

Can we afford Barclays?

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As the [Guardian has noted](#):

Barclays was preparing the ground on Monday night for a major capital-raising exercise that is expected to include a potential cash call on shareholders of up to £5bn.

Now I'm not going to argue against re-capitalising banks. They clearly need to be more robust.

But I am going to argue that this may not be money well spent. The call for cash is not costless: some will, for example, come from your savings in all likelihood, even if they are of relatively modest amount. Few pension, life assurance or other structured funds will not invest in Barclays. And you will not see an increased return as a result of this money you will be contributing. It's a direct cost to you.

And it's a cost for a reason - which is that Barclays is not fit for purpose. Having sought to avoid state funding in 2008 Barclays has since been an example of capitalism gone wrong at almost level looked at, from tax abuse, to executive greed, to corruption, to market rigging, to over-exposure to inappropriate lending, to supporting tax havens. And still it can call for your money.

And my question is a simple one. It is, can we still afford Barclays? The obvious answer is we can't. No organisation guilty of its malpractice should survive. In the state sector it would not. So why do we tolerate it? And why can't we get rid of it?

Until capitalism can kill off that which corrodes it from within is capitalism worthy of being considered a viable economic system? Since palpably it cannot do that at present, and survival of the fittest is not now its function or purpose, but perpetuation of failure does instead appear to be its *raison d'etre*, why do we still tolerate it?