”

The American Bankers Association (ABA) and local banking organizations routinely oppose legislation to establish public banks. The [ABA](#) position on public banks is as follows:

“The US has a healthy banking system with approximately 5,500 banks that offer a diversity of financial products and services to consumers, businesses and state and local governments. Creating a public bank would not only be redundant in the current marketplace, where financial offerings already efficiently meet customer needs, but potentially dangerous — placing taxpayer funds in institutions that may not have deposit insurance and whose business decisions will be driven by political priorities instead of sound risk management.

Numerous studies on the viability of public banks support the conclusion that they are not necessary, pose a significant risk to taxpayers, and would not provide an overall benefit to the state and local governments they are intended to serve.”

Virtually every sentence in this statement is false, but that does not prevent the ABA’s negative impact on the politics of public banking.

The private banks fear competition, and they fear a slippery slope movement to more public financial institutions and away from private, for-profit ones. There is also often a lack of understanding and interest among the public about the positive roles that public banking can play in their community.

In addition, increasing skepticism about government’s role in society can lead even critics of the big financial institutions to embrace private “solutions” such as cryptocurrency instead of public, community initiatives like public banking. Sometimes those in state government oppose the creation of public banks because they are worried about bank failure, or even the creation of financial institutions outside of their control.

Apart from these political and ideological obstacles, there are a number of rather specific logistical obstacles that public banks face. Ugurlu and I asked public banking activists to describe the major obstacles they faced. These included, first and foremost, acquiring the initial capital needed to start the bank; a continuous source of funds that they can use to lend to the target borrowers; a source of liquidity and financial backup, such as the Federal Reserve System might provide, that they could depend on in cases of unexpected adverse shocks; and community support for their activities.

There are some other factors that we thought would create challenges, but our interviewees did not mention them as important: These included skilled administrators with banking experience and employees who would be interested in working for the bank.

*Just this month, the New Jersey Public Bank Implementation Board submitted a blueprint for the creation of a public bank to Gov. Phil Murphy. So, it seems that public banking efforts are indeed gaining momentum and clarity. But would these public banks help cities and state governments keep money away from Wall Street?*

Yes, public banking activists are working in a significant number of states in the U.S. Public banking is also widespread in other parts of the globe. Many of these activists have proposed public banking institutions based on the model of the Bank of North Dakota, the only state bank in the U.S. (There is also a new public bank in Guam, with the motto: *“The better-for-all-of-us bank: Reinvesting in the communities we serve.”*)

The Bank of North Dakota, started by populist activists in 1919, operates on the partnership model: The bank does not take deposits from the public, but rather holds tax funds from the North Dakota Treasury; it does not typically lend directly to final borrowers, but rather lends to “partner” banking institutions who then on-lend to direct customers such as small businesses, housing developers, farm cooperatives, and the like.

The partnership model is being adopted by a number of public banking activist groups, including those in Massachusetts and New Jersey. This partnership model is designed to reduce competition with private financial institutions, with a focus on assuaging the concerns of smaller banks. Moreover, by lending cheaper credit to smaller community banks and helping to provide training for smaller, less experienced borrowers, some public banking models are able to help smaller community banks widen their customer base.

Still, these types of public banks, relatively small as they are, will not reduce these states’ reliance on Wall Street significantly, for example, as far as underwriting infrastructure bond issues and these kinds of financing needs are concerned. But they will help underserved borrowers and meet neglected community needs.

To really be able to compete with Wall Street and the big banks, public banks will have to become larger and more numerous. [The Public Banking Act](#), a federal bill filed by Representatives Alexandria Ocasio-Cortez and Rashida Tlaib, would, if passed, provide a federal regulatory infrastructure, liquidity support, and other assistance for public banks, making the establishment and running of such banks easier and likely to be more successful.

But placing public banking on a more level playing field with the big Wall Street banks will take a lot more than this. After all, the federal government has been bailing out these mega institutions several times to the tune of trillions of dollars

over the last 40 years or more. Public banks have some catching up to do.

*In your book, you argue that the Federal Reserve can be seen as having the potential to act as a national bank and thus play an important role as an agent of economic development in an era of climate change. Is this a realistic expectation given the model of capitalism that prevails in the U.S. economy and the power of the Bankers' Club? Indeed, can the Fed ever become more accountable and democratic when the political system itself is dominated by money and makes a mockery of democracy?*

The Federal Reserve is the biggest and most powerful public bank we have. Indeed, it is probably the most powerful public bank in the world. Yet, for the most part, it is overly focused on supporting the private financial institutions and markets, including engaging in trillion-dollar bailouts of banks and other financial institutions on what seems to be an increasingly frequent basis.

