

# Help your community without lifting a finger

Text: Jess Bauldry



Jos Schanck, organic farmer who has funded his business using credit from Etika.



Kultur Deppen, a community café in Untereisenbach

**Ever wanted to help a charity but don't have the time to volunteer or the funds to donate cash? If this sounds like you then there is one option open which involves simply visiting the national bank and opening an account.**

**E**tika is Luxembourg's first and only social funder, supporting scores of worthwhile social and environmental projects around the country with low interest credit.

The loans, which have so far funded projects such as the Emile Weber hybrid buses and organic farms, are supported by people who have opened an alternative bank account with the Banque et Caisse d'Epargne de l'Etat, the country's national bank.

Etika press officer Ekkehart Schmidt-Fink explained: "It's almost exactly the same as opening a normal bank account. The only thing you would notice on your account is that your bank card will say "alternative", that the interest rate of an Alternative savings is lower compared to a regular saving account and of course the fact that the money you put into this account is invested in responsible projects with social or environmental values. Etika takes a full disclosure approach and all account holders will receive a newsletter three times a year, describing every project customers' money is invested in, including the name of the entrepreneur and the location of the project."

At present there are nearly 860 account holders, a figure which is rising by a steady 20% year on year. "It is still low", said Mr Schmidt-Fink. "We have to be clear it's a small piece of the cake. I think that people are starting to ask more questions about what happens to their money."

The impact of this work on the social fabric of Luxembourg society is immeasurable.

The benefits of Etika's tiny team of one and a half full-time staff and volunteers are seen all around the country, from the buses, to tourism in the Velosophie ethical tourism programme, to social housing for people on low incomes, organic farms and programmes aimed at getting people back to work.

Etika coordinator Jean-Sébastien Zippert said: "The criteria for our projects is like those for other social banks in Europe. We intend to invest in projects which can provide an environmental or social added value. It's a very broad criteria. For environmental projects we try to focus on renewable energy, organic farming and sustainable distribution. We focus on non profit organisations which have projects which protect the environment and bio diversity.

On the social side we choose organisations aimed at getting people back into work who are long-term unemployed and those without training or qualifications. Also we try to help people with housing problems. It's really huge in Luxembourg especially because of the house prices. The other focus is local community development. We concentrate on companies doing things in Luxembourg, creating activities and communities where there are none, like in dormitory towns. For example we helped support a café, to provide a meeting point in a place where there was no social cohesion before."

Ethical banks, which invest the funds of their clients in socially responsible or sustainable projects, evolved in Europe during the 1970s. Among the more familiar names are Triodos and the Charity bank, based in the UK. The account holder may receive a slightly lower interest rate on their savings (0.2% in the case of the Banque et Caisse d'Epargne de l'Etat) but this enables the bank to offer lower interest credit than any other financial institution to worthy causes (0.7% interest in the case of Etika loans).

Mr Zippert said: "Normally, people don't think about how their bank is investing their money. They just get their interest at the end of the year. But, I think that since the financial crisis of 2008, people are becoming more aware that they

have an ethical responsibility, whether they are buying bananas or choosing a bank account. We would be happy if people asked their banks how their money is being invested. If for example, you were against nuclear energy and the bank invested in that, perhaps you would like to change your account."

## **Bike tours**

Etika is organising a number of awareness-raising activities, including several bike tours with award-winning sustainable tourism firm VeloSophie, visiting some of their projects. The tours are held on May 15 and June 18. They are free of charge (except for meals). Bikes can be hired for 20 euros.

## **Who wants to win 1,000 euros?**

Etika is also organising Qui veut gagner en vision, a quiz show based on the theme of "Who Wants to be a Millionaire?" with questions based around sustainability and globalisation. The first prize is 1,000 euros and there will be a maximum of six candidates selected from a draw. To enter go along on the night. The next event is May 10 at 6.30 pm at Exit07, in Hollerich. The quiz will be in French but English translations can be made.

For information, visit [www.etika.lu](http://www.etika.lu), email [contact@etika.lu](mailto:contact@etika.lu) or call 29 83 53