Without a functioning banking sector, we cannot address unemployment and inequality, and we cannot innovate for a sustainable economy. Banks are the intermediaries. If they are dysfunctional, it affects the whole of society. The recent "Occupy Wall Street" and "we are the 99%" movement articulates the frustration over the role that banks have played in the current social and economic crisis, and frustration over the political power that banks hold.

This banking proposal below summarizes ten concrete action steps that address the dysfunctions of the current financial system. These ten points are minimum requirements that will stabilize the financial sector. They are a starting point for moving into an economic system that can innovate and create new jobs. These ten points are based on in-depth case studies and research on the banking system.

**ACTION PLAN**

*As intermediaries in the economy, banks have a different responsibility than any other corporation. This structural advantage comes with responsibilities. We demand:*

- **Limit the size of any single bank or financial institution.** No single bank is permitted to hold more than 8% of the total deposits of the USA nor hold assets worth more than 4% of the US-GDP.

- **Separate commercial banking business from investment banking.** Never bail out investment banks.

- **Make Offshore-Banking illegal.** Banks are no longer permitted to channel profits offshore. Prevent loopholes for tax payments by banks.

- **Rating agencies:** review the practice and conflict of interest issues with rating agencies. Include societal, environmental and individual customer impact of financial products and financial institutions in the rating process.

- **Transparency:** Banks must be required to report a.) loans to small
& medium size companies, b.) impact on environment, and c.) the social impact of their lending.

• **'People-first' financial services**: Banks and other financial institutions must create financial products that serve the real economy and the society.

• **Tax speculative financial transactions** by introducing a financial transaction tax.

• **Regulate derivatives**: Financial products need to serve the real economy and their customers. Limit speculative products.

• **Political campaign finance reform**: Create a bi-partisan group with representatives from citizen groups, watchdog organizations, advocacy and other NGOs to develop a proposal for campaign financing. Deadline for a proposed bill: 1.1.2012.

• **End revolving doors**: Bankers may not hold political office for five years after they have left the financial sector, politicians may not work in the banking sector for five years after they have left politics.

*Post by Katrin Kaufer.*