The Fed should have a broadened mandate to play a role in promoting the transition to a green economy, directly or indirectly increasing capital for underserved communities, and supporting the growth and reach of public banking. The debate over the role of the Fed and a public bank more generally has been a staple of U.S. history, and it is time that we keep it going and increase our calls for a truly public Federal Reserve.

Activists have made some progress around the edges: They have successfully broadened the representation on the Regional Federal Reserve's boards of directors to include fewer bankers and more community members; and during the height of COVID-19 crisis, through their influence on members of Congress, they won concessions from the Fed to include some small business and community credit facilities in their emergency bailout activities.

Yet, as you say, as in previous periods, there is enormous opposition, especially from the Bankers' Club, to altering the orientation of the Fed. Still, the Fed is a creature of Congress, and, in principle, Congress can change the Fed's mandate and marching orders. But to succeed here would require more progressive control in Congress which, in turn, would require the protection and expansion of real democracy in the U.S.

The key here is to limit the role of money in politics, but, as political scientist Doug Amy describes on his enormously valuable website, [Second-Rate](#)

[Democracy](#), restoring democracy will require much more than that. And now, with the threat of fascist Trumpism, our democracy is even more endangered.

*Reform or revolution? Which strategy would work best toward enhancing the prospect of radical financial and social restructuring?*

In a sense we need both. Where to start? Some believe we need to wait for another great financial crisis to sufficiently shake up the system, to generate enough anger and disgust, to generate a revolutionary moment to transform the economy, with finance along with it. I point out in the last chapter of my book that this is a problematic strategy since we have many cases, some as recent as the great financial crisis, when crises move politics to the right, not just to the left.

I urge people to join up with one or more of the Club Buster groups around the country (or world), for example [Americans for Financial Reform](#), or a [public banking](#) initiative, or [anti-fossil fuel funding activism](#), or work for politicians who will fight fascism and protect democracy.

Winning these battles will weaken the Bankers' Club, encourage reformers and activists, and enhance their power to change our economy in more comprehensive ways — even revolutionary ways. At least, this is my hope.

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primary authors, 2020); *The Precipice: Neoliberalism, the Pandemic, and the Urgent Need for Radical Change* (an anthology of interviews with Noam Chomsky, 2021); and *Economics and the Left: Interviews with Progressive Economists* (2021).

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# How Three New Museums Are Teaching The World About A Paradigm Shift In Our Understanding Of Human Origins



*April M. Short*

02-14-2024 ~ *New findings and significant advances in research have scientists rethinking our origins, and museums around the world are working to catch the public up.*

Breakthrough anthropological and scientific findings have allowed researchers to better trace the outlines, and begin to fill in the blanks, of the human evolutionary story in recent decades. We're now able to trace the long threads of the social and cultural processes that produced today's world. Humanity has the potential to be stronger and more resilient as we use our history as a guide to understand ourselves and visualize the future.



The story of our roots as a species, it turns out, is much longer and more complex than experts previously imagined. The common narrative of our early cave-dwelling ancestors as dunderheaded brutes is out of date and inaccurate.

Several new museum exhibits around the world are working to fill in some of the gaps around the past and update the public on the many advances in what we now understand about our origins. One hope at the foundation of many of these new exhibits is that by helping people to understand the long past, we may better understand our current moment as a species, and navigate ways forward together.



*Museo de la evolución humana - Burgos Source: es.wikipedia.org*

### *Rethinking Our Origins in Burgos, Spain*

The [Museo de la Evolución Humana](#) (Museum of Human Evolution) in Burgos, Spain, brings more than 40 years of [research](#) from excavations in the nearby archeological site of Sierra de Atapuerca to the public. Antonio José Mencía, director of communications for the museum, notes that more than 100 doctoral theses and 1,000 scientific articles have come out of the site, making the Atapuerca project an unparalleled reference in the field of human evolution. The museum serves as a means to share the breadth of insights and knowledge from the research with people in a way that is both accessible and educational.

“Having access to this data and the latest research allows us to build updated discourses aimed at visitors,” Mencía says. He shares that the museum opened its doors in 2010 at the behest of the co-directors of the Atapuerca Research Team. The researchers had been systematically studying humanity’s evolutionary origins

for more than 30 years—with their discoveries published in magazines such as Nature and Science—and they had long desired to share what they were finding more widely with the public.

With support from the city council and community of Castilla and León, the museum opened with an entire floor dedicated to the main discoveries, showing original fossils from the surrounding region.

Mencía says that among the scientific studies carried out as part of the Atapuerca project in recent years, those focused on the first arrival of human groups to the Eurasian continent are particularly important, as they place these first arrivals at more than a million years ago.

