

No more Black suffering on display: expose racist banking to public scrutiny and bring in home-grown ROSCAs

By [CAROLINE SHENAZ HOSSEIN](#) MAY 31, 2021

What we need now is a national bureau; an independent body to track and document racism and discrimination in our financial institutions.



Ottawa resident Kensha Spaulding told CBC's *The National* that he's lost sleep over his treatment at a local bank branch, where he was subjected to intense scrutiny when attempting to deposit a paycheque. It is infuriating that we keep hearing these stories at a time when we are supposed to be conscious of systemic racism against Indigenous and Black people, writes Caroline Shenaz Hossein. *Screenshot courtesy of CBC*

A story that aired in late April on *The National* outlined how Ottawa painter and construction worker Kensha Spaulding [was told by his TD Bank for many years](#) that his money would be subject to a hold. But the Black self-employed painter needed access to his money to do his work. This kind of

discretionary policy translates into “we don’t trust you.” TD is also saying “we decide if you have access to your own funds.” What is worse is that these decisions are [being made subjectively](#).

I, too, have been denied access to my money when I was self-employed, working for well-known institutions like the UN and the World Bank. Cedric Robinson’s concept of racial capitalism is playing out in the Canadian marketplace and it is negatively affecting Black people. In a recent [Abacus Data study on Inclusive Entrepreneurship](#), spearheaded by a group of Senators, 76 per cent of Black entrepreneurs reported that racism has an adverse effect on them succeeding in business. And only 19 per cent of respondents said they trust banks to do right by them and their communities. It seems that discretionary policies, such as loan size and access to one’s bank account, are actively taking place to harm Black Canadians, and there is nothing unconscious about the racial bias of these policies.

It is infuriating that we keep hearing these stories at a time when we are supposed to be conscious of systemic racism against Indigenous and Black people. The CBC has exposed banking harms to [Maxwell John and his granddaughter, Dana Mohammed, Frantz St. Fleur](#), Spaulding, and countless others. For years, I have been contacted by Black Canadians (Americans, too) about these humiliating experiences.

It’s time to do away with Black suffering on display and to think about what solutions we need.

The Central Bank’s [diversity and inclusion strategy](#) runs hollow. We need firm actions so banks stop discretionary policies that make Black people feel disproportionately affected for doing mundane transactions. Simply apologizing or doing anti-racism staff training is not enough to stem these hostilities.

Our federal government should not be colluding with the Big Six banks and two credit unions to create a Black Entrepreneurship Program worth a combined \$221-million if these banks are alienating and being routinely racist. This is worrying.

Rather, Canada’s Big Six banks and the credit unions all need to be held accountable.

Banks that are excluding Canadians from accessing goods because of their identity is against all of our fundamental human rights. And our media and state leaders should be doing more to expose these indignities and abuses.

Fund a nation-wide public reporting system

While it is vital that bankers train themselves on how not to be racist, we cannot wait on bankers to internally diversify their leadership, management, and boards. That will take a lifetime.

What we need now is a national bureau; an independent body to track and document racism and discrimination in our financial institutions. I am sure that the Black Canadian Chamber of Commerce or another independent body can document systemic racism to ensure fair access to capital in this country.

We also need premiers to push business schools and economic departments in this country to hire academics who study financial exclusion and who collect the empirical data.

It is only with formal public scrutiny that these banking institutions will begin to change, stop being racist, and take inequities seriously.

Still not listening

As I said before, [in writing](#) and to the nation in my [March 2021 Big Thinking](#) lecture, Ottawa has missed an opportunity to think about existing solutions to make banking equitable. Right here Black, Indigenous, and racialized people have their own co-op banking systems, known as rotating savings and credit associations (ROSCAs)—self managed co-ops by women that stem the effects of racial capitalism. These ROSCAs go by cultural names, such as *sol*, “meeting turn,” *esusu*, *restourne*, “partner,” *Hagbad*, *jangjui*, and *sadooq*.

Canadians and people around the world are now aware that ROSCAs exist in Canada. But ROSCAs are being ignored, seen as too “informal” and “communal.”

Once upon a time, the Desjardins *caisses populaire* movement was informal but the state invested in them to stem the exclusion of French Canadians and to make credit available. Today, Desjardins is a sense of pride for all Canadians.

ROSCAs the antidote to racist banking

While the feds have expressed interest in “social innovations” in the recent budget, the work of ROSCAs has been forgotten, once again.

Canadian women are organizing ROSCAs rooted in mutual aid because they want and need to. For more than a decade, I have interviewed hundreds of Black women across the Americas, including in Toronto and Montreal, about economic co-operation. All of this work is funded by both the federal and provincial governments and I have found that ROSCAs are *the* antidote to racial capitalism in our society.

Policy makers now know about ROSCAs because they fund this research. We need to find ways to incorporate some of the Banker Ladies of Canada into our work on financial equity.

ROSCAs are embedded in communities all over this country. These women know how to do Islamic-compliant lending, working in other languages—such as Somali, Spanish, Portuguese, Arabic, and Haitian Creole—as a way to make people feel a sense of belonging. Withdrawal of branches in marginalized areas is a clear sign that banks do not care about our business.

So, let’s find solutions.

Launch a national public registry with the help of the Black Canadian Chamber of Commerce to document racism in banks and to recommend solutions. And recognize that we have thousands of women all over this country carrying out ROSCAs as part of our financial ecosystem.

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<https://www.hilltimes.com/2021/05/31/no-more-black-suffering-on-display-expose-racist-banking-to-public-scrutiny-and-bring-in-home-grown-roscas/299375>