

Solidarity-oriented money: saving money for the others too?

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- Employee-owned businesses where workers influence the strategy and where the pay is more equal within the society (like John Lewis or Loch Fine restaurants)

All those businesses are more complex to manage and govern and need our help.

More generally our society is facing some important challenges like building our future and taking care of our planet. We should not rely on politicians who were not able to prevent the economic crisis. Moreover, the social business market is generally less supported by investors like banks and business angels, no market shares exist as well. That is why ClearlySo is a great innovation, not only to bring money but to also to create strong bonds between social entrepreneurs, investors who will of course get their dividends and sellers to provide products and services to the entrepreneurs at discounted prices.

Emmanuel Gautier, a manager at Natixis Asset Management -a pioneer company in Europe and the leader in France regarding solidarity-oriented employee savings, showed what was at stake as far as solidarity funds are concerned.

Two different actors of this global movement presented some tools which could make it possible for many investors to give a meaning to their savings.

First, Rodney Schwartz, the CEO of ClearlySo explains how his social business market place, which is actually the world's largest, works.

Four types of businesses correspond to the notion of solidarity which is at stake here, among which:

- Fair-trade businesses which pay their suppliers higher prices and invest in the communities but are still owned by the manufacturers (like coffee divine).

A solidarity fund is a socially responsible fund which invests from 5 to 10% in a local firm considered a « solidarity-oriented » company by public authorities. Financial performance is required even if it is less demanding than the one required by the remaining 90% which are traditionally managed through international financial markets. The firm can either invest directly in local companies: "proximity

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savings" (unlisted shares, micro credit), or finance solidarity-oriented investors in charge of finding specific projects.

The European legal environment favours the development of solidarity-oriented finance. In France, the law related to the modernization of the economy makes it compulsory for the firms to implement solidarity funds within the employee savings plans. The companies may create an additional solidarity fund or convert one of its existing funds into a solidarity fund (Carrefour).

The implementation of solidarity-oriented assets makes it possible to have a social and environmental impact which can be assessed within financial portfolios. It gives not only a sense of responsibility to investors, extending the investment period, but it also brings about reinvestments towards projects involving the real economy.

The risks are almost non-existent, but we need to pay attention to the fact that profitability may cut down on social and environmental performance, which does not have to happen.

The development of a responsible investor population with a long-term investment period and the emergence of new solidarity-oriented projects which are economically feasible are now at stake.