“...[R]emains of a new species called Homo antecessor were located in 1994, breaking one of the paradigms about the first occupations of Europe being more than half a million years old,” he says. “Within the same mountain range, at another site called Sima del Elefante, researchers are currently working on a level dated to around 1.4 million years ago where part of the face of a [hominid they called Pink](#) [after Pink Floyd] was recently found [in 2022] whose species is yet to be determined.”

Pink is, to date, Europe’s oldest human fossil. Mencía shares that the study of other sites, such as the [Sima de los Huesos](#) cave, has made it possible to confirm concepts about the hominids known as “pre-Neanderthals”—including the fact that these ancient ancestors already had symbolic capacities.

“Very unique aspects have been worked on, such as the sequencing of mitochondrial and nuclear DNA in these populations that are around 400,000 years old,” he shares. “In the [Galería de las Estatuas](#), DNA sampling has been carried out on the sediment itself to genetically sequence the Neanderthal populations.”

In other remarkable sites from different periods, such as [Portalón de Cueva Mayor](#), which is located in the Atapuerca mountain range, researchers have been able to cite the establishment of some of the oldest agricultural and livestock productions in Western Europe, Mencía says.

In the museum, all the new information and research is adapted to educational formats and activities and is designed to reach the largest possible audiences,

Mencía adds.

“Visitors who come to the Museo de la Evolución Humana have the opportunity to learn about these updates firsthand through different educational resources, such as ‘micro-explanations,’ provided in different areas of the museum by the educational care staff,” he says.

The museum adapts and updates the discourses presented to visitors as new research on human evolution emerges—something that has been happening at a relatively rapid pace over the last few decades. Online, visitors can explore the latest information in a detailed [online archive](#) as well as [mini educational guides](#), which are free to download and are available in both Spanish and English.

Mencía shares that new technologies and social media networks have allowed the Museo de la Evolución Humana to reach a wider audience in recent years. The museum has put out a wide variety of [educational video resources](#) that are available on various platforms, such as YouTube, TikTok, Facebook, and Instagram. All of these educational resources were created using universal accessibility criteria, he says, noting that easy-to-read guides and the informaMEH project both provide options for sign language as well as subtitles.

Archaeology, biology, and paleontology are advancing at great speed, he notes, and surprising discoveries may emerge, but he urges patience, as “it will take time for the scientific community to approve them.”

“In our museum, we try to collect these advances in the form of conferences, exhibitions, etc. but we must be very cautious in implementing them definitively, as we are seeing that everything changes—from the arrival of the first sapiens in Europe or America to the appearance of some species still undetermined, or the origin of another,” he says. “We deal in figures and dates that range between tens of thousands of years. We must have patience not only for our origin but also for its understanding.”

Mencía says looking at the past may allow us, “to learn from the good and move away from our mistakes, although in our species it is very easy to make the same mistake twice.”

“Pride is almost part of the human condition—they say it will die after us—and that is why wars have not ended, and we fail to take seriously the problems that

we see as distant, or for future generations,” he says. He adds that while we humans have a lot of experience with repeated mistakes, we also have the free capacity to rectify and change our ways.



*Iziko South African Museum - Cape Town - Source: [iziko.org.sa](http://iziko.org.sa)*

### *Rewriting the Human Story in Cape Town, South Africa*

The [Humanity exhibit in the Iziko South African Museum](#), in Cape Town, is rewriting the human evolutionary story by asking visitors to consider their own role in the human collective.

The Iziko South African Museum initially opened in 1825, and like many museums of its era, for many years it told the story of human evolution from the point of view of primarily—perhaps exclusively—white, male explorers.

“We realized that the story of our origins was mostly only told from the point of view of the white explorer, making the content exclusionary for much of the South African public,” says Wendy Black, Chief Curator of Art and Social History at Iziko Museums of South Africa.

In her first few years as curator, Black says she realized the need for “telling the story of human evolution alongside the archaeological story.”

She stepped into her role at the museum after completing a PhD in bioarchaeology at the University of Cape Town in 2014, and she expanded on her research interests to encompass Indigenous rights and helped develop an active and transformed Archaeology Unit at the museum. As her role at the museum grew, she became a member of the board at the Human Evolution Research Institute (HERI).

“It was important to have the museum participate [in HERI], to improve public awareness around human evolution, help with the school curriculum and train teachers on how to teach the topic, and help grow the discipline by mentoring future archaeologists and paleoanthropologists, particularly Black women,” she says.

She began to develop the Humanity exhibition, first through various iterations on paper, then through discussions with the HERI team, in what became a collaborative effort.

“Together we developed new ways of telling the origin story with a focus on you and how you fit into that story. It also focuses on why Africa is so important.”

The Humanity exhibition opened in September 2023, and largely focuses on human inclusivity.

Black shares that the exhibition asks an overarching question: how do you fit into the human evolution story, and can you see something of yourself in our deep past?

