

A clean exit

22 de Janeiro, 2016 - 10:44h

Mariana Mortágua ^[1]

We need to stop taxpayers' money acting as a guarantee that mismanagement in private banking is a crime that pays. By Mariana Mortágua.

At the end of 2013, the Portuguese government led by Pedro Passos Coelho injected 1.1 million euros into BANIF bank. The government assured taxpayers that this operation would come at no extra cost to them, and would even earn interest for the country. As acting leader of the bank, with most of the capital, the government opted to leave the bank under private management, so Passos allocated BANIF one director with no administrative powers, António Varela.

During the years that BANIF benefited from the state's help, it presented no less than eight proposals for the restructuring of its management to European Authorities, all of which were voted down. Nevertheless, after almost two years as BANIF's director, António Varela was promoted and became responsible for prudential supervision of the Banco de Portugal. Under Carlos Costa (governor of the Banco de Portugal), there seems to have been a special process to choose who is protected by Passos Coelho, Prime Minister, and Paulo Portas, vice-Prime Minister.

While BANIF was writing plans that would end up binned by Brussels, the PSD/CDS Government tried its hardest to make a the exit look clean. It had already been difficult enough to drag the Banco Espírito Santo through the official solution proposed by the Troika [IMF, European Central Bank and the European Commission] and only let it all blow up afterwards. Then there was everything to play for at the start of 2015 in the elections. Back then, it would still have been relatively easy to come up with a solution, as the liquidity of the bank hadn't yet deteriorated, and it would still have been possible to draw up a solution that penalized shareholders and large creditors, minimizing costs to the taxpayer. Most importantly, there would have been time to plan the integration of its assets into Caixa Geral de Depósitos, therefore saving the jobs that were lost.

Together with the Banco de Portugal and the European Commission, the Right, whose main argument was to reject income return because it would entail more taxes in the future, gave taxpayers a bill for their 'lucky escape'.

Even if this happens again, we can never go back in time. However, we can find out who is responsible and punish them. The banking system needs an overhaul, and to be under public control, not to be another asset in the private sphere. We need to stop taxpayers' money acting as a guarantee that mismanagement in private banking is a crime that pays.

Article originally published in the Jornal de Notícias [2] on 22 December 2015.

Translation by Luci Ruas for esquerda.net/English

Artigos relacionados:

The Banif plot thickens [3] Offer to buy Banif which would have cost the State 1.7bn less refused by ECB [4] Left Bloc went against the decision presented by the government for Banif bank [5]

Sobre o/a autor(a):

- [Biblioteca](#)
- [Agenda](#)
- [Jornal Esquerda](#)
- [Blogosfera](#)
- [Comunidade](#)
- [Revista Vírus](#)
- [Wikifugas](#)
- [Ficha Técnica](#)

URL de origem: <http://www.esquerda.net/node/40851>

Ligações:

[1] <http://www.esquerda.net/autor/mariana-mort%C3%A1gua>

[2] <http://www.jn.pt/>

[3] <http://www.esquerda.net/node/40812>

[4] <http://www.esquerda.net/node/40641>

[5] <http://www.esquerda.net/node/40423>