

Social banking, an **alternative** choice

What is meant exactly by social or “alternative” banking? This would be a bank which, either wholly or partially, pursues social goals, such as overcoming the frequently observed imbalance between the bargaining power of banks and retail customers, a bank more aware of the needs of certain groups, such as small businesses, farmers, low-income families, and so on, a bank more focused on financing long-term projects, a bank willing to meet regional or territorial needs or interests and also more specific ones, such as building affordable housing.

This banking system already exists, as some of these objectives are precisely the driving force of organisations such as rural banks or credit unions. We must also take into account organisations in the field of so-called “ethical banking”. The fact is, however, that these organisations form a very small part, one could even say an irrelevant part, of the whole credit system.

Until very recently there existed in Catalonia the sector of savings banks, which housed the major part of the country’s savings and credit. Originally, this sector was based on the ideals of social banking, although it is true that some years ago they

lost their social and charitable nature. In any case, the strong financial crisis of recent years and the solutions adopted to cope with it have wiped savings banks from the credit system. And the fact is that the clear and indisputable consequence of the disappearance of savings banks is the concentration of the sector in the hands of very few organisations.

Is social banking necessary? The scope and consequences of the crisis have often created a feeling of dissatisfaction and distrust towards a banking system that is perceived as dehumanised, non-transparent and abusive. The search for business models able to reconcile economic and social goals, shareholders and stakeholders, together with a strong long-term growth and special attention to such issues as the social, employment and environmental situation is clearly growing in every area. This does not mean rejecting the conventional commercial banking model, but rather establishing the need for a relevant alternative bank, to be added to the former one. The goals of this bank are:

- To guide investments towards a balanced regional development, identified with local interests, and long-term commitment.

- Widespread availability of financial services, proximity banking, offering efficient and competitive alternatives.

- Financial inclusion, with special attention to social sectors, such as young people, immigrants, farmers and traders.

- To achieve sufficient profitability which would allow a social distribution of the surplus.

Is it possible to develop social banking? Saving banks proved that it was possible to compete with conventional private banks in terms of efficiency, profitability and solvency, achieving a significant market share. But it is very difficult to break into and obtain a share in a cornered, mature market. The development of an alternative banking model would need the support of the public sector. With regard to the rules on competition and public assistance, it is possible to put forward schemes for public and private support which provide for this social need. In the context of developing new state structures and of fostering a new political reality, this kind of initiative would form part of a reformist approach, much more than the current Spanish one, which is completely subject to economic regulators and authorities insensitive towards these concerns.

GALLERY

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Waiting

When I think of March, a favourite song of mine, one of Donovan’s, wells up within, and I feel impelled to sing it!

‘Rain has showered far her drip/ Splash, and trickle running,/ Plant has flowered in the sand/ Shell and pebble sunning/ So begins another Spring,/ Green leaves and of berries/ Chiff-chaff eggs are painted by /Mother bird eating cherries’.

March of course is a ‘waiting month’ ; Winter has hardly finished, and Wordsworth’s daffodils may not have begun their ‘Fluttering and dancing in the breeze’. It’s more than likely that a cold, biting wind is blowing!

How good are we at waiting?

We wait for the lights to change when we are driving, we wait for an interview for a job, we wait for a flat we need, we wait

for a phone call.

Waiting at the doctor’s or the dentist can be horrendous. Oh, the list of things we wait for can be endless.

Aren’t we wasting our time in waiting? We are making our present moments flash by, ignored. We are making the future a grey ‘second hand’ encounter. Our ‘Spring’ would come if we, paradoxically, enjoyed every present moment. Every now !

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"It is time to prepare the legal disconnection from Spain" Artur Mas, President of Catalonia

As the Catalan struggle for independence reaches its final stage, there is less room for negotiation between Catalonia and Spain. An amicable split is the best scenario, but not the most plausible.