“This question doesn’t only relate to how you look—biology—but also includes culture and technology,” she says. “Human evolution has always been told from what has been found in the past to the present. We undo that and start telling the story of human evolution today.”

In order to do so, the exhibition’s creators focus on DNA, which Black notes “is also important as we start looking at our ancestry, particularly, with current research trends.”

Black shares that the key understandings the exhibition’s education programs focus on include:

*“Human variation today:* Humans in South Africa and Africa are diverse in terms of how we look (skin color, tall, short, hair color, eye shape, etc.), how we live (environment, culture, locations, racism, experiences, emotions, and language), and what we are made of (DNA; genetics; skin, bones, and muscles), which also reflect our ancestry. But we are 99.9 percent the same biologically. Skin color i.e., melanin production, is a trait that is an example of human variation. We focus on skin color in the exhibit as it is generally one of the first things we notice about

people around us and it has played an important role in the history of South Africa (and Africa, more broadly). But race defined by skin color is a social construct, not a scientific one. We also reflect on the fact that although humans vary a lot in terms of traits, like skin color, there is only one human species as defined by our DNA.

*Humanity has deep, shared roots in Africa:* A section of the exhibit focuses on the last 400,000 years of modern human evolution. We show that humans were living in lots of different places across Africa and beyond and that, like today, we would have been diverse. Human ancestors mixed, just like we do today, forming a connected ancestry that unites us in deep time. We have been humans for a long time (and came from many different places), which is interesting because it shows success and resilience, but also that we've been interconnected for a long time. What you thought was true isn't. We're not actually divided and haven't been for a long time. Not only are we connected biologically but there is also a strong cultural connection. Just like us, our ancestors were clever, creative, and technologically innovative, also demonstrating spirituality, art, or symbolism. Although these traits might take different forms, these are the threads that connect us all in the past, as they do today.

*Human evolution is like a braided stream:* The infamous "ascent of man" image of human evolution is wrong. Not only because we no longer refer to all humanity as "mankind" but rather as "humankind," but also because the evolution of our species was not linear or anagenetic. Instead, different groups migrated and mingled, coming together and separating again, over hundreds of thousands of years, much like a braided stream. DNA evidence shows how genes flowed between different human groups through time, and this combined with natural selection, mutation, and random events shaped our species."

"It is important to understand aspects of human evolution so that you feel a part of humanity," Black says. "So many people feel isolated, excluded, or discarded because of the way they look or what culture they practice. By understanding human origins, people will see that we are all more united than divided in so many ways."

Race and racism are discussed strongly in the exhibit. Black says this is because "the foundations of how we have studied and understood human evolution and paleoanthropology, in general, have been racist."



“Much of the past research was based on race-based scientific study and the ideas of race were perpetuated by this research,” she says. “This filtered into South African legislation, for example, leading the country on a path of legitimized separation of perceived races (apartheid). We show that race is not real, but racism is, and this is an important lesson many humans need to learn.”

In addition to updating the narratives around evolution and humanity’s shared roots, the Humanity exhibit made strides in developing content and design style in collaboration with a large collective of people.

“We consulted with all local communities and diverse population groups to see what everyone would want to see in the human evolution exhibit, and how they would like to see it,” Black says, adding that this led to the development of specific design principles implemented in the exhibition, such as sustainability, the feeling of fluidity, interconnectedness and weaving through time, and the inclusion of the soil/earth.

She notes, for example, that to demonstrate “weaving through time” the curators “built a grass-weaved structure to help illustrate this, be truly African, and make people feel held in the space.” And objects on display in the exhibit “rest in soil from the regions where the objects were first unearthed.”

The exhibit also includes the ability for visitors to touch real objects.

“We have a wall of hand axes that people can touch to connect to something Homo erectus made, and to toolmaking,” Black says. “We also have fossil casts on display that people can touch.”

Black adds that the Humanity exhibit was a collaborative effort and the museum worked with local artists, “who brought their own sense of style and spirituality to their artwork.”

One example of this she shares is the work of street artist [Mak1One](#), who uses a braided stream metaphor in his art, which is displayed at the end of the exhibit.

“The exhibit is both a scientific and cultural experience where the visitor can feel a part of humanity on a large scale, seeing how they came to be and why.”

Overall, she shares that the Iziko Museums of South Africa are trying to make all of their exhibitions more approachable and inclusive.

“We are steering away from Western-style exhibits and applying a more Afrocentric style, view and focus in the hopes of making our museums an exciting place to visit for locals and foreigners alike,” she says, adding that “[HERI continues](#) to build South African science by South African women through groundbreaking research and mentorship.”



*Museum of US - San Diego*

*Source: en.wikipedia.org*

### *Relinking the Past, Present, and Future in San Diego, California*

For its first 100 years or so, San Diego, California’s [Museum of Us](#) was a traditional anthropology museum called the San Diego Museum of Man. Like many anthropology museums of its time, the original Museum of Man exhibited cultural materials from exoticized ancient civilizations like those from the Mayans, Incas, and Egyptians. While this model served the museum well for several decades, Haddan says, by the turn of the 21st century visitorship had dropped significantly.

“More modern demographics of museum visitors just weren’t finding that as engaging,” says James Haddan, the senior director of development and external communications for the Museum of Us. In an effort to connect with people and entice more visitors, the museum began to shift the focus of its exhibits away from individual cultural ethnographies and objects. Instead, it began to highlight cross-cultural themes and universal human traits, grounded in the present day.

Among the first of these new format exhibits, which remains in the museum today, is one called [BEERology](#). It examines the history and present-day art of beer making and beer-related culture around the world. The museum has held public events, including beer tastings to promote the exhibit, and, Haddan says, it was a hit with San Diego locals, as the city has a thriving beer culture and is home to many a microbrewery.

“This was the first shift away from the idea that we were going to have exhibits on cultures X, Y, and Z and the rugs and ceramics that they made, or something like that,” Haddan says. Through beer of all things, people began to draw lines of connection not only to peoples of the past but also to existing people around the world with which they may not have otherwise found commonality.

In 2020, the museum adopted its current name, Museum of Us, with the aim to spark dialogue, self-reflection, and connections centered on the shared human experience.

Haddan shares that the museum’s focus is about “looking for the universal in the particular.”

“Sometimes when you look at something very specific in a community you can have a better understanding of much broader contextual issues that really impact us all,” he says.

Stories of immigration, he shares, are an example of this. The museum hosts the exhibit “[Hostile Terrain 94](#),” which shares narratives from the perspectives of people immigrating to the U.S., with a focus on people crossing the Arizona-Mexico border.

“We tend to hear on the news and in other places, the perspectives of the border police or politicians, but we haven’t heard much of that narrative from the perspectives of the people who are crossing,” he says. “We don’t often hear the human story of what’s happening there.”

Haddan says the stories shared in the exhibit are likely to feel personal and relatable to the more than 21 percent of San Diego residents who are immigrants. And, he points out, immigration is a universal human concept dating back to our ancient prehistoric ancestors.

“There has always been immigration and migration, over thousands and thousands of years,” he says. “It is a universal theme that has created the way humans exist on this planet. It is something that’s really impactful to all of us.”

The exhibit also includes a large map with geolocated toe tags of the individuals who have died crossing the stretch of the border in the Sonoran Desert of Arizona, over a 10-year period. Some of the deceased have been identified, and others remain unknown. Haddan shares that the museum has had public programming for the exhibit in which people fill in the names and ages on the tags, which he shares is particularly impactful because, “you see children’s names, and you see people who died not only due to lack of water, heat, or cold but also due to violence. Suddenly that whole issue [of immigration] feels different.”

“We have a large undocumented population here in San Diego, as well as many people that are related to undocumented folks, and we have never seen those stories told in a museum before,” he says. “That’s one of the reasons why many people don’t often come to museums—because they don’t see themselves in the stories that are told there. We felt, as part of our name change and bigger picture change, that we want to be a place for those stories—stories from communities that haven’t been heard before or have been silenced by dominant cultural narratives.”

As part of the effort to tell the stories not often told in museums, they have adopted a Colonial Pathways policy in which they have committed to returning objects and the stories of ancestors to descendant communities, “if we don’t have permission from those communities to hold those objects.” As there are hundreds of thousands of objects in the museum—most of which came to the museum following archaeological digs—the process will take time, he says.

Also, as part of its efforts to rectify its colonial past, the museum has been working on mending its relationship with the local [Kumeyaay](#) community, as the museum is located on what has always been Kumeyaay land (the Kumeyaay people live in southern California and Mexico). He says the museum is working with the Kumeyaay community on a new version of “a very outdated Kumeyaay exhibit,” which would now be presented from the perspectives of the Kumeyaay community.

The museum has also worked with Mayan-descendant communities to completely overhaul a Maya exhibit that has been in the museum since it opened 100 years ago. For many years, the exhibit was written and shown from the perspective of white, male, and Western university-educated archaeologists and anthropologists. There was no input from the existing communities whose direct ancestors made the ceramics, rugs, etc. on display. For the new exhibit, all of the text was rewritten by the Mayan-descendant community and revamped according to their direct input and oversight.

Haddan points out that in many museum exhibits around the world that feature ancient cultures—be it Mayan, Incan, Aztec, or Egyptian—there is a failure to acknowledge that descendants of those cultures are living today.

“If you just took that exhibit by itself, you would think this was a group of people that no longer exists,” he says. While Mayan-descendant people make up a diaspora around the world, there are also large communities of Mayan-descendant people still living on their traditional lands.

“We took a lot of objects off display because those [Mayan-descendant] community members said they would prefer us not to have them on display. They weren’t asked about these objects leaving their communities.” The exhibit text now tells the story of the objects from the perspectives of these communities.

Some people become upset when Haddan shares the Colonial Pathways policy.

“They get stressed and say things like, ‘You didn’t steal that. Why are you giving it back?’” to which Haddan replies with a question: “How would you feel if someone dug up a cemetery where your grandparents or great-grandparents were buried and then took [their] remains to study scientifically—but they didn’t ask you—how would you feel if that happened to you?”

He says this helps humanize the people who have been harmed by museum displays.

“It’s a way of trying to help people have a more empathetic approach, or trying to center those other people’s feelings.”

An exhibit on structural racism titled, “Race,” is also in the process of being updated as conversations around race continue to evolve, Haddan shares.

He says the Museum of Us tackles issues like race and immigration because it is part of their moral obligation as a museum to do so.

“We take the position that museums by their very nature aren’t neutral,” he says. “I think there’s often been the idea in the past that museums were neutral, and they didn’t speak about or address those concepts,” he says. However, often by staying quiet, or by the very nature of the way a given museum was created, or how its collections are presented, and by whom, museums are taking a position.

“We make it a point to talk about these things,” Haddan says. “And we don’t want to be performative, so we don’t make statements on everything that’s happening in the world.” Instead, he says, the museum typically focuses on specific projects and concepts. The universal in particular.

And, the museum’s larger aim is for everyone to feel a sense of human commonality, so rather than shame people for what was done wrong in the past, they aim to call people into shared experiences and human stories.

“We try to take an approach that isn’t calling people out,” he says. “We really want the museum to be a place for all of us. We want to welcome everybody and hope that maybe you’ll leave feeling a little differently about some things than you did when you walked through the door.”

*By April M. Short*

*Author Bio:* [April M. Short](#) is an editor, journalist, and documentary editor and producer. She is a co-founder of the [Observatory](#), where she is the [Local Peace Economy](#) editor, and she is a writing fellow at the [Independent Media Institute](#). Previously, she was a managing editor at AlterNet as well as an award-winning senior staff writer for [Good Times](#), a weekly newspaper in Santa Cruz, California. Her work has been published with the San Francisco Chronicle, In These Times, LA Yoga, Pressenza, the Conversation, Salon, and many other publications.

*Source:* Local Peace Economy

*Credit Line:* This article was produced by [Local Peace Economy](#).

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# A Growing Number Of Economists Are Joining The Fight To Rein In The Big Banks



02-13-2024 ~ *Big banks have captured the financial regulatory system and are driving inequality. We need to bust their club.*

The fortunes of the five richest men in the world have “shot up by 114 percent since 2020,” according to a January 2024 [Oxfam report](#) on global inequality, while “nearly five billion people have been made poorer.”

This most recent gross increase in wealth and income inequality builds on global trends that took hold in the early 1980s, with the decades-long increase in inequality being particularly large in the United States compared to other developed nations. Wealth inequality is typically higher than income inequality, which in turn feeds higher future income inequality. Indeed, income inequality in the U.S. continues to rise, according to the latest report from the [Congressional Budget Office](#), utilizing data through 2020.

At the same time, and quite unsurprisingly, the largest U.S. banks made record profits in 2023, with [JPMorgan Chase](#) reporting \$49.6 billion in net income for the year. In the meantime, the Federal Reserve, which world-renowned progressive economist Gerald Epstein calls the “chairman” of the “Bankers’ Club” in his new



and path-breaking book *Busting the Banker's Club: Finance for the Rest of Us*, has announced that it will keep its benchmark interest rate unchanged following its January 30-31 meeting. The federal fund rates of [5.25-5.5 percent](#), the highest in 22 years, do not affect Wall Street, the wealthy or powerful corporations, who simply push prices higher to protect profits. Those most adversely affected by the Fed's current monetary policy are low-wage workers and the poor.

But what exactly is the Bankers' Club, how does it maintain such firm control of the U.S economy at the behest of the rich and powerful, and who are the "Club Busters" that Epstein talks about in his book? In this exclusive interview for *Truthout*, which builds on our previous conversation about how "[SEC's Approval of Bitcoin Markets May Set the Stage for Financial Disaster](#)," Epstein addresses these issues and contends that we can win the fight against plutocracy.

*C.J. Polychroniou: Jerry, in your new book titled Busting the Bankers' Club: Finance for the Rest of Us, which is highly critical of the current banking and financial system, you refer to a Bankers' Club. Who are its members, what do they do, and how do their actions impact the U.S. economy and society?*

*Gerald Epstein: The Bankers' Club is the powerful group of political allies that the finance industry cultivates in order to sustain and augment its economic and political power. Why does the finance industry need political allies? Because, as poll after poll shows, Americans really dislike banks and bankers. Another way to gauge popular sentiment about bankers is to survey Hollywood movies about banks. Every year I ask my students in my "Finance and Society" class to come up with a popular movie that paints a favorable portrait of the finance industry. The best they have come up with is *It's a Wonderful Life*, and that is from 1946! Donald Trump in 2015-2016 ran a populist campaign railing against the banks and Hilary Clinton's connections to them. Of course, as soon as Trump was elected, he became a loyal member of the Bankers' Club.*

Who's in the Bankers' Club? Well, first are the usual suspects: the banks and the politicians they pay off to support them — to pass bank-friendly legislation and appoint finance friendly regulators. But there are other members who might be more surprising. Take, for instance, the Federal Reserve. I call the Federal Reserve the chairman of the club: The Fed sees the world through *finance-colored glasses*. With its monetary policy tools, its regulations and its lender-of-last-resort actions, the Fed often puts the interests of finance ahead of those of society at

large. We saw this with the financial bailouts after the global financial crisis of 2008; and we have seen that again in its recent high interest rate policies.

Other key members of the club include many financial regulatory agencies and lawyers that work for them or for the banks. Then, there's the CEOs of non-financial corporations who often side with the banks. This differs from the Great Depression, when many turned against the banks. And there are all too many in my own profession — economists who fashion theories based on flimsy assumptions that rationalize financial deregulation while claiming that free markets are the best of all possible worlds.

This club, at the cost of millions of dollars, dismantled the New Deal financial regulations that were the foundation of a relatively stable and efficient (though highly discriminatory) post-World War II financial system (some called it “boring banking”). This deregulation ushered in our current system of “roaring banking.”

Some argue that these financial titans are so big and powerful because they provide such valuable services to our economy — that these bankers are, in other words, essential workers. But *Busting the Bankers' Club* shows that these megabanks, private equity firms, hedge funds, etc. are actually — on balance — a net drain on our economy. This is because of their misallocation of human and financial resources, the frequent financial crises they cause, and the outsized profits and incomes they extract from society. (By the way, this analysis, and a lot of the underlying research in the book, comes from my joint research with excellent current and former graduate students from the University of Massachusetts Amherst economics department.)

In addition, “roaring banking” is a major engine of inequality in our society. The industry generates massive wealth for the CEOs, major investors and top management, while engaging in actions, such as those that led to the global financial crisis, that can strip Americans of their wealth.

*You identify the Federal Reserve as the chairman of the Banker's Club. What does the Federal Reserve actually do that would even make it a member of the Bankers' Club?*

The Federal Reserve has three major areas of action: setting monetary policy, including interest rates; regulating and supervising banks, including the megabanks such as Bank of America, Citigroup and JPMorgan Chase; and the so-

called lender of last resort function, in other words: bailouts. All of these activities have a big impact on the banks and other financial institutions as well as on workers and the rest of us. Historically, for structural and institutional reasons, the Federal Reserve implements these policies primarily to support the banks and financial markets, rather than workers and communities.

Take monetary policy. Because of political struggles by unions, pro-worker groups and legislators, the Federal Reserve has a dual mandate: high employment and stable prices. But, in practice, the Fed usually places primary emphasis on fighting inflation, even if that results in a high level of unemployment. [My research](#) with my graduate student, Aaron Medlin, shows that this policy has the effect of protecting the real wealth of the richest 1 percent of the population at the expense of the bottom 50 percent. The problem is that the Fed typically raises interest rates, which often increases unemployment and hurts workers and the poor. The wealthy, by contrast, get both higher returns on their wealth and lower inflation, which bolsters the real after-inflation value of their wealth holdings.

In terms of regulatory policy and bailouts, the Fed's policies are typically all in terms of protecting the banks: They have a tendency toward lax regulatory judgements and enforcement, and when banks get in trouble due to excessively risky actions by the bankers, the Fed usually bails out both the major banks and the bankers.

All these policies win the bankers as Federal Reserve allies, who often lobby Congress and the president to keep their hands off the Fed and protect Federal Reserve "independence."

*How does this club sustain and reproduce the hegemonic role of finance in the U.S. and global economy, and what holds it together?*

A nexus of payoffs — financial institutions give campaign contributions to politicians and offer them and their staff lucrative jobs when they leave office; financial firms hire economic consultants and sometimes give money to friendly economics programs and departments. The banks create a revolving door of well-paying jobs for Federal Reserve and regulatory officials and their staff who shuttle between private and public employment.

How is all this financed? Through what I call "the circuit of wealth grabbing." To some extent this is a self-sustaining process where the Bankers' Club is paid off

from the profits financial institutions make from deregulation, favorable accounting and legal rules. Undergirding much of this is what I call the “Money Spigot” — this includes government and Federal Reserve bailouts; Federal Reserve liquidity provision and friendly monetary policy that enhances financial profits and sustains the real value of financial assets; and finance friendly tax laws that enhance profits and wealth. Further underlying this circuit — something that [Christine Desan](#) has written brilliantly about — is the government sanctioned, private bank-based monetary system that allows private banks to create money. To reform banking we must reduce the power of the bankers’ club and to do that we must, among other things, plug up this money spigot.

*Modern capitalism has always had enthusiasts, opponents and reformers. Thus, it would be only natural that the current financial and banking system faces opposition by a host of organizations and people which you label the Club Busters. Who are the Club Busters, and what is this fight all about?*

Importantly, my book is not just about the Bankers’ Club and the problems it creates. My book is also about the “Club Busters” — the individuals, organizations and groups that for years have been fighting for a better financial system. These include lawyers and economists who fought against race-based mortgage exclusion (“redlining”) and predatory lending in the 1960s, ‘70s and ‘80s; consumer advocates, often working with Ralph Nader-sponsored organizations in the same period to fight consumer exploitation by banks, among other shady practices; law professors and radical economists who developed critiques of neoliberal justifications for financial deregulation and shareholder maximization as the only appropriate goal for corporations; labor unions who fought for pension rights for workers and a more worker-friendly Federal Reserve policy; and all of these groups that came together in the fight for financial reform after the great financial crisis of 2008-2009, first under the auspices of the Americans for Financial Reform and then joined by Better Markets; and, importantly, reform-minded legislators, such as Senators Elizabeth Warren, Sherrod Brown, Jeff Merkley, Bernie Sanders and Rep. Alexandria Ocasio-Cortez. The Club Busters have been joined by those working in many parts of the country to create a system of public banks that can serve society’s needs and provide socially productive alternatives to the “roaring banks.”

*While you are an academic economist yourself, you admit that economics as a profession not only hasn’t done much to solve our economic problems but*

*“sometimes makes things worse.” Should the public then pay attention to what economists say, or is it that what they say is mostly for the ears of the privileged classes?*

In *Busting the Bankers’ Club* I discuss both “bankers’ club economics” as well as the challenges to bankers’ club economics by heterodox economists and other critics who also are among the “club busters.” So, yes, the mainstream of the economics profession, especially in its neoliberal manifestation, has helped to prop up the power of finance by providing facile justifications for financial deregulation and free markets, and often exaggerating the social costs of financial regulations. Bankers’ Club economics has had its most powerful expression in the works of Milton Friedman and his colleagues at the University of Chicago, but its purveyors are not restricted to the midwest. On the other side, drawing on a long tradition of Marxist, Radical, Institutional, Keynesian and, more recently, feminist and stratification economics ideas, more economists and, importantly, economic institutions both inside and outside academia, are presenting both critiques of “bankers’ club economics,” but equally if not more importantly, alternative theory and policies which can inform alternative institutions and practices that are more egalitarian, efficient and effective. These institutions include academic departments like my own at the University of Massachusetts, the New School for Social Research, University of Missouri - Kansas City, Colorado State University and American University, among other places, as well as research institutes and think tanks, such as the Political Economy Research Institute, the Levy Institute, the Roosevelt Institute, Center for Economic and Policy Research, and the Economic Policy Institute.

So, in short, there is plenty of blame to heap on economists, but there are also more and more effective “club busting” economists and economic institutions as well.

*Money drives politics. Given this fact, can the fight against the Bankers’ Club be won?*

Yes. Money drives politics and money is the glue that holds together the Bankers Club. In order to defeat the Bankers’ Club and the megabanks, money flowing to the banks and from them to their allies will have to be greatly reduced. At one level, this will be achieved by financial regulations, tax policies and other policies that will limit the profits of the big banks. A number of financial reforms I propose

in the book will have this effect. These include, for example regulations to:

1. Downsize and simplify the megabanks — for example, implement a modern Glass-Steagall Act.
2. Greatly limit banks' financial dependence on short-term liquidity for financing long-term or illiquid investments.
3. Leave no financial institution or market unregulated — including hedge funds, derivatives and private equity.
4. Implement a precautionary principle with respect to financial innovation, which would limit the widespread introduction of new financial products until they can be shown to be safe and effective: For example, keep crypto out of the core of our banking and financial system and, if anything, out on the fringes.

But implementing these policies will probably not be feasible without limiting the role of money in politics more generally. In other words, we will need both more democratic finance and genuine democratic reform in the larger sense.

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Chomsky, 2021); and *Economics and the Left: Interviews with Progressive Economists* (2